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INDEX AND SUMMARY OF H. R. 11202

LEGISLATIVE HISTORY

Public Law 88-573
H. R. 11202

May 8, 1964 House Appropriations Committee reported H. R. 11202. (Print of bill)

May 19, 1964 Senate passed H. R. 11202 without amendment.

May 21, 1964 H. R. 11202 was referred to the Senate Finance Committee. (Print of bill as reported)

June 10, 1964 Sen. Finance Committee reported H. R. 11202 with amendments. (Print of bill as amended)

June 16, 1964 Senate Finance Committee approved H. R. 11202.

June 27, 1964 Senate Finance Committee reported H. R. 11202 with amendments. (Print of bill and report)

July 8, 1964 Senate passed H. R. 11202 as reported. Senate conference was appointed. (Print of bill as passed by Senate)

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July 10, 1964 House conference was appointed to H. R. 11202.

July 19, 1964 House received conference report on H. R. 11202. Summary of actions by conference.

July 20, 1964 Both Houses agreed in conference report.

July 27, 1964 Approved Public Law 88-573.

Editors: H. and E. Appropriations Committee.

Index and summary of H. R. 112021
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Summary of Appropriations, Fiscal Year 1965

INDEX AND SUMMARY OF H. R. 11202

- May 8, 1964 House Appropriations Committee reported H. R. 11202. H. Report No. 1387. Print of bill and report.
- May 19, 1964 House began debate on H. R. 11202.
- May 20, 1964 House passed H. R. 11202 without amendment.
- May 21, 1964 H. R. 11202 was referred to the Senate Appropriations Committee. Print of bill as referred.
- June 30, 1964 Sen. Johnston submitted a proposed amendment to H. R. 11202 re classing of cotton.
- Aug. 4, 1964 Senate subcommittee approved H. R. 11202.
- Aug. 7, 1964 Senate committee reported H. R. 11202 with amendments. S. Report No. 1331. Print of bill and report.
- Aug. 8, 1964 Senate passed H. R. 11202 as reported.
Senate conferees were appointed.
Print of bill as passed by Senate.
- Aug. 18, 1964 House conferees were appointed on H. R. 11202.
- Aug. 19, 1964 House received conference report on H. R. 11202.
Summary of actions by conferees.
- Aug. 20, 1964 Both Houses agreed to conference report.
- Sept. 2, 1964 Approved: Public Law 88-573.

Hearings: H. and S. Appropriations Committee.

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Approved: H. and S. Appropriations Committee.

UNITED STATES DEPARTMENT OF AGRICULTURE

Summary of Appropriations, Fiscal Years 1963, 1964, and 1965

[Note.--Amounts include all supplemental appropriations to date, and those for 1963 and 1964 are adjusted for comparability with the 1965 appropriation structure. Amounts in brackets are not included in totals.]

Agency or Item	Appropriations		
	1963	1964	1965
ANNUAL APPROPRIATIONS FOR GENERAL ACTIVITIES:			
Agricultural Research Service ..	\$183,644,093	\$189,897,075	\$222,560,200
Cooperative State Research Serv.	38,120,788	41,428,000	49,932,000
Extension Service	75,257,600	80,081,500	85,174,000
Soil Conservation Service	192,815,459	201,904,000	209,196,000
Economic Research Service	8,900,913	9,246,800	10,576,000
Statistical Reporting Service ..	9,362,353	10,590,900	11,481,000
Agricultural Marketing Service .	261,737,796	275,142,600	263,966,000
Foreign Agricultural Service ...	21,060,070	18,587,500	20,488,000
Agri. Stabilization & Cons. Serv.:	689,813,973	720,320,500	633,602,000
Forest Service	248,246,222	267,474,000	273,504,000
All Other	22,792,266	24,817,440	25,063,000
Total, Annual Appropriations for General Activities	<u>1,751,751,533</u>	<u>1,839,490,315</u>	<u>1,805,542,200</u>
CREDIT AGENCIES:			
Rural Electrification Admin:			
Loan Authorizations	[480,000,000]	[495,000,000]	[435,000,000]
Salaries and Expenses	10,355,300	11,149,000	11,578,000
Farmers Home Administration:			
Loan Authorizations	[340,000,000]	[360,000,000]	[360,000,000]
Appropriations	35,991,345	67,743,900	45,744,000
Total Credit Agencies:			
Loan Authorizations	[820,000,000]	[855,000,000]	[795,000,000]
Appropriations	46,346,645	78,892,900	57,322,000
CORPORATIONS:			
Federal Crop Insurance Corp:			
Admin. and Operating expenses	6,714,357	6,944,000	7,192,000
FCIC Fund (operating expenses payable from premium income)	[3,265,250]	[3,505,000]	[3,638,000]
Total, Fed. Crop Insurance Corp.	<u>6,714,357</u>	<u>6,944,000</u>	<u>7,192,000</u>
Commodity Credit Corporation:			
Reimb.for Net Realized Losses	2,278,455,000	2,699,400,000	1,574,000,000
Reimb.for costs of Special Milk Program	92,243,150	- -	- -
Limitation on Admin. Expenses	[43,188,500]	[41,650,000]	[37,351,000]
Total, Commodity Credit Corp. ..	<u>2,370,698,150</u>	<u>2,699,400,000</u>	<u>1,574,000,000</u>
Total, Corporations	<u>2,377,412,507</u>	<u>2,706,344,000</u>	<u>1,581,192,000</u>
FOREIGN ASSISTANCE PROGRAMS	<u>2,085,022,000</u>	<u>1,889,044,000</u>	<u>1,992,151,000</u>
PERMANENT APPROPRIATIONS:			
Removal of surplus agricultural commodities (Section 32)	316,843,537	368,001,556	378,907,331
All other	117,446,503	143,308,749	142,346,240
Total, Permanent Appropriations ..	<u>434,290,040</u>	<u>511,310,305</u>	<u>521,253,571</u>
TOTAL, DEPARTMENT OF AGRICULTURE .	<u><u>6,694,822,725</u></u>	<u><u>7,025,081,520</u></u>	<u><u>5,957,460,771</u></u>

ADMINISTRATIVE PRACTICE AND PROCEDURE of Federal agencies in the exercise of their rulemaking, licensing, and adjudicatory functions (agreed to February 10, 1964).

S. Res. 262, authorizing the Senate Judiciary Committee to investigate U. S. ANTITRUST AND MONOPOLY laws (agreed to February 10, 1964).

S. Res. 278, authorizing the Senate Government Operations Committee to make certain studies as to the EFFECIENCY AND ECONOMY of Government operations (agreed to February 10, 1964).

S. Res. 280, authorizing the Senate Government Operations Committee to study the INTERGOVERNMENTAL RELATIONSHIPS between the United States and the States and municipalities (agreed to February 10, 1964).

S. Res. 290, authorizing the Senate Labor and Public Welfare Committee to make a study of matters relating to MIGRATORY LABOR (agreed to February 26, 1964).

S. Res. 332, requesting the Attorney General to investigate partisan political fund raising in the CIVIL SERVICE (agreed to June 24, 1964).

S. Con. Res. 19, to designate BOURBON WHISKEY as a distinctive product of the United States (agreed to May 4, 1964).

H. Res. 820, authorizing additional funds for the further expenses of STUDIES AND INVESTIGATIONS by the House Agriculture Committee (agreed to August 14, 1964).

H. Con. Res. 189, expressing the sense of Congress that the Southwest regional WATER LABORATORY should be known as the Robert S. Kerr Water Research Center (agreed to in House March 16, 1964; agreed to in Senate June 19, 1964).

H. Con. Res. 371, providing for SINE DIE ADJOURNMENT of both Houses of Congress on Saturday, October 3, 1964 (agreed to in House October 2, 1964; agreed to in Senate October 3, 1964).

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued May 12, 1964
For actions of May 11, 1964
88th-2nd; No. 93

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HIGHLIGHTS: House committee voted to report bill to establish National Food Marketing Commission. House passed deficiency appropriation bill. House committee reported pay bill. Sen. Williams, Del., inserted item critical of CEA refusal to submit information on salad oil investigation. Sen. Mansfield introduced and discussed bill to provide preservation of farmer's wheat history.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1965. Attached to this Digest is a copy of the committee report on this bill, H. R. 11202, at the end of which is included a summary table reflecting committee action on the bill. The bill was reported on May 8 during adjournment. p. 10128
2. FOOD MARKETING COMMISSION. The Agriculture Committee voted to report (but did not actually report) with amendment H. J. Res. 977, to establish a National Commission on Food Marketing to study the food industry from the farm to the consumer. p. D364
3. DEFICIENCY APPROPRIATION BILL, 1964. Passed with amendment this bill, H. R. 11201. See Digest 92 for items of interest to this Department. pp. 10111-6, A2403

4. PAY. The Post Office and Civil Service Committee reported without amendment H. R. 11049, the Federal pay bill (H. Rept. 1388). p. 10128
Rep. Olsen (Mont.) mentioned the changes between the newly reported bill and H. R. 8986, which was previously defeated by the House. p. 10109
5. POVERTY. Rep. Kilburn inserted a letter from a farmer in Canton, N. Y., criticizing the poverty program.
Rep. Forman stated that the way to end this country's poverty problem is through "the kind of job created solely by personal enterprise" and "in less burdensome government which will permit a higher rate of growth." p. 10110
6. RESEARCH; PERSONNEL. Both Houses received from Interior a proposed bill "to authorize the Secretary of the Interior to employ aliens in a scientific or technical capacity"; to Interior and Insular Affairs Committees. pp. 10128, 10131

SENATE

7. FOOD MARKETING. Sen. McGee inserted and commended an editorial supporting enactment of legislation to establish a commission to study the marketing structure of the food industry. p. 10166
8. FATS AND OILS; CEA. Sen. Williams, Del., inserted an article stating that a N. Y. State investigation of the DeAngelis salad oil case appears temporarily blocked because a "Federal agency refuses to disclose information sought by the New York attorney general," and quoting from a letter from the CEA Administrator stating that "In view of the restrictive provisions of the Commodity Exchange Act, it is essential that every possible action be taken to prevent the disclosure of confidential information either by this department or by any board of trade to which this department has furnished such information." p. 10152
9. POVERTY. Sen. Long, Mo., inserted and commended an editorial supporting the President's proposed poverty program. p. 10196
10. CIVIL RIGHTS. Continued debate on H. R. 7152, the civil rights bill. pp. 10167, 10173-95, 10227-45.
11. EXTENSION SERVICE. Received from this Department a proposed bill to provide for recognition of 50 years of cooperative extension service work with the people of the United States; to Agriculture and Forestry Committee. p. 10130
12. TRANSPORTATION. Senators Bartlett, Beall, Hartke, McGee, Randolph, Scott and Smathers were added as cosponsors of S. 2796, to provide for strengthening and improving the national transportation system. p. 10138
13. WILDERNESS. Sen. Anderson inserted an editorial and statement paying tribute to Howard Zahniser, executive director and editor of the Wilderness Society. p. 10138
14. FOREIGN AID. Sen. Aiken inserted and commended the President's speech to the Alliance for Progress Ambassadors pledging additional aid to Latin American countries, including agricultural aid. pp. 10243-4

DEPARTMENT OF AGRICULTURE AND RELATED
AGENCIES APPROPRIATION BILL, 1965

MAY 8, 1964.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the
following

R E P O R T

[To accompany H.R. 11202]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1965. The bill covers estimates contained in the 1965 budget, pages 85-180 and 817-819, and budget amendments contained in House Document 240, dated March 9, 1964. Also, the 1964 supplementals contained in House Document 203, dated January 21, 1964, as amended by House Document 284, dated March 23, 1964, have been considered in reporting this bill.

The bill provides funds for the general operations of the Department, including various activities such as research, disease and pest control, extension, soil and water conservation, marketing services, meat and poultry inspection, agricultural credit, crop insurance, the Commodity Credit Corporation, Public Law 480 and other assistance programs.

The bill includes total appropriations of \$5,182,665,000 for these purposes in the coming year, a reduction of \$406,257,600 in the budget requests which total \$5,588,922,600. The amount proposed is \$1,059,632,215 less than appropriated for fiscal year 1964. None of the 1964 supplemental requests totaling \$6,663,000 have been approved.

A summary of the budget requests and amounts recommended by the committee follows. A detailed breakdown by individual appropriations appears at the end of the report.

	Budget request	Recommended in bill	Reduction
Title I—General activities.....	\$1,432,340,600	\$1,393,687,000	—\$38,653,600
Title II—Credit agencies.....	58,802,000	55,885,000	—2,917,000
Title III—Corporations (including Public Law 480 and other assistance programs).....	4,097,780,000	3,733,093,000	—364,687,000
Title IV—Farm Credit Administration.....	(2,876,000)	(2,876,000)	-----
Total.....	5,588,922,600	5,182,665,000	—406,257,600

THE 1965 BUDGET FOR AGRICULTURE

A review of the President's Budget for 1965 indicates that the Department of Agriculture has received a greater reduction in appropriated funds for the coming fiscal year than the sum total for all other departments of the Federal Government. The amount requested for all activities of the Department is about the same as requested for the National Space Agency. It is nearly \$1 billion less than requested for the Department of Health, Education and Welfare and is approximately one-tenth of the request for the Department of Defense. It is only twice what we propose to spend for the Atomic Energy Commission next year. In making these comparisons, we in no way mean to pass judgment on the needs of these departments or agencies.

On the basis of appropriation requests before the Committee for fiscal year 1965, the budget carries a net reduction under fiscal year 1964 of \$653,374,615 as follows:

	Appropriation, 1964	1965 budget	Reduction
General activities.....	\$1,568,016,315	\$1,432,340,600	—\$135,675,715
Credit agencies.....	78,892,900	58,802,000	—20,090,900
Corporations (including Public Law 480 and other assistance programs).....	4,595,388,000	4,097,780,000	—497,608,000
Total appropriation.....	6,242,297,215	5,588,922,600	—653,374,615

The reduction proposed by the Bureau of the Budget for the Department of Agriculture would have eliminated important research stations at Petersburg, Alaska; Glendale, Arizona; Clarkedale, Arkansas; Quincy, Florida; Tallulah, Louisiana; Durham, New Hampshire; University Park, New Mexico; Geneva, New York; Scottsbluff (Mitchell), Nebraska; Brownsville, Texas; and Logan, Utah. It would also have eliminated the following market news services: Fort Smith, Arkansas; Baltimore, Maryland; Tulsa, Oklahoma; Memphis, Tennessee; and Nashville, Tennessee. The budget also proposed to eliminate certain marketing research which has done so much for Chicago, Boston, Philadelphia, New York, Pittsburgh, Detroit and many other cities in helping to improve marketing facilities. Further the budget would have drastically reduced the Agricultural Conservation Program for next year, as well as the Extension Service, Watershed Protection, Flood Prevention and assistance to districts by the Soil Conservation Service.

CERTAIN RESTORATIONS ESSENTIAL

The Committee is convinced that these activities are extremely valuable, particularly to the consumers of the country, and should be continued. It believes that they are far more essential than work done by the Department of Agriculture for other agencies and departments. Such extra work should be reduced sufficiently to offset the manpower requirements and cost of these activities which are to be restored in the following amounts:

	Funds	Man-years
Agricultural Research Service:		
Closing of field research stations.....	\$264,000	29
Transportation and facilities research.....	662,000	60
Extension Service:		
Payments to States and Puerto Rico.....	2,590,000	(1)
Soil Conservation Service:		
Curtailling of State offices, area offices, work units, and plant materials offices.....	1,344,000	162
Small watershed planning.....	1,025,000	111
Flood prevention.....	2,767,000	58
Statistical Reporting Service:		
Consumer surveys.....	94,000	1
Agricultural Marketing Service:		
Payments to States and possessions.....	75,000	(1)
Closing of market news offices.....	50,000	7
Total.....	8,871,000	428

¹ Personnel not counted against Federal employment ceilings.

The Department is directed to provide a budget balancing offset to these restored items by eliminating an equivalent amount of work for the Agency for International Development, for which a transfer of nearly \$12,000,000 is proposed for fiscal year 1965.

In the opinion of the Committee, it is far better to use taxpayers money to improve American Agriculture and protect the American Consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development.

None of the funds of the Department should be used to promote or assist in promoting overseas production of any agricultural commodity for export which (1) is affected by any price support program in the United States, (2) is given financial support through purchase or other assistance under Section 32 of P.L. 320, 74th Congress, or (3) is included in the inventories of the Commodity Credit Corporation.

The net budget decrease of \$135,675,715 under General Activities is largely due to (1) the proposal to finance the Special Milk Program in fiscal year 1965 by transfer from Section 32 funds in lieu of a direct appropriation, and (2) a reduction in the appropriation for the Conservation Reserve Program which is due to expiration of 83,543 contracts during the coming year. The Committee has gone along with both of these changes.

The net budget reduction of \$497,608,000 under Corporations is largely due to a change in policy. Instead of the Bureau of the Budget requesting funds to fully reimburse the Commodity Credit Corporation

for capital impairment, the 1965 request represents only a partial restoration of capital impairment for losses of the Corporation. This sum, together with cash receipts from the sale of commodities on hand, is estimated by the Budget to provide sufficient funds to cover CCC operations during the coming year.

Of course, should a major change occur in weather conditions, volume of production, prices and market conditions, or domestic and export sales, the provision of further funds might become necessary. The Committee has gone along with this change, however, primarily because it believes the Corporation should make increased efforts to secure adequate funds from additional dollar sales to meet its financial needs during the coming fiscal year.

COMPETITIVE-BID SALES FOR DOLLARS, A MUST

The Committee renews again its insistence that the Department see that U.S. commodities are kept in world markets at a competitive price, using competitive-bid sales of commodities to insure that we remain competitive and to regain our share of world markets.

Experience in 1962 and 1963 demonstrates conclusively that the Department must keep the competitive-bid sales program to insure that U.S. commodities will be constantly competitive in world markets. In 1962, using the payment-in-kind program, cotton exports totaled only 3.8 million bales. In 1963, 4.3 million bales were sold abroad, of which 2.1 million bales were sold in the last half of the year, after the Department returned to competitive-bid sales. This represented an increase of 1.3 million bales over the last half of 1962. This increase was due almost entirely to the resumption of sales on competitive bid during the latter part of 1963 at the insistence of this Committee.

The export of an additional 3 million bales of cotton in the coming year, for example, could make available an additional \$380 to \$400 million for CCC by requiring a smaller investment if sold from private sources or by providing cash for operating expenses if sold from CCC stocks. Increased exports of 100 million bushels of wheat would put some \$140 million back into CCC operating accounts. Exports of 100 million bushels of corn would return \$125 million.

By all means we must not return to the situation which existed prior to 1954 when the Department refused to sell U.S. agricultural commodities competitively in world markets, notwithstanding unlimited authority to sell competitively for dollars.

PRESIDENTIAL MANPOWER CEILINGS

Severe manpower limitations have been placed upon the Department's programs for fiscal years 1964 and 1965.

The effect of these end-of-year employment targets for 1964, in some instances, is to negate Congressional action taken last year to provide funds to meet special problems. While such funds have been appropriated for fiscal year 1964 they are not being used for the purposes intended by Congress, since personnel cannot be employed under the established ceilings to carry out the work. For a number of items, reserves have been established by the Bureau of the Budget to impound such funds, even though they were specifically provided by Congress to meet urgent needs.

These employment targets include positions for work done for other Federal agencies and organizations outside the Department with transferred funds. In some cases, the personnel limitations require reductions in the regular activities of the bureaus and agencies in the Department to cover personnel financed from transferred funds. In the opinion of the Committee, savings in funds and personnel made necessary by our present tight financial situation should come at the expense of extra activities for other agencies, rather than at the expense of the regular programs of the Department of Agriculture.

Also included in the manpower ceilings are positions financed from funds contributed by States, local governmental units and private organizations to meet special problems. The Committee feels that this practice should be discontinued, since it could result in discouraging local contributions which are urgently needed to supplement Federal funds provided for these special purposes, and recommends to the President that manpower ceilings be removed from personnel paid from such non-Federal funds.

In view of these Presidential reserves and manpower ceilings, the Committee must insist that all agencies of the Department use funds and manpower allowed to carry out all regular basic responsibilities for which funds are provided by Congress, prior to undertaking extra-curricular functions. Joint and cooperative domestic programs with private industry, the Corps of Engineers, and Departments of Commerce, Interior and Health, Education and Welfare shall be deemed to be regular programs. The order of priority should be as follows:

- (1) Regular basic responsibilities.
- (2) Work for other agencies of the Department of Agriculture related to their regular basic responsibilities.
- (3) Work for other agencies of the Department related to recently established "pilot" programs.
- (4) Work for other agencies and organizations outside the Department.

Further, within the manpower ceilings, it is expected that the Secretary will use his 7 percent transfer authority between funds within each agency to see that manpower available to the Department is used on the most essential activities. Also, the Department should make at least a prorata reduction in Washington office personnel by attrition where further manpower reductions are necessary.

Discontinuance of the work done by transfer of funds from the Agency for International Development as previously directed will make 448 man-years of employment ceiling available to cover the 428 man-years required to cover the activities restored for fiscal year 1965 as discussed above. Most of this is for research, soil conservation operations, marketing research, and statistical reporting service as outlined above.

IMMEDIATE PROBLEMS FACING FARMER AND CONSUMER

There are two pressing problems currently facing American Agriculture and the American Consumer which must be given immediate attention. One of the more pressing is that facing the tobacco

producers and processors and millions of consumers as a result of the recent report of the Surgeon General on "Smoking and Health." The other is due to the terrific impact present publicity is having on the producer and the consumer with regard to the use of insecticides and pesticides, the use of which is absolutely essential to our high standard of living.

The Committee has included funds in the bill to enable the Department to undertake research immediately to meet these urgent problems. Under authority given by Congress last year, the use of \$3,000,000 of Section 32 funds for research on these problems in the next year has been provided for in the bill, along with other items discussed under that section of the report.

THE TOBACCO PROBLEM

Tobacco has been a major agricultural commodity through the years. It is produced in 21 States and is the fifth largest income-producing crop to farmers. It is an \$8 billion industry with growers receiving about \$1.2 billion per year. It pays some \$3.3 billion each year in taxes to our Federal, State, and local governments.

Due to the implications of the Surgeon General's report, it is essential that we find the answers through research. In this effort we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found.

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

The Committee hearings disclose that the University of Kentucky has a Tobacco Research Laboratory built with \$4.5 million of State funds which is now available and has been offered to the Department of Agriculture by University and State officials for such research. It is located adjacent to the New Medical Research Center at this University and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the Committee has included \$1,500,000 of Section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location in collaboration with the State University, State agencies, the Department of Health, Education and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

THE PESTICIDE RESIDUE PROBLEM

The need for additional research on development, testing, and use of pesticides and insecticides, together with the effects of sprays or other residues from products used in agricultural production is very acute. Recent well-publicized books and articles, not always based on complete and objective information, have increased public concern about this matter. Current statements in the press which make certain claims concerning the effect of agricultural pesticides on fish

in the lower Mississippi River present a completely one-sided point of view, and in this instance it is not claimed that health is affected.

To enable the Department to protect agriculture and the consumer by developing and presenting full and complete facts on this matter and to develop improved methods of insect and pest control, some expansion of research activities in this area is necessary. Congress provided for the establishment of a weed control laboratory last year. Since the work at this location will be directly concerned with the use of pesticides, insecticides, other agricultural chemicals, materials, and methods, plans for this facility should be modified to permit testing and development of pesticides, insecticides and other materials necessary to agriculture, including effects of residues.

For expanded research on use of pesticides and control of insects and pests, the Committee has included the budget estimate of \$1,500,000 under Section 32 for next year, including such amount as may be needed for the modification of plans at the weed control laboratory provided last year to include this type of research.

Both the Department of Health, Education and Welfare and the Department of Agriculture are deeply interested in protecting the public health. Both departments have responsibility for approving materials for use as pesticides and insecticides for agricultural purposes.

Neither Department, we are sure, would want to needlessly deprive the American Consumer of any part of the finest and cheapest food any Nation has ever enjoyed. In recent weeks, however, after materials have been approved and put into use, new means of detection of minute amounts of residue have resulted in news releases, press accounts, and headlines which needlessly frighten the consumer, do financial damage to the manufacturer and the farmer, and lessen the supply of food for the consuming public, though there is no claim that the public health is endangered. Neither the Department of Health, Education and Welfare, nor the Department of Agriculture would want to needlessly destroy any American business or agricultural enterprise. Yet that is what present policies are doing in cases where there is no evidence of danger to the public health.

The members of the Committee recall the cranberry incident in 1960, when a whole industry was practically destroyed by reckless statements and charges. It took \$10,000,000 recommended by President Eisenhower to compensate for the damage and bring back public acceptance of this commodity. The public health must be protected. However, the supply of food and the processes which make food and fiber plentiful and cheap must also be protected where there is no evidence that public health is endangered.

In an effort to prevent further financial damage to American producers and loss of food for consumers as a result of reckless handling of this problem, the Committee has set up \$250,000 for the use of the Secretary of Agriculture to collaborate with the Department of Health, Education and Welfare in working out rules and regulations *including the recommendation of such changes in the law as may be necessary* to protect our high standard of living with the most plentiful, cheapest and finest food and fiber any Nation ever had—while at the same time protecting the public health.

The food supply shortage is said to be Russia's "Achilles heel." Russia's monumental failure to provide food for her people and their allies is her chief weakness in the world of today. We must prevent our Nation, where only 18 percent of total income goes for food, from

sinking to Russia's level, where some 50 percent or more of national income is spent for food.

It is the firm belief of this Committee that news releases or other public statements regarding any pesticide or other material which such departments have authorized for use should not be made unless at least one of such departments states that there is evidence that the continued use of such material would injure the public health.

Further, some provision should be made for payment of financial losses to any producer, processor, or manufacturer resulting from statements or actions concerning the use of approved pesticides, insecticides, chemicals or other materials, where there is no evidence that their use endangers the public health. The payment for such damages should be made by the department issuing or negligently permitting the issuance of such statement or action.

PROTECTION FROM DISEASE AND PESTILENCE

It is estimated by officials of the Department that, if it were not for the use of fertilizers, insecticides and pesticides, in five years the cost of a very inferior quality of food to the American consumer would double, and in 10 to 15 years the people of this nation would be short of essential foods.

The threat from insects and diseases becomes increasingly serious as the speed and volume of travel increases between all areas of the world. Nearly 57 million more persons entered the United States during fiscal year 1963 than in 1954. The number of planes, ships and other carriers in 1963 was over 26 million as compared to 14 million in 1954. The number of pieces of baggage inspected increased three-fold in 6 years—from 9 million in 1957 to over 27 million in 1963.

The opening of additional ports along the St. Lawrence Seaway and increased non-stop over-seas air flights to airports in the interior of the country are also increasing the threat of introduction of new pests from abroad.

It has been estimated by Agriculture experts that the damage to crops by the more than 600 different kinds of major destructive plant insects in the United States amounts to nearly \$4,000,000,000 each year. Cotton insects account for nearly \$600,000,000 annually, cereal and forage insects account for some \$400,000,000 annually, and stored grain and household insects cause annual damage of over \$1 billion. It is further estimated that annual losses caused by plant diseases total \$2,500,000,000, and that livestock losses due to diseases and parasites exceed \$2,000,000,000 per year.

If foot-and-mouth disease should become established in this country, it is estimated that annual losses would be in the billions of dollars. It is further predicted that the introduction of fowl pest in this country could virtually eliminate the poultry industry. The introduction of rinderpest would cost the Nation \$1 billion annually.

To fully appreciate the effects of these destructive diseases and pests, it is necessary only to look to other parts of the world where food production is subject to their ravages. In the Middle East, desert locusts have been sweeping the semiarid lands for centuries, leaving ruined crops and starvation in their wake. In Pakistan, severe locust, caterpillar, and cricket outbreaks have caused losses as high as 80 percent in some areas. It is almost impossible to maintain supplies of grain in storage in India because of the ravages of weevils, bran

beetles, and the world's worst pest of stored grain—the khapra beetle, which is now a threat in the United States.

Stored-grain pests are so bad in tropical areas of the world that the race to eat the grain before insects devour it results in frequent periods of starvation. The people compete with the pests for survival. Their low standard of living thus becomes understandable.

The distribution of cattle in Africa is determined primarily by the presence or absence of the tsetse fly. This is a major reason why an African child, once weaned, may never again taste milk. The cattle tick and the human warble or torsalo fly cause tremendous losses to hides, beef, and milk production in Central and South America. Mortality among calves may be as high as 70 percent in some of the most heavily infested areas.

A recent report from Argentina indicates that 50,000 calves succumbed in one year's time to screwworm—the same one found in this country. The Argentines have had no effective means of dealing with this pest.

AMERICAN AGRICULTURE—A LONG-RANGE CONSUMER CONCERN

The agricultural problem facing the Nation in the long view is not the matter of present commodity surpluses. The real long-range problem is the consequences of serious changes now taking place in agriculture which could jeopardize the consumer's supply for food and fiber for the future. Such factors as declining farm population, decreasing income from farming, and increasing average age of farmers are significant indicators of problems ahead for the Nation's consumers.

In the last 10 years, the number of farmers has decreased from 19.9 to 13.4 million. During this same period, the investment required per farmer has increased from \$23,877 to \$51,472. The farmer's share of the consumer's food dollar has decreased from 44 percent in 1953 to 37 percent in 1963. The net income as related to investment has decreased from 13.3 percent to 7.8 percent in the past 10 years. Also the average age of farmers has increased from 48.3 years to 50.5 years between 1950 and 1960.

The President has recently announced a program designed to give more attention to the consumer's role in the highly competitive economy of the United States. In this connection, he has appointed a new Assistant Secretary of Labor to create more wide-spread interest in this matter.

While this special emphasis on consumer interest is probably justified, it seems appropriate to point out that perhaps the first consumer interest should be American agriculture and the Department of Agriculture, both of which do a primary and basic job of protecting and serving the consumer. All urban consumers must look to the rural producer (who is also an important consumer) for (1) the protection of his food supply from disease and pestilence, (2) the protection and conservation of the Nation's soil, water and timber supplies, and (3) the providing of a major market for the products of labor and industry, which market is essential to the consumer's income.

PROTECTION OF OUR BASIC NATURAL RESOURCES

The American farmer and our agricultural programs provide the principal means of protecting and conserving our soil, water and

timber for the benefit of the present generation of consumers as well as future generations yet unborn.

This country had 8,000 billion board feet of timber about 150 years ago. Today we have around 1,600 billion board feet left—only 20 percent of the original stand.

Only 175 years ago we had 500 million acres of fertile soil in this Nation. We have already wasted 200 million acres (40 percent) and another 100 million acres (20 percent) is washing away today.

Just a few years in the future we will need three times the amount of water we use today—which points up the need to properly protect and manage our water supply. In some areas of this country we are already finding that expansion of population and industry is limited by the lack of adequate sources of water.

In recent years the United States has been spending large sums of money to maintain its position in the world and support its defense and defense related activities at home and abroad. For fiscal year 1965, it is estimated that 52 percent of the budget will be used for this purpose.

The public debt has been increasing year by year as a result of these and other Federal expenditures. The public debt of \$257,000,000,000 in 1950 increased to \$286,000,000,000 in 1960. It is expected to reach \$312,000,000,000 by June 30, 1964, and \$317,000,000,000 by June 30, 1965.

What we have been and are now doing is depleting our timber, our soil fertility, our sources of water and other natural resources to support these large public expenditures and carry this tremendous public debt.

We must have adequate defense. We must keep up with space exploration and similar activities. At the same time we must preserve the basic economic foundation of our Nation to support all of these billions of dollars of expenditures which are a drain upon our economy.

We must give more attention and financial support to reforesting our lands, protecting our watersheds, harnessing our streams for electricity, reclaiming our lands through soil conservation, developing our sources of water and stressing those things which build up the potential economic strength of this Nation.

If we leave to future generations a fertile land, with timber restored, with soil erosion stopped, and with water resources developed, this country will be able to meet its future domestic problems, international threats and financial needs. If we neglect these basic responsibilities, we will leave future generations nothing to look forward to or to build on. Money alone is of no value. It must be supported by a sound economy based on natural resources to generate new wealth for future generations.

More than half of the estimated \$1.2 billion average annual flood-water and sediment damage in the United States occurs on the head-water streams and small tributaries. And sediment causes costly damage to the Nation's 10,000 major water storage reservoirs. *The amount of erosion-produced sediment dredged annually from our rivers and harbors exceeds the volume of earth dug for the Panama Canal.*

Through the years, the Agricultural Conservation Program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily apply needed conservation measures. It is used in all agricultural counties in the 50 states, Puerto Rico and the Virgin Islands. Conservation practices were carried out under this program in 1963 on over a million farms and ranches, covering nearly

400 million acres. The program has over 1 million participants each year, which represents nearly 25 percent of all farming units in the United States.

This program has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of the practices, plus his labor. The per capita annual cost is about \$1.50 and the investment per acre of farmland is 54 cents.

To make certain that the contribution of this program to the Nation's conservation effort is maintained at least at present levels, the Committee has provided the full \$220,000,000 (plus \$30,000,000 for administration) for the 1965 program. This is the same amount that has been carried for this purpose for a number of years.

The various programs of the Soil Conservation Service, the research agencies and the Extension Service are also contributing much to our conservation efforts throughout the United States. The Flood Prevention and Watershed Protection programs are now beginning to bring real benefits to the Nation by "catching the water where it falls" in the upper reaches of the watersheds of the country and by reducing the volume of sediment flowing down our streams and rivers to the ocean. Improved conservation on the farms of the country is beginning to restore the productive capacity of the remaining land and to preserve it for the consumers of the future, the number of which are increasing at an alarming rate!

The Committee also has restored proposed budget reductions for these important agencies for fiscal year 1965 to prevent a slowing down of their conservation activities and a corresponding reduction in national interest in this essential need.

PROTECTION OF MARKETS FOR LABOR AND INDUSTRY

The economic welfare of each segment of the nation's economy is dependent on the economic strength of each of the others. History demonstrates that our Nation is prosperous only to the extent that our agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Around 65 percent of the basic raw materials used in industry come from the farm. Reliable estimates indicate that each dollar of wealth taken from the soil generates 7 dollars of income throughout the rest of our economy.

Agriculture is our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, and twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is a major dollar earner in world markets and is playing an important role in solving our balance of payments problems. It is expected that agricultural exports will represent 25 percent of our total exports in fiscal year 1964 as compared to 22 percent in fiscal year 1956.

Agriculture is one of the major markets for the products of labor and industry. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its

inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry.

Urban workers benefit directly from this rural demand for machinery, equipment, supplies and the other items used on the nation's farms. Significant changes in this demand, therefore, have a direct effect on business and employment in urban areas. *Every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.*

This important rural market must be protected by the assurance of adequate income to the producers of farm commodities and maintenance of farm purchasing power. Business prosperity and full employment in the cities is dependent on a strong and dependable agricultural market, including both large and small farms.

The programs of the Department which help the producer to market his commodities at home and abroad efficiently and profitably, as well as the activities of the Commodity Credit Corporation and other agencies which have an effect on production and commodity prices, have done much to maintain agricultural income and thereby protect this important market for labor and industry. The Committee has attempted to provide sufficient funds in the bill for fiscal year 1965 to make certain that these essential services will be available to the producer and their benefits will be available to the consumer during the coming year.

THE CONSUMER'S STAKE IN AGRICULTURE IS INCREASING

Because products from the farm have become so abundant in recent years, and because the percentage of the Nation's income spent for food decreases each year, the average consumer in this country is inclined to take his supply of food for granted. He frequently overlooks the fact that he is completely dependent for the food on his table on the efficiency and productivity of the American farmer and the assistance he receives from the various programs of the Department of Agriculture, the Land-Grant Colleges, the Extension Service and other agencies which are devoted to the support of our agricultural economy.

Urban consumers frequently overlook the fact that research, insect and pest control, meat and poultry inspection, school lunch and special milk programs, market inspection, fruit and vegetable inspection, soil conservation, flood prevention, watershed protection, and many other programs financed in this bill have direct benefits to every person living in the United States and to future generations. They tend to disregard the fact that many segments of our economy other than the farmer are important beneficiaries of our farm programs. In fact the general public receives the major benefit from many of these activities.

In cooperation with officials of the Department, special analyses have been made of the benefits received by the general public from Federal funds spent for agriculture. One such analysis showed that, of the funds expended by the Department of Agriculture for fiscal year 1960, all had benefits to the general public and over 54 percent had direct benefits to the consumer of equal importance to those for the farmer. Subsequent studies show the same to be true for the funds appropriated to the Department each year since that time.

American consumers are enjoying the highest standard of living ever known to man. The reason is that fewer and fewer people are producing more and more food, which releases more of our population to provide the many things which contribute to this high standard of living. Less than 8 percent of our people now can produce enough to feed our entire population.

Also, American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Such food is the most wholesome and healthful in the world.

Further, per capita food expenditures in the United States are the lowest in the world in relation to consumer income. It is usual for people in most areas of the world to spend one-third to one-half or more of their income for food. United Nations figures for 1958 show the percentage of income spent for food in certain areas as follows: Italy, 46 percent; Japan, 51 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States, food costs now take only 18 percent of the disposable income, as compared to over 50 percent in Russia, as pointed out earlier.

The consumer's stake in Agriculture will become increasingly vital in the future as the world's population explosion creates even larger demands for food and fibre. This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The population growth in the United States is more than keeping pace with world expansion. U.S. population increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

Within the next decade or two, unless we continue to increase the efficiency of our farm production and provide the economic incentive to induce young and efficient producers to remain on the farm, food surpluses in the United States will likely disappear and the consumer will be faced with possible food shortages and much higher food costs. The 1959 census shows that some 17 percent of all farmers in the United States were 65 or older. An additional 22 percent were 55 to 64 ages of age. By 1970, nearly half of the farmers will be 55 years of age or over.

Unless our present system of Agriculture can survive, it is conceivable that the time could come when a significant portion of the 92 percent of non-farm population will again have to return to the soil to obtain their food supply. This is the situation in certain Soviet controlled countries and other areas of the world.

WORK IN RURAL AREAS

In his State of the Union Message of January 8, 1964, the President stated: "This Administration today here and now declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort." Subsequent developments as reported in the press and elsewhere outline his efforts to follow through on this announcement.

While we believe the primary purpose of our agricultural programs should be to maintain a strong agricultural economy to prevent

poverty, we do know such poverty exists. We feel that efforts to deal with poverty in rural areas should be under the direction of the Department of Agriculture.

Various agencies of the Department of Agriculture have had long and valuable experience in dealing with people in rural areas, including those who have had to live on the edge of poverty due to subsistence farming on small acreages. These agencies, including the Farmers Home Administration, the Extension Service, the Rural Electrification Administration, and the State and County ASC Committees are to be commended for their work in this area through the years. They are to be commended for making it possible for life on the farm to be a little more comfortable and thereby slowing down migration to cities, with all the economic and social problems involved. They are also to be commended for their efforts to develop an economically healthy Agriculture to help prevent poverty and make it possible for farm families to stay on the farm.

The Farmers Home Administration has made a major contribution toward enabling farm and rural people, through its various credit programs and valuable technical assistance, to become economically sound and financially responsible. Loans are made to those in rural areas who are unable to secure credit from any other source for (1) acquiring, enlarging or improving farms, (2) developing facilities for soil and water conservation; (3) financing annual farm operating expenses, (4) constructing farm housing, (5) and restoring damages from natural disasters.

HOME MANAGEMENT SUPERVISORS

This Committee has strongly supported the Farmers Home Administration through the years. It believes that this agency, along with others in the Department, can assume a major role in improving the economic situation of people in rural areas. It remembers that very effective work with farm families was done by this agency in former years when it had "Women Home Management Supervisors." For many years these home management supervisors worked with the womenfolk of the borrowing families, most of which were in the lower economic levels, on such matters as home budgeting, economical spending, home canning, sewing, etc. They taught the wives to use thrift and resourcefulness to help the family meet its financial problems.

This system proved very successful. It is a major reason why the repayment record of borrowers from the Farmers Home Administration has been so remarkable, with principal and interest repayments consistently exceeding scheduled installments due. This home supervisor service was ended a few years ago, however, against the wishes and best judgment of members of this Committee.

We would call attention to the fact that in recent years, several new programs have been assigned to this agency, including "Rural Housing for the Elderly" and "Rural Renewal" to meet the problems of low-income rural areas. Several years ago, at the instance of this Committee the housing program of this agency was broadened from "farm" housing to "rural" housing. This has enabled this program to meet the housing needs in many small towns and villages not formerly eligible for loans from either the Federal Housing Agency,

which served strictly urban areas, and the Farmers Home Administration, which was limited to farming areas.

If the home management supervisors were reinstated and their responsibilities enlarged to cover all needy families in rural areas, this would be the best possible approach to dealing with the economic problems of depressed rural areas. As has been proved by the Farmers Home Administration many times, a successful climb from poverty to economic well-being is primarily due to the influence of the wife in the rural family and her ability to handle the family finances wisely.

URGENT NEED FOR CONTROL OF EXCESSIVE AGRICULTURAL IMPORTS

Following the great economic depressions of 1921-1923 and 1929-1932, both of which were started by a decline in farm purchasing power, the Congress enacted laws designed to stabilize the agricultural economy. The primary purpose of such measures was and consistently since then has been to enable agricultural producers to maintain their purchasing power for the good of the economy of the entire Nation.

This legislation had two important features. The first was to establish a price support system—with a parity index tied to cost based on the income of industry and labor—which would keep farm income in balance with the farmer's production costs. The second feature provided for acreage controls and marketing quotas to keep supplies on hand, plus expected domestic consumption and exports, in balance with production.

In view of the nature of this legislation, it has been applied largely to non-perishable basic agricultural commodities—those which can be stored and carried over into the following year or years.

Subsequently, Congress enacted Section 32 (thirty-two) of P.L. 320, 74th Congress, to provide an additional means of protecting the purchasing power of farm producers. The primary purpose of Section 32 (thirty-two) (which is financed from 30 percent of annual import duties) was to support agricultural markets by purchasing surpluses on the domestic market and diverting them to new uses, including increased exports. An amendment adopted in 1939 placed the primary emphasis of this program on perishable non-basic commodities—those which must be marketed soon after production and harvest.

It is to be noted that the provisions of all of these farm laws have been directed toward controls, prices and markets in an effort to *maintain purchasing power of American Agriculture at somewhat near a par with purchasing power of labor which is protected by minimum wage guarantees and bargaining rights—and with industry which can make automatic mark-ups to assure adequate return on investment.* It is also important to note that control of supplies on hand and in sight is an essential element of these laws. Unfortunately, this feature of the law has not worked too well in view of constantly increasing yields resulting from improved seeds, fertilizers, insecticides, production techniques, etc.

At the time it enacted these measures, Congress recognized that they could not be effective unless some protection was provided against agricultural imports from areas with cheap labor and low pro-

duction costs. Accordingly, it enacted Section 22 (twenty-two) of the Act of August 24, 1935. The pertinent provisions of this law are as follows:

*“(a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction, with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, he shall so advise the President, and, if the President agrees that there is reason for such belief, the President shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts * * *.”*

*“(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees not in excess of 50 per centum ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse for consumption, as he finds and declares shown by such investigation to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with, any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: * * *.”*

“In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.”

“(e) The fees and limitations imposed by the President by proclamation under this section and any revocation, suspension, or modification thereof, shall become effective on such date as shall be therein specified, and such fees shall be treated for administrative purposes and for the purposes of section 32 of Public Law numbered 320, Seventy-fourth Congress, approved August 24, 1935, as amended, as duties imposed by the Tariff Act of 1930, but such fees shall not be considered as duties for the purpose of granting any preferential concession under any international obligation of the United States.”

One of the problems facing American Agriculture in maintaining its purchasing power has been the failure of the Federal Government to use the provisions of Section 22 quoted above to limit imports of

competitive products where necessary to prevent undue competition from abroad. This makes it virtually impossible for any farm program to work. *It is impossible to maintain a balance between supply and demand through buying up of surpluses—using Section 32 funds or otherwise—when unlimited amounts can enter the country from abroad in direct competition with American production.*

OVERSEAS PRODUCTION ENCOURAGED BY U.S.

To further complicate this situation, our own Federal Government has been providing funds and technical assistance to enable competitors (Americans and foreigners) to increase their production overseas—both in quantity and quality—and to take over much of our traditional world markets with commodities produced with cheap labor, land and materials. It is extremely difficult for the American farmer to compete with foreign producers—although efficiency of production and superior quality has enabled him to retain some of his foreign markets despite this disadvantage.

The most serious situation facing the American farmer in this regard, however, is the current program of the U.S. Government which provides loans and investment guarantees to encourage American producers with American “know-how” to move their activities abroad to take advantage of cheap labor, land and materials and to realize the benefits of certain tax advantages on overseas earnings.

Under the Foreign Assistance Act of 1961, American agricultural producers and other businessmen are being encouraged to go into business in foreign countries. In a brochure distributed to business interests throughout the country by the Agency for International Development (AID) entitled “Aids to Business—overseas Investment,” Americans who wish to move their interests abroad are given the following attractive inducements:

(1) *Investment Surveys.*—AID will pay up to 50 percent of the cost of a trip to “explore the feasibility” of private investment abroad.

(2) *Dollar Loans.*—AID will make dollar loans to encourage American investors to go into business abroad. The Export-Import Bank, International Finance Corporation, the World Bank and the Inter-American Development Bank are also available for this purpose.

(3) *Local Currency Loans.*—AID will make local currency loans to Americans from foreign currencies generated under Public Law 480, the Agricultural Trade Development and Assistance Act, to undertake overseas production.

(4) *Investment Guaranties.*—AID will guarantee the American investor against inconvertibility of currency, expropriation, confiscation and other political risks and will guarantee against certain normal business risks inherent in all business ventures.

It should be noted, also, that the President’s latest foreign aid message dated March 19, 1964 (House Doc. No. 250) proposes even more liberal tax credit for American investment in less developed countries. Amendments recommended for enactment during the current session of Congress propose an additional tax credit of 30 percent on amounts invested by U.S. concerns abroad.

To add to these inducements to expand overseas competition, the failure of the Federal Government to curtail imports through the use of Section 22 makes it possible for commodities produced abroad with American capital and know-how and with cheap foreign labor to flow back into the United States in unlimited amounts to put our own American producers still located in this country out of business.

A study of this situation makes it apparent that *the use of Section 22 to control agricultural imports is an absolute necessity if any farm program is to work and if American farmers are to remain in business in this country.*

Recent developments in the cattle industry are a case in point. Cattle prices in the United States have dropped drastically in recent months and many cattle producers are facing financial ruin. At the same time imports of livestock, meat and meat products have been increasing. Such imports have increased by more than 400% in the last few years. While recent negotiations have resulted in some "voluntary" reductions in meat imports from Australia and New Zealand, the volume still coming in is creating a surplus on the domestic market which is continuing to depress cattle prices.

The Secretary recently announced that Section 32 will be used to buy up some of this meat surplus for use in the school lunch program and similar worthy causes in an effort to bolster the market. However, unless meat imports from abroad are curtailed through the use of Section 22, the demands on Section 32 funds will be very heavy and it is doubted that this approach can be effective.

SPECIAL INVESTIGATION OF CATTLE IMPORTS

In view of the serious threat to American Agriculture from imports, including those produced under the investment guarantee program of AID, the Committee has initiated a special investigation of (1) imports of livestock, meat and other agricultural products during the past 10 years, (2) the extent to which U.S. funds and technical assistance have been used in production of such imports; and (3) the effect of American production abroad on our own farmers here at home.

A preliminary report indicates that U.S. imports of beef and veal have increased from 271 million pounds in 1953 to 1440 million pounds in 1962, an increase of over 430 percent, and an estimated 1679 million pounds in 1963. Increased imports from the 3 largest importers are as follows:

[Million pounds]

	1953	1962	1963 (estimate)
Australia.....	2.6	638.8	747.0
New Zealand.....	1.8	298.9	332.0
Ireland.....	4.6	102.5	105.7

This report also indicates that U.S. imports of other meats, including pork, mutton and lamb have increased substantially during this same period. Also, increased numbers of live cattle and calves, largely from Canada and Mexico, were brought into the U.S. during these years.

While prices received by farmers for beef cattle increased somewhat over this 10 year period, they have dropped from \$22.60 per 100

pounds in 1959 to \$19.85 per 100 in 1963, a reduction of \$2.75 or 10.4 percent. Hog prices at the farm level have gone down from \$21.40 per 100 pounds in 1953 to \$14.98 in 1963, a reduction of \$6.42 or 30 percent.

Despite the availability of Section 22 to control imports to protect domestic production, the report states further that "Livestock, meat and meat products have never been regulated under Section 22."

It is also pointed out in the report that over \$400 million of Section 32 funds have been spent between 1936 and 1962 to remove surplus meats from the market as follows: beef—\$111.5 million; lamb—\$4.8 million; pork—\$202.1 million; pork and beans—\$2.0 million; and miscellaneous meats—\$83.8 million.

SECTIONS 22 AND 32 MUST WORK TOGETHER

The relationship between Section 32 (thirty-two) and Section 22 (twenty-two) is extremely close. While it has been stated by Department officials that Section 22 is applicable only to price supported commodities, a careful reading of the law will show that a special provision was added to make it applicable to commodities covered by Section 32, including meat and meat products.

In the opinion of the Committee, consideration should be given to permanent legislation which would require the invoking of the provisions of Section 22, where imports are a contributing factor to the surplus.

DIVERSION OF GRAIN SHIPMENTS TO AUSTRIA

By directive dated August 20, 1963, the Committee requested that an inquiry be made into the alleged illegal diversion of grain shipped to Austria under the barter program.

Two interim reports were received on December 6 and 11, 1963. These reports, with names and other identifying information deleted, were inserted in the Congressional Record (p. 24040, December 19, 1963). A final report was received by the Committee on January 17, 1964. In view of pending consideration by the Department of Justice as to further investigations and possible legal action, the content of this final report has been withheld from publication.

The two interim reports indicate that 568,428 metric tons of total shipments of 1,010,380 metric tons of feed grain (corn, barley, and sorghums) did not arrive in Austria and were diverted to other countries in violation of the terms of the barter agreement. They also indicate that 10,500 tons were relabeled as Argentine grain and reshipped to Austria and that 10,015 tons were diverted to East Germany.

This investigation established that the diversion was knowingly accomplished by at least 4 Austrian grain importers who have been charged with violations of Austrian law that two additional Austrian importers may ultimately be found to have contributed to the diversion, and that certain West German grain importers may have conspired to obtain the diverted grain.

According to information developed by the Committee investigation, the diversions were made possible by the lack of established controls by the Department of Agriculture to discover infractions of barter

contracts and to enforce the provisions thereof. Further, there are indications that the Foreign Agricultural Service did not assume sufficient responsibility in at least one location and did not make adequate checks to detect the diversions and institute corrective action at an early date.

From reports of the Foreign Agricultural Service it appears that steps have been taken to prevent repetition of these and similar illegal handling of commodities shipped abroad under government financed programs. Regulations and reporting procedures designed to assure proper records, inspections and reports are being instituted. Further, definite responsibility for carrying out such regulations and procedures has been placed on the U.S. Agricultural Attaches in those countries where assigned and on appropriate U.S. Embassy personnel in other countries.

The Committee is deeply concerned by developments of this kind. The excellent reputation of the Department and the Foreign Agricultural Service must be maintained for the good of American Agriculture. Further, the programs of the Department—which provide the food and fibre for the 190 million consumers in the United States and millions of foreign consumers throughout the world at the lowest cost ever known in the history of the world—must be kept free of any suggestion of illegal or unethical conduct. American Agriculture—which is the foundation of a prosperous Nation enjoying the highest standard of living ever known to man—cannot afford the undesirable results of such actions.

The Secretary is urged therefore to review the policies, regulations and procedures in each agency and division of the Department to make certain that everything possible is done to prevent such occurrences in the future. The new Office of Inspector General, which has been established to centralize all audit and inspection work directly under the Secretary of Agriculture, should take the lead in such a review and should work closely with heads of the various agencies and divisions of the Department in this effort. Apparently, this office has done a fine job to date to bring together and improve this work.

Also, further instances of possible shortages of shipments of agricultural commodities abroad and of illegal speculations and manipulations in commodity markets should be given thorough investigation and appropriate legal and administrative actions should be taken.

INSPECTION ACTIVITIES

The 1965 Budget also indicates that legislation is to be proposed by the President which would curtail certain inspection activities of the Department, including inspection under the U.S. Grain Standards Act.

In the opinion of the Committee, no action should be taken which will weaken or curtail any inspection service of the Department.

In 1952, the Committee made a special investigation of the warehousing activities of the Commodity Credit Corporation, including serious shortages in certain commercial warehouses and elevators storing CCC grain and other commodities. One of the major reasons for such shortages was found to be the lack of adequate inspection both prior to and during storage. In many cases it was found that no inspections had been performed during a period of four or more years. In a few cases, no inspections had been made in ten years.

The Committee report on this study stated: "The Committee is of the opinion that lack of inspection has contributed more than any other single thing to the rash of conversions which has developed. It believes that this situation cannot be corrected until the Department institutes adequate inspection, improved handling of warehouse receipts, and establishes a close follow-up on loading-out orders."

In view of this experience of 12 years ago, and because it is general practice to use warehouse receipts as negotiable instruments and loan collateral, the Department is urged to maintain its inspection services on the present basis. Funds have been included in this bill to finance these activities during the coming year, despite the proposed changes in legislation. To cut down on inspection would be to invite serious trouble.

Here again, the new Office of Inspector General should coordinate with the agencies and divisions concerned to make certain the inspection activities of the Department are efficiently and effectively operated.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

The Agricultural Research Service was established by the Secretary of Agriculture on November 2, 1953, under the authority of the Reorganization Act of 1949 (5 U.S.C. 133z-15), the Reorganization Plan No. 2 of 1953, and other authorities. It conducts farm, utilization, nutrition, and consumer use research, plant and animal disease and pest control and eradication activities, and operates the meat inspection service. The Administrator of this Service is also responsible for the coordination of all research of the Department. The Service also carries out emergency programs, when necessary, for the control and eradication of animal diseases, such as foot-and-mouth disease, and for the control of emergency outbreaks of insects and diseases.

Marketing research, the funds for which are merged with this appropriation, is directed toward the development of answers to problems encountered in moving agricultural products from the farm to the consumer, such as improved product quality, and improved equipment and facilities.

Research.—The bill includes \$97,656,000 for fiscal year 1965, including \$4,921,300 for marketing research. The amount recommended is an increase of \$1,222,925 over 1964 and a reduction of \$5,418,875 in the budget estimate. The increase is provided to cover mandatory pay increase costs for the coming year for the regular ARS research program and for marketing research.

Consistent with last year's action, the Committee has again combined the funds for marketing research with the other research programs financed by this appropriation. As the demand for research continues to grow, it becomes increasingly difficult to clearly differentiate between these two areas of research and to conduct the work under two separate agencies. This consolidation should prevent duplication and increase the effectiveness of the Department's research efforts and should make it possible to do more research with the same amount of money. The sum of \$662,000 of the proposed budget reduction for marketing research has been restored, as discussed earlier in the report.

Funds for other essential research needs have been provided for by transfer from Section 32 funds under the Agricultural Marketing Service. A complete explanation of these funds will be found under that portion of the report.

As noted earlier, \$264,000 has been restored to this appropriation to continue the operation of 12 field research stations proposed to be eliminated by the Budget. Offsetting savings can be made by elimination of work done by transfer of funds from the Agency for International Development.

The Department is requested to keep the Committee currently advised of all research grants, allocations or contracts entered into with funds in this appropriation, giving a description of the project, the length and terms of the agreement, and the result sought.

Plant and animal disease and pest control.—The Committee recommends an appropriation of \$65,255,000 for the next fiscal year, an increase of \$937,000 over 1964 and a decrease of \$400,000 in the budget. The entire increase is required to meet mandatory pay increase costs in fiscal year 1965.

The amount allowed includes increases of \$200,000 for plant and animal quarantine inspection at ports of entry, and \$600,000 for enforcement of the Virus-Serum-Toxin Act and the Insecticide-Fungicide-Rodenticide Act. It also provides \$200,000 to be used on a 50-50 matching basis to help meet the serious infestation of boll-weevil in Texas and New Mexico through a Federal-State cooperative approach. These increases will be offset by proposed budget decreases of \$1,000,000 for other eradication activities which can be curtailed at this time.

Since 1962, the Federal Government has spent some \$6,300,000 for screwworm eradication in the Southwest. During this same period, the State of Texas spent approximately \$2,700,000, plus some services in kind, and the livestock producers and sportsmen in the area spent in excess of \$3,200,000—a total of \$5,900,000 from local sources, plus extra services. According to latest reports, the program has been fully effective and the screwworm had been eradicated from the entire area. It has been proposed to establish a buffer zone of several hundred miles south of the Mexican border to prevent reinfestation by migrant flies from Mexico at an annual cost of around \$5,500,000. It has been further proposed that the Federal Government finance the entire cost, in lieu of the 50-50 matching arrangement in effect since 1962.

The Committee recognizes the value of a buffer zone as proposed. It recognizes the threat of reinfestation from Mexico, whether it be screwworms, fruitflies, citrus blackflies or any similar insect pests. However, it does not feel that the Federal government should provide the full cost of supporting such a buffer zone. It recommends, therefore, that the Executive Branch explore the possibility of establishing a joint program with Mexico to provide the necessary protection.

The full budget estimate of \$2,750,000 for screwworm eradication in the Southwest has been retained in the bill for 1965, should it be needed. The language in the bill, however, requires full matching for \$2,500,000 of this amount by obtaining funds from the States affected as well as other local sources. In the event a major program should be re-instituted, a sum of \$250,000 may be used without matching to make spot checks and meet isolated outbreaks as may be necessary.

Meat inspection.—For meat inspection an appropriation of \$30,454,000 is proposed for next year. This is an increase of \$2,558,000 over 1964 and a decrease of \$383,000 in the budget request. The increase includes \$697,000 for mandatory pay increases plus \$861,000 for reclassifications of non-veterinary meat inspectors under Civil Service Commission standards. The 1964 supplemental estimate of \$90,000 for reclassifications will not be needed since the funds cannot likely be made available prior to the close of the 1964 fiscal year. In the future, reclassifications and other actions requiring additional funds should not be initiated by the Department by change in job classification or otherwise without prior approval by the Congress.

An increase of \$1,000,000 has also been included to provide for 100 additional meat inspectors required to handle the ever-increasing demands for this mandatory inspection service. Due to the constant dispersal of meat packing establishments to areas closer to the source of supply, the number of plants and cities and towns in which located continues to increase. Since 1961, the growth has been as follows:

Fiscal year	Establishments		Cities and towns	
	Number	Percent increase over prior year	Number	Percent increase over prior year
1961.....	1,451	-----	599	-----
1962.....	1,511	4.1	623	4.0
1963.....	1,590	5.2	672	7.9
1964 (estimate).....	1,696	6.7	700	4.2
1965 (estimate).....	1,760	3.8	723	3.3

Special foreign currency program.—Oversea research carried out under sections 104(a) and 104(k) of Public Law 480 is financed by foreign currencies in amounts authorized in the annual appropriation bill. It supplements and complements research financed by regular appropriations. Such research is not intended to duplicate or displace other research conducted by the Department or its cooperators.

No new funds are recommended for next year. A carryover of prior year unobligated funds of between \$14,000,000 and \$15,000,000 will be available to continue this program during fiscal year 1965.

COOPERATIVE STATE RESEARCH SERVICE

The Cooperative State Research Service was established by Secretary's Memorandum No. 1462 dated July 19, 1961, and Supplement 1, dated August 30, 1961, under Reorganization Plan No. 2 of 1953. The service carries out (1) administration of the Agricultural Experiment Stations Act of August 11, 1955, (Hatch Act of 1887, as amended, 7 U.S.C. 361a-361i); (2) payments under Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) to State agricultural experiment stations; and (3) grants to nonprofit institutions for support of basic scientific research under the act approved September 6, 1958 (42 U.S.C. 1891-1893).

The full budget estimate of \$42,440,000 is provided for this program for fiscal year 1965. The increase of \$1,012,000 over 1964 includes \$32,000 for mandatory pay costs in 1965 and \$980,000 to expand research at the agricultural experiment stations.

The land-grant colleges are basic agricultural research centers and their cooperative research is highly essential. They are urged to keep their salary levels competitive so as to attract and retain highly trained and competent research scientists.

Last year the Congress requested information to show the full amount of Federal funds received by the State experiment stations through grants and contracts for research projects in addition to this appropriation. The Department reports that such contracts and grants totaled approximately \$20,000,000 in fiscal year 1963, as follows:

Atomic Energy Commission.....	\$3, 843, 421
Department of Health, Education, and Welfare.....	10, 947, 020
Department of Defense.....	667, 068
National Science Foundation.....	3, 659, 935
Tennessee Valley Authority.....	252, 544
Department of Interior.....	207, 166
Other.....	547, 593
Total.....	20, 124, 747

EXTENSION SERVICE

Cooperative agricultural extension work was established by the act of May 8, 1914, as amended by the act of June 26, 1953 (7 U.S.C. 341-348), and the act of August 11, 1955 (7 U.S.C. 347a). The legislation authorizes the Department of Agriculture to give, through the land-grant colleges, instruction and practical demonstrations in agriculture and home economics and related subjects and to encourage the application of such information by means of demonstrations, publications, and otherwise to persons not attending or resident in the colleges. Extension educational work is also authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

State and county extension work is financed from Federal, State, county, and local sources. These funds are used within the States for the employment of county agents, home demonstration agents, 4-H Club agents, State specialists, and others who conduct the joint educational programs adopted to local problems and conditions.

Payments to States and Puerto Rico.—The Committee recommends \$67,295,000 for the coming fiscal year, which restores the proposed budget reduction of \$2,590,000 and will permit the program to continue at the 1964 level.

As discussed earlier in this report, the Committee feels that this work is far more essential to the American farmer and consumer than the work the Department is performing for the Agency for International Development. It has recommended the elimination of such extra outside work to the extent necessary to offset this and other restorations of proposed budget cuts.

The Committee again recommends that efforts be made to maintain competitive salary levels for county agents and home demonstration workers in order to attract well-trained and highly qualified personnel to this program.

Retirement costs for extension agents.—The bill carries the full budget estimate of \$7,410,000 for fiscal year 1965. This appropriation is provided to cover the Federal share of retirement costs for cooperative extension agents.

Penalty mail.—An appropriation of \$3,113,000 is provided for fiscal year 1965, the same amount as provided for fiscal year 1964. This

item covers penalty mail costs of State extension directors and county extension workers, as authorized by law.

Federal Extension Service.—The Federal Extension Service provides for leadership, counsel and assistance to the 50 States and Puerto Rico. The committee recommends the full budget estimate of \$2,451,000 for the coming fiscal year, an increase of \$50,000 over the 1964 appropriation. The entire increase is provided to cover mandatory pay act costs in 1965.

FARMER COOPERATIVE SERVICE

The Farmer Cooperative Service was established following the enactment of the Farm Credit Act of 1953 (Public Law 202, Aug. 6, 1953), which transferred the research and technical assistance work for farmers' marketing, purchasing, and service cooperatives, under the Cooperative Marketing Act of 1926 from the Farm Credit Administration to the Secretary of Agriculture.

The Service conducts research, advisory, and educational work with cooperatives on problems of organization, financing, management policies, merchandising, costs, efficiency, and membership to help farmers who are members of such organizations improve the operations of their businesses. It cooperates with the Extension Service, land-grant colleges, banks for cooperatives, State departments of agriculture, and other agencies to bring about better understanding and application of sound cooperative principles and practices. It also advises other Federal agencies on problems relating to agricultural cooperatives.

The sum of \$1,082,000 is provided for fiscal year 1965, an increase of \$22,800 over fiscal year 1964 and a decrease of \$20,200 in the budget estimate. The increase is approved to meet the pay increase costs required for this organization in the coming year.

SOIL CONSERVATION SERVICE

The Soil Conservation Service was established by the act of April 27, 1935 (16 U.S.C. 590a-590f). It assists soil conservation districts and other cooperators, watershed groups, and Federal and State agencies having related responsibilities in bringing about physical adjustments in land use that will conserve soil and water resources, provide for agricultural production on a sustained basis, and reduce damage by floods and sedimentation. Its major programs are as follows:

Conservation operations: The Service provides technical help to farmers and ranchers in the 50 States, Puerto Rico, and the Virgin Islands in carrying out locally adapted soil and water conservation programs. As of June 30, 1962, farmers and ranchers had organized 2,929 conservation districts.

Watershed protection: The Service has general responsibility for administration of the watershed protection program of the Department, established by Public Law 566, 83d Congress, and the development of its guiding principles and procedures.

Flood prevention: The Service has general responsibility for administration of the flood prevention program, and the development of the Department's guiding principles and procedures.

The program is conducted in the 11 major watersheds authorized by the Flood Control Act of 1944.

Great Plains conservation: The Service has general responsibility for administration of the Great Plains conservation program, authorized by Public Law 1021, 84th Congress. This program provides for long-term cost sharing under contracts with farmers and ranchers in designated counties of the 10 Great Plains States.

Resource conservation and development activities: The Service has general responsibility under provisions of section 102, title I of the Food and Agriculture Act of 1962, for developing overall work plans for resource conservation and development projects in cooperation with local sponsors; to help develop local programs of land conservation and utilization; to assist local groups and individuals in carrying out such plans and programs; to conduct surveys and investigations relating to the conditions and factors affecting such work on private lands; and to make loans to project sponsors for conservation and development purposes and to individual operators for establishing soil and water conservation practices.

Conservation operations.—Soil conservation assistance is being provided for an increasing number of soil conservation districts each year. With only a few exceptions, most of the Nation is now organized into such districts. As of June 30, 1962, 2,929 districts had been established and the number increased to 2,942 as of June 30, 1963. It is estimated that they will increase to 2,972 by the end of fiscal year 1964 and 3,000 by June 30, 1965.

An appropriation of \$100,511,000 is recommended for fiscal year 1965, an increase of \$2,585,000 over 1964 and \$1,761,000 over the budget request. The increase over 1964 includes \$1,815,000 to cover the mandatory pay act costs in 1965 plus \$770,000 to provide technical assistance to the 28 new districts expected to be organized in the coming fiscal year.

As pointed out earlier in this report, the President's budget for fiscal year 1965 would have required the following reductions in State and area soil conservation offices as well as elimination of some 50 work units serving existing soil conservation districts:

	Amount	Man-Years
Reduction of administrative staff in State offices.....	-\$100,000	17
Consolidation of plant materials and agronomic technologies in field offices..	-400,000	35
Reduction of 10 area offices in several States.....	-160,000	18
Consolidation of work units at about 50 locations.....	-740,000	92
Other miscellaneous savings.....	-1,442	-----
Payment to Employees' Compensation Fund (P.L. 86-767).....	+57,442	-----
Total.....	-1,344,000	162

The amount recommended by the Committee for next year restores these proposed budget reductions with a directive to the Department to eliminate work for the Agency for International Development in sufficient amount to offset the funds and manpower needed for this far more essential work.

The additional funds of \$770,000 to provide technical assistance to the new soil conservation districts to be formed next year are

essential if we are to continue to encourage new areas not yet organized to come into the soil and water conservation program of the Nation. In certain States such as Missouri and several Far Western States, local conditions resulted in a delay in organizing districts and entering the program. To fail to provide funds for these areas as they are ready to take their place in the National program would be unfair to those areas which have not been able to organize sooner.

Watershed protection.—The full budget estimate of \$65,848,000 is provided in the bill for the coming year, an increase of \$2,401,000 over 1964. Of the increase, \$428,000 is required to meet mandatory pay act costs in 1965. The balance is recommended for river basin surveys and installation of works of improvement in “PL 566” watersheds.

The 1965 budget proposed a reduction of \$1,025,000 for small watershed planning. This reduction would have reduced the staff of technical experts and aides currently engaged in watershed planning by about 110 positions and would have resulted in the completion of 22 less project work plans in 1965 than in 1964.

The Committee has restored this proposed cut in planning, as outlined earlier in this report, and has included specific language in the bill to provide \$5,524,000 for watershed planning next year, the same amount as authorized for 1964, plus day increases. Offsetting reductions in work financed from AID have also been directed in this instance.

The status of watershed planning assistance and the large number of project applications remaining to be acted upon are indicated in the following figures supplied by the Department:

	1963 actual	1964 estimate	1965 estimate
Applications:			
Received, current fiscal year.....	234	230	245
Received, cumulative at June 30.....	1,936	2,166	2,411
Planning:			
Authorized, current fiscal year.....	121	125	105
Authorized, cumulative at June 30.....	890	1,015	1,120
Completed, current fiscal year.....	90	95	73
Completed, cumulative at June 30.....	542	637	710
Remaining to be planned at June 30.....	786	891	1,026

Flood prevention.—The fiscal year 1964 level of operations for this program are recommended again for fiscal year 1965. Accordingly, an appropriation of \$25,423,000 is included in the bill for 1965. As has been discussed earlier in this report, the Committee cannot agree to the proposed budget reductions for the various soil conservation programs of the Department which contribute so much to the future strength of this Nation. Reductions in soil conservation work for other countries of the world through the Agency for International Development should be made by the Department to offset the amount of the restoration for this program.

The progress on most of the 11 major watersheds financed by this appropriation is still far behind the original schedule established in 1944. At that time it was estimated that these projects would be completed in some 15 years. Work on the Buffalo Creek watershed project in New York is now estimated to be completed in 1964. However, the remaining 10 projects will still require many more years to complete, even though it is 20 years since the program was originally

established. Now that local sponsors are meeting their responsibilities at increasing rates, the Department should make every effort to speed up the completion of this work. Constantly increasing construction costs and salary increases, and the flood protection these projects will provide, make it good national economy to complete these projects at the earliest possible date.

Great Plains Conservation program.—The bill includes \$14,176,000 for fiscal year 1965, an increase of \$564,000 over 1964 and a decrease of \$568,000 in the budget request. The increase includes \$64,000 for mandatory pay costs in 1965, plus \$500,000 for cost-sharing assistance to participating farmers and ranchers.

Interest in participating in the Great Plains Conservation Program has continued to increase. Applications for program assistance received in the fiscal year 1963 totaled 3,885. As of July 1, 1963, the Service has 4,110 unserved applications on hand as compared with 3,855 at the end of 1962. There were 2,852 new cost-share contracts covering 5,051,330 acres signed in the fiscal year 1963 as compared with 2,450 covering 4,950,101 acres during 1962. The average size of farm and ranch units placed under contract in the fiscal year 1963 was 1,772 acres. The average size of all units placed under contract through June 30, 1963 is 2,295 acres.

Resources conservation and development.—This new program, which was authorized by section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), provides for technical assistance in planning and carrying out land conservation and land utilization projects in selected areas. Although the Soil Conservation Service is responsible for administering the work of this program, it is carried on cooperatively with other Federal agencies and departments, State and local agencies, and sponsoring organizations. Other agencies of the Department of Agriculture share in the work of these projects in accordance with their regularly assigned functions. Governing bodies of soil conservation districts, in cooperation with other interested committees or groups, are expected to provide local project sponsorship. These projects will usually be in areas where acceleration of conservation activities is required to provide additional economic opportunities to the residents of a single district, or parts of several adjoining districts, or other geographic planning units within a land resource area.

The 1964 appropriation of \$1,496,000 is again recommended for fiscal year 1965, a reduction of \$548,000 in the budget request. In addition, an unobligated balance of \$1,075,000 of the 1964 appropriation will carry forward into next year, which will make a total of \$2,571,000 available in 1965. The proposed reduction for resource investigation and planning will provide an additional \$281,000 for resource development and technical services.

ECONOMIC RESEARCH SERVICE

The Economic Research Service was established by Secretary's Memorandum No. 1446, Supplement No. 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service develops and carries out a program of economic research designed to benefit farmers and the general public. The findings of this research are made available to farmers and others through research reports

and through economic outlook and situation reports on major commodities, the national economy, and the international economy.

The full budget estimate of \$9,476,000 is included in the bill for fiscal year 1965. The entire increase of \$229,200 is provided to meet mandatory pay costs next year.

The Department's program of research and related reporting in farm production and resource development economics is conducted from headquarters in Washington, D.C. and is concerned chiefly with problems of regional and national scope. Field studies generally are conducted in cooperation with State Experiment Stations and often in cooperation with other Federal agencies. When studies are made jointly by Federal and State agencies, Federal workers usually are most interested in regional and national applications of results, while State workers are most often interested in local applications.

STATISTICAL REPORTING SERVICE

The Statistical Reporting Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953, and other authorities. The Service was created to give coordinated leadership to the statistical reporting research and service programs of the Department. It provides a channel for the orderly flow of statistical intelligence about the agricultural economy of this country. The primary responsibilities of this Service are the nationwide crop and livestock estimates, coordination and improvement in the Department's statistical requirements, and special surveys of market potentials for agricultural products.

The Committee recommends the full budget estimate of \$11,431,000 for the next fiscal year, an increase of \$840,100 over 1964. The increase includes \$187,000 for mandatory pay act costs in 1965, \$62,500 to meet the full annual cost of cattle-on-feed reports initiated last year, and \$590,600 to continue the long-range program for the improvement of the crop and livestock estimates begun in fiscal year 1961. In 1965 it is expected that enumerative surveys will be expanded to all continental states except California and Oregon which will remain on a pilot basis.

The amount recommended for 1965 includes sufficient funds to restore the proposed budget elimination of \$94,000 for consumer surveys. In the opinion of the Committee this work, which relates to research on market quality, standardization of processed products, and utilization, is extremely valuable to the Nation's consumers and should be continued. Offsetting reductions should be made in work done for the Agency for International Development, as outlined earlier in this report.

AGRICULTURAL MARKETING SERVICE

The Agricultural Marketing Service was established November 2, 1953, under authority of section 161, Revised Statutes (5 U.S.C. 22), Reorganization Plan No. 2 of 1953 and other authorities. The Service carries on the following principal programs with appropriate funds:

Marketing services: These activities contribute to the efficient and orderly marketing of agricultural commodities. Funds for

the research activities have been transferred to the Agriculture Research Service.

Payments to States: The Service administers the matched fund program for marketing activities carried out through cooperative arrangements by State departments of agriculture, bureaus of markets, and similar State agencies.

Special milk program: Assistance is provided to States for making reimbursement payments to eligible schools and child-care institutions which inaugurate or expand milk service in order to increase the consumption of fluid milk by children.

School lunch program: Federal assistance is provided to States, Puerto Rico, Virgin Islands, and Guam for use in serving nutritious midday meals to children attending schools of high school grades or under in order to improve the health and well-being of the Nation's children, and broaden the market for agricultural food commodities.

Removal of surplus agricultural commodities and marketing agreements and orders: These activities directly or indirectly tend to maintain prices received by farmers and establish and maintain orderly marketing conditions through (a) removing from the market surplus agricultural commodities through purchase and donation to eligible recipients, export and diversion payments; distribution of Commodity Credit Corporation donated commodities to eligible outlets authorized under section 416; and cooperation with the food trade and others to encourage greater consumption of abundant foods; (b) formulation and administration of marketing agreements and orders.

Food stamp program: This program, operating on a pilot basis in fiscal year 1963, is aimed at increasing domestic consumption of agricultural commodities by providing increased purchasing power to needy persons through issue of food coupons.

Market services.—The bill for the coming fiscal year includes \$39,389,000 for marketing services, an increase of \$2,196,400 over 1964 and a net decrease of \$126,125 in the budget estimate. The increase includes \$896,400 to meet mandatory pay act costs in 1965, \$135,000 to complete the modernization of the market news leased wire service and to meet the cost of increased teletype rates, \$665,000 to cover the reclassification of non-veterinarian poultry inspectors based on revised Civil Service standards, and \$500,000 to provide 56 additional poultry inspectors to handle increased mandatory poultry inspection workload in the coming year. The 1964 supplemental request of \$173,000 for reclassifications has not been included. As pointed out for meat inspection, the Committee feels that future reclassifications and other actions requiring additional funds should have advance Congressional review.

The Poultry Products Inspection Act of 1957 requires the Department to inspect for wholesomeness all poultry moving in interstate or foreign commerce. The law was enacted primarily to protect consumers against diseased and otherwise unwholesome meat. Since enactment of this law, the number and capacity of plants and evisceration lines in plants requiring inspection service have reflected substantial growth, as have the pounds of product inspected. Although production may fluctuate from season to season because of low prices, the

general trend is continuing upward—at a rate of about 6 to 7 percent estimated for 1965.

At the beginning of this report, it was noted that the 1965 budget proposed a reduction of \$50,000 and the closing of 5 market news service offices at Fort Smith, Arkansas; Baltimore, Maryland; Tulsa, Oklahoma; Memphis and Nashville, Tennessee. The funds provided for 1965 will enable the Department to continue the service at these locations and to add reports on soybeans and wheat at Memphis.

The increase of \$135,000 recommended for the market news leased wire service includes \$60,000 to cover increased rates which will go into effect in 1964 based on authorization of the Federal Communications Commission on May 29, 1963, and \$75,000 to complete modernization of equipment to increase transmission speed and realine circuits serving the southeastern and gulf coast areas. This is expected to complete the modernization program begun in 1962.

Payments to States and possessions.—Federal payments, authorized by section 204(b) of the Agricultural Marketing Act of 1946, are made under cooperative agreements between the U.S. Department of Agriculture, State Departments of Agriculture, Bureau of Markets, and similar State agencies for the conduct of eligible marketing service activities on a matching fund basis. The States contribute at least half of the cost and perform the work with State personnel.

The 1964 appropriation of \$1,500,000 is recommended again for 1965. This is an increase of \$75,000 over the budget request as outlined earlier in this report.

With these additional funds, the Department should study the needs for additional market news services on a matching-fund basis resulting from the decentralization of reporting from large central markets to the smaller markets closer to the production areas. In this connection, consideration should be given to installing some type of livestock market news reporting in Idaho, where no service exists at present. Also grain market news reporting begun in Missouri in 1961 should be continued on an experimental basis looking forward to regular financing in future years.

Special milk program.—The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

From its inception in fiscal year 1955 through fiscal year 1962, the program was financed through advances from the Commodity Credit Corporation. The Agriculture Act of 1961 (Public Law 87-128) approved August 8, 1961, changed financing to a direct appropriation beginning June 1, 1962. The 1965 budget proposes to finance the program by transfer from Section 32 funds in lieu of a direct appropriation.

From 1962 to 1963 the number of participating schools and institutions increased from 88,188 to 90,486. Of the latter figure, there were 85,220 schools and 5,266 child-care institutions and summer camps. The number of one-half pints of milk served increased from 2.6 billion in 1962 to about 2.8 billion 1963. During this same period expenditures rose from \$89,000,000 to \$93,900,000.

A total of 438 needy schools serving more than 13,600 children participated and consumed approximately 6.2 million half pints of milk under the limited experimental program of special assistance.

The Committee recommends the full budget estimate of \$99,-831,000 for 1965 and concurs in the budget proposal to finance the program next year by a transfer of funds from Section 32. This action is not to be considered a precedent for future years, however, since Section 32 funds must be kept available to prevent market surpluses and price declines of agricultural commodities as the need arises.

School lunch program.—The Committee proposes a direct appropriation of \$146,400,000, plus the transfer of \$45,000,000 from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of \$9,784,000 over 1964 and a decrease of \$1,210,000 in the budget request.

For a number of years, the Committee has felt that funds for this program should increase as the number of children participating in the program increases. Last year the appropriation was computed on a fixed amount per meal for the first time. The Committee has followed the same procedure again this year in determining the amount of the appropriation recommended for fiscal year 1965.

In fiscal year 1962 a total of 2.4 billion school lunches were served. This increased to nearly 2.6 billion in 1963 and is expected to exceed 2.7 billion in 1964. It is estimated that 2.886 billion meals will be served in 1965. At an average of 5 cents per meal, \$144,300,000 will be required for cash reimbursements and Section 6 purchases during the 1965 school year, plus \$2,100,000 for administrative expenses, a total of \$146,400,000. This amount has been included in the bill. No funds have been earmarked to initiate special cash assistance to needy schools.

Removal of surplus agricultural commodities (sec. 32).—Section 32 funds are used to encourage exportation and domestic consumption of agricultural products and to stabilize market prices either through announcements that the Department stands ready to enter the market, or by actual participation in the market. Generally, surpluses are removed from the market through purchases, which are then donated to schools, institutions, and needy persons.

Last year the Congress approved language under this heading to permit the use of section 32 funds for activities which would help to increase consumption of farm commodities and thereby reduce the demands for purchases through this fund and reduce the investment of Commodity Credit Corporation funds in commodity inventories. The 1964 Appropriation Act also provided authority to include a similar provision in future appropriation bills in an amount not to exceed \$25,000,000.

Pursuant to this authority, the Committee has provided for the use of \$25,000,000 of section 32 funds in fiscal year 1965 for the following research programs which should help to increase consumption by reducing the cost of production and increasing the utilization of agriculture commodities:

Expanded research activities

Research on health-related problems of tobacco (discussed earlier in report)-----	\$1, 500, 000
Research on control of insects, including development and testing of insecticides and materials used in agricultural production (discussed earlier in report)-----	1, 500, 000
Staffing of research laboratories previously authorized and now ready for operation-----	1, 200, 000
Research on reductions in cost-of-production-----	9, 400, 000
Research on expanded use of agricultural commodities-----	9, 400, 000
	<hr/>
Total research-----	\$23, 000, 000
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Construction and alteration of facilities

Alteration and improvement of utilities, Plum Island, New York, not to exceed-----	\$250, 000
Construction and remodeling of facilities, Beltsville, Maryland, not to exceed-----	850, 000
Replacement of facilities, Fort Collins, Colorado, not to exceed----	450, 000
Construction of peanut research laboratory in Georgia, not to exceed-----	450, 000
	<hr/>
Total construction and alteration-----	\$2, 000, 000
	<hr/> <hr/>
Total authorization-----	\$25, 000, 000

The \$1,200,000 provided for staffing 15 new research laboratories in various parts of the country, which were previously funded and are now ready for operation, is based on a budget estimate included for this purpose under the Agricultural Research Service. The estimate has been excluded from the Agricultural Research Service research appropriation.

A total of \$18,800,000 has been included under this heading for expanded research on cost of production and utilization of agricultural products. This is in keeping with increases allowed in recent years to expand research designed to deal with the problems of agricultural surpluses. A number of additional pressing research needs were brought to the attention of the Committee during its hearing this year, including research on floricultural and horticultural crops, pecans, avian leukosis and other poultry diseases, special problems of swine, strawberries, blueberries and grapes, forage crops, York spot disease of apples, soybean production, sugar, cotton, wool and mohair, biological control of pests and insects, soil and water conservation, cereal leaf beetle, coffee harvesting, and many others. The Department is expected to give attention to these essential research needs in the allocation of these funds next year.

The Committee has included \$250,000 for alterations and improvements at the Foot-and-Mouth Laboratory at Plum Island, \$850,000 for construction and remodeling of facilities at the Beltsville Research Center, and \$450,000 for replacement of sugarbeet, pasture and range research facilities at Fort Collins, Colorado. These amounts are provided in lieu of budget requests for these purposes presented under the Agricultural Research Service.

Pursuant to an agreement entered into by the House and Senate Conferees at the time the 1964 Agriculture Appropriation Bill was adopted last December, not to exceed \$450,000 of Section 32 funds is authorized for the establishment of a research facility in Georgia to be used to house the peanut shelling research work now underway at Dawson and to bring together the peanut research on production and

marketing now being conducted at various locations in Georgia, if desirable. It has been agreed that this laboratory will not do any peanut "quality" research.

Based on a last-minute agreement of the Conferees last December, the 1964 bill included \$9,500,000 for the construction of a new Southeastern Research Laboratory which has been located at Athens, Georgia. It was fully agreed by the conferees at that time that this laboratory would not do any peanut quality research, for which additional funds were provided at the New Orleans Laboratory, and that it would not undertake research which would displace work being done at the other four major utilization laboratories.

The Committee has gone along with the use of Section 32 funds in the coming year for the Special Milk Program and the Food Stamp Plan. It does not feel, however, that the Department should look to this fund for permanent financing of these programs. Section 32 must be able to move into the market quickly, if necessary, with sufficient funds on hand to purchase a large enough quantity of commodities to remove surpluses and bolster prices. The diversion of these funds for other large uses could make Section 32 ineffective due to lack of funds.

FOREIGN AGRICULTURAL SERVICE

The Foreign Agricultural Service promotes the export of U.S. farm products and represents the Department and U.S. agriculture abroad. It conducts foreign market development programs and collects and disseminates to U.S. agriculture the basic information essential to aggressive foreign marketing of U.S. agricultural products and to making necessary adjustments to meet changing situations abroad.

For the coming year, the Committee recommends an appropriation of \$18,790,000, an increase of \$202,500 over 1964 and a reduction of \$1,734,000 in the budget estimate. The increase covers mandatory pay act costs in 1965.

The economic position of this country is heavily dependent upon increasing the present level of agricultural exports. The annual agricultural export total of around \$5 billion accounts for one-fourth of the nation's total products and provides a market for products of one cultivated acre out of five.

The dollars for market development activities which are provided in this appropriation are used for the purchase of foreign currencies accruing under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480). Such currencies are expended in accordance with the authorities contained in Section 104(a) of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480).

The Department is directed to review the activities of U.S. market cooperators under the market development program and to establish criteria for the use of Federal funds—both dollars and local currencies—by such cooperators. This program appears to be very effective in promoting foreign sales of U.S. agricultural commodities. Criticisms concerning expenditures for such work must be avoided.

COMMODITY EXCHANGE AUTHORITY

The Commodity Exchange Authority administers the Commodity Exchange Act of September 21, 1922, as amended. The objectives are to prevent commodity price manipulation and market corners; prevent dissemination of false and misleading crop and market information affecting commodity prices; protect hedgers and other users of the commodity futures markets against cheating, fraud, and manipulative practices; insure the benefits of membership privileges and contract markets to cooperative associations of producers; insure trust fund treatment of margin moneys and equities of hedgers and other traders and prevent the misuse of such funds by brokers; and provide information to the public regarding trading operations and contract markets.

The bill carries an appropriation of \$1,100,000 for fiscal year 1965, an increase of \$47,000 over 1964 and a decrease of \$19,000 in the budget estimate. The increase includes \$21,000 for mandatory pay act costs in 1965 and \$26,000 for additional trade practice investigations.

For a number of years it has been necessary to conduct investigations on a highly selective basis due to limited funds and personnel. The above increases should enable the agency to more nearly meet the need in this area of responsibility.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The Agricultural Stabilization and Conservation Service was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 133Z). The Service carries on the following principal programs from appropriated funds:

Acreage allotments and marketing quotas: The Agricultural Adjustment Act of 1938, as amended, authorizes production adjustment for designated basic commodities (tobacco, peanuts, wheat, cotton, and rice) through acreage allotments, and the adjustment of supplies through marketing quotas when supplies reach specified levels in relation to normal demand.

Sugar act program: The chief objective of the Sugar Act of 1948, as amended, is "to protect the welfare of consumers of sugar and those engaged in the domestic sugar-producing industry." This involves (a) determination of U.S. consumption requirements; (b) administration of quotas to regulate imports of sugar produced in foreign areas, as well as marketing of sugar produced in domestic areas; and (c) payments to domestic producers of sugarbeets and sugarcane, provided producers comply with certain labor, wage, price, and marketing requirements prescribed by law.

Agricultural conservation program: This program is authorized by the provisions of section 7 to 16(a), inclusive, and section 17 of the Soil Conservation and Domestic Allotment Act, as amended. Its objectives include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, and

(3) conserving water on land. Cost-sharing assistance is furnished to individual farmers and ranchers in the 50 States, Puerto Rico and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. This assistance represents only a part of the cost of performing the practice. The farmer bears the balance of the cost, and in addition supplies labor and management necessary to carry out the practice.

Cropland conversion program: Section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended, by section 101 of the Food and Agriculture Act of 1962, provides for long-term agreements under which cropping systems and land uses will be changed (1) to permanently shift to better productive use cropland which is not well suited for crop use, and (2) to temporarily shift to better productive use and utilize for other purposes land which is suitable for crop use but not currently needed for crops.

Emergency conservation measures: The objective of this program, which is authorized by the Third Supplemental Appropriation Act of 1957 and the Supplemental Appropriation Acts of 1958 and 1959, is to restore to normal agricultural use farmlands which have been damaged by wind erosion, hurricanes, floods, or other natural disasters. To this end, farmers are offered cost-sharing assistance for carrying out approved practices.

Conservation reserve program: The conservation reserve program authorized by the Soil Bank Act is a long-range program under which farmers have voluntarily contracted to take cropland out of production for a specified number of years and devote it to conservation uses. In return the farmer receives (a) an annual rental payment for the contract period, and (b) assistance in either cash or conservation materials and services for carrying out approved conservation practices on the reserved acreage.

Commodity Credit Corporation program activities: Various price support and related programs have been authorized in numerous legislative enactments since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are utilized in the administration of programs of the Commodity Credit Corporation, and the Administrator of the Service is also Executive Vice President of the Corporation.

Foreign assistance programs and other special activities: Various surplus disposal programs and other special activities are conducted pursuant to specific statutory authorizations and directives. These laws authorize the use of CCC funds and facilities to implement the programs. Appropriations for these programs are transferred or paid to the Corporation for its costs incurred in connection with these activities, such as Public Law 480; International Wheat Agreement; Bartered materials for supplemental stockpile; National Wool Act.

Expenses, Agricultural Stabilization and Conservation Service.—An appropriation of \$105,602,000 is included for fiscal year 1965, a decrease of \$8,960,000 in the budget estimate. The amount recommended is a net increase of \$1,231,500 over the 1964 appropriation. However, it is a decrease of \$12,368,500 when the 1964 deficiency of \$13,600,000 for administering the 1964 feed grain program is taken into consideration.

Two items of increase have been allowed for 1965. An amount of \$1,761,415 has been included for mandatory pay act costs in 1965. Also, \$1,835,631 has been allowed to correct an imbalance between appropriated funds and funds transferred for Commodity Credit functions, with an offsetting reduction in the CCC transfer. The two increases are partially offset by a decrease of \$2,365,546 due to economies in administering the conservation reserve and agricultural conservation programs.

No additional funds have been allowed for administering the feed grain and wheat stabilization programs for 1965. The amounts needed for these purposes cannot be accurately estimated until the effect of recent legislation on future fund requirements can be fully determined.

Sugar Act program.—Payments are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption. During the period 1938–63, collections of \$2.1 billion from excise taxes and import taxes have exceeded payments by \$527.4 million. Estimated collections through fiscal year 1965 of \$2.3 billion will exceed estimated payments by \$565 million.

The Committee recommends an appropriation of \$86,400,000, an increase of \$8,400,000 over 1964 and a decrease of \$1,100,000 in the budget estimate. The 1964 supplemental estimate of \$6,400,000 contained in House Doc. 203, dated January 21, 1964, has not been included in the bill.

Total sugar production in the 1964 crop year covered by this appropriation is estimated at 6,490,000 tons, the same quantity as produced in the 1963 crop year. The increase for 1965 will be used to make payments for increased production in 1963 in the continental sugar beet and cane areas.

Agricultural conservation program.—An appropriation of \$225,000,000 the full budget estimate, is recommended for 1965 to make payments earned under the program authorized in the 1964 bill and to honor a small balance of unpaid 1963 commitments not fully covered by the 1964 appropriation. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into.

The Committee has also restored the 1965 program authorization to the regular level of \$220,000,000—plus \$30,000,000 for administration under the heading “Expenses, ASCS.” Almost every year in recent years, Congress has been required to restore budget cuts in this item.

In the opinion of the majority of the members of the Committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in

all areas of the country. It is far more effective than many other approaches adopted in recent years.

Conservation practices under this program are developed initially at the local level by ASC State and county committees, the Soil Conservation Service, and the Federal Forest Service. Representatives of the land-grant colleges, the Farmers Home Administration, State conservation committees, and other State and Federal agricultural agencies also participate in these determinations.

The recommendations of these groups are used as the basis to formulate joint recommendations to the Agricultural Stabilization and Conservation Service in Washington. From these recommendations, the various agencies of the Department in Washington develop and recommend to the Secretary of Agriculture a national program. State and local people then develop their local programs within the structure of the national program approved by the Secretary. No practices are adopted and put into effect in any State or county unless approved by the local conservation groups.

Apparently the Bureau of the Budget and others who do not support this program are not aware of the important part it plays in building terraces, waterways and erosion control structures and in financing other conservation practices as an integral part of the extremely effective and successful PL 566 small watershed program. Without the ACP cost-sharing program, the small watershed program could not operate satisfactorily. Further, the ACP program finances some 1200 soil conservation technicians who provide assistance to soil conservation districts and the small watershed program, in addition to furnishing technical assistance for this program. The proposed reduction of \$100 million would have eliminated an estimated 555 of these soil conservation technicians.

The contribution of the ACP program to the watershed program and other conservation efforts of the Nation is reflected in the following table of conservation measures performed under the program:

Practice	Unit (in thousands)	Extent under 1962 program	Total accomplishments 1936-1962
Water storage reservoirs constructed to distribute grazing, control erosion, and conserve irrigation water and wildlife.	Structures...	49	1,800
Terraces constructed to control erosion or conserve water.	Acres.....	694	27,000
Stripcropping systems established to control wind or water erosion and conserve water.	Acres.....	377	111,000
Enduring vegetative cover established to control erosion, conserve water, and for land-use adjustment.	Acres.....	3,900	348,000
Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control.	Acres.....	2,000	46,000
Trees and shrubs planted for forestry purposes, erosion control, or land-use adjustment.	Acres.....	285	3,600
Forest tree stands improved for forestry purposes and erosion control.	Acres.....	213	2,800

Conservation reserve program.—An appropriation of \$194,000,000 is proposed to meet conservation reserve contract commitments in 1965. This is a reduction of \$100,000,000 below 1964 and is \$4,000,000 below the budget request.

The decrease in this program is due to a reduction in annual rental payments in 1965 as a result of the expiration of 83,543 contracts covering 6,719,915 acres previously withheld from production.

Payments under this program will continue through 1973 on a diminishing basis as follows:

Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)	Fiscal year	Annual rental payments for current contracts (dollars)	Estimated acres in reserve (acres)
1966.....	156,316,341	14,187,673	1970.....	42,806,735	3,602,369
1967.....	151,094,466	13,617,720	1971 ¹	815,034	70,653
1968.....	131,043,730	11,363,846	1972 ¹	85,573	7,785
1969.....	116,374,484	9,688,294	1973 ¹	1,750	134

¹ Represents manatory extensions because tree seedlings were unavailable during 1960.

Cropland conversion program.—The Food and Agriculture Act of 1962 authorized the Secretary of Agriculture to extend conservation reserve contracts expiring in December 1962, for the calendar year 1963. A total of \$6,150,000 was appropriated in fiscal years 1963 and 1964 to liquidate such contracts covering approximately 700,000 acres. No further funds are needed for this purpose in fiscal year 1965, since this feature of the program has not been extended beyond 1963.

The Food and Agriculture Act of 1962 also authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

The pilot cropland conversion program has been offered in 41 counties of 13 states, involving differing geographic and agricultural situations. In addition, offers have been made to enter into a limited number of agreements in other States and counties to convert cropland to recreational enterprises only. About 2,800 agreements involving 129 thousand acres of cropland have been entered into.

Because this program appears to be a miniature soil bank under a new name, the Committee made a special investigation of its operations during the past year. A number of operational weaknesses were found, including (1) lack of documentation of land ownership and eligibility, (2) failure to require that practices be carried out on acres covered by contract, (3) lack of consideration of economic feasibility, (4) cost-sharing payments on earth moving on horseshoe, badminton, basketball, baseball and tennis courts, (5) lack of limits on cost-sharing payments with possible cost per acre in excess of value of land, and (6) failure to require that recreational facilities be made available to public.

Though the Department has undertaken to correct these deficiencies, the Committee feels that the program should be continued on an experimental basis and should not be expanded beyond the level of the 1963 program. Accordingly, it recommends an appropriation of \$7,200,000 for 1965, the same amount as expended for the 1963 program. This is a reduction of \$2,800,000 in the budget estimate.

OFFICE OF RURAL AREAS DEVELOPMENT

Rural areas development program activities are carried out by the Office of Rural Areas Development which was established by the Secretary of Agriculture's memorandum 1448 of June 16, 1961. The responsibilities of the Office are to (1) provide leadership and initiative

in the formulation of plans for carrying out rural development programs of the Department of Agriculture; (2) coordinate and expedite the application of resources of Department agencies in assisting State, local, private, community, and farm organizations and individuals working for the improvement of economic conditions in rural areas; (3) maintain liaison with appropriate departments and agencies of the executive branch and with officials of public and private organizations to assure coordinated effort in utilization of available resources in support of the rural areas development program. The Office also coordinates work conducted by USDA agencies under the Area Redevelopment Act and the accelerated public works program, acts as liaison between USDA agencies and other Federal agencies. It also advises State and local governments in establishing projects under these programs.

The full budget estimate of \$124,000 is provided for fiscal year 1965, an increase of \$4,000 over 1964. The increase covers mandatory pay act and salary advancement costs during the coming fiscal year.

OFFICE OF THE INSPECTOR GENERAL

Internal audit, inspection, and investigations activities are carried out by the Office of the Inspector General which was established by the Secretary of Agriculture's Memorandum No. 1503 dated June 25, 1962, and No. 1524 dated December 21, 1962. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of the Congress and the Secretary. It insures prompt and appropriate corrective action in those areas in which deviation from established law, policy, procedure, rules, or regulations has developed; and conducts internal audit, inspection, and investigative activities within the Department and coordinates and correlates them with various investigative agencies of the executive and legislative branches of the Government.

The Committee recommends the full budget estimate of \$9,874,000 for the next fiscal year, an increase of \$161,600 over funds available for fiscal year 1964. The entire increase is needed to meet mandatory pay act costs in 1965.

OFFICE OF THE GENERAL COUNSEL

The Office of the General Counsel, originally known as the Office of the Solicitor, was established in 1910 (5 U.S.C. 518) as the law office of the Department of Agriculture, and performs all of the legal work arising from the activities of the Department. The General Counsel represents the Department in administrative proceedings for the promulgation of rules having the force and effect of law; in quasi-judicial hearings held in connection with the administration of various programs and acts; and in proceedings before the Interstate Commerce Commission involving freight rates and practices relating to farm commodities, including appeals from the decisions of the Commission to the courts. He serves as General Counsel for the Commodity Credit Corporation and the Federal Crop Insurance Corporation. He reviews criminal cases arising under the programs of the Department for referral to the Department of Justice.

The bill includes \$3,784,000 for fiscal year 1965, an increase of \$85,500 over 1964 and a decrease of \$69,000 in the budget request. The entire increase is provided to meet mandatory pay act costs for the coming year.

OFFICE OF INFORMATION

The Office of Information was established under its present name in 1925 as a consolidation of functions formally organized as early as 1889, to coordinate in the Department the dissemination of information useful to agriculture as directed by the act establishing the Department of Agriculture in 1862.

The Office has general direction and supervision of all publications and other information policies and activities of the Department including the final review, illustrating, printing, and distribution of publications; clearance and release of press, radio, television, and magazine materials; maintenance of central files of news and general illustration-type photographs; and the preparation and distribution of exhibits and motion pictures. The Office publishes the Yearbook of Agriculture, the annual report of the Secretary of Agriculture, the Department Directory, and the Department List of Publications; handles the details of distributing farmers' bulletins allotted to Members of Congress; and services letter and telephone requests for general information received in the Department. Under the Department's working capital fund, the Office also produces visual informational materials, such as motion pictures, art and graphics materials, and still photographic work for the Department and other Government agencies.

The full budget estimate of \$1,648,000 is recommended for the next fiscal year, an increase of \$14,000 over 1964. The entire increase is provided to meet mandatory pay act costs in the coming year.

NATIONAL AGRICULTURAL LIBRARY

The Library, pursuant to the Department's organic act of 1862, and under delegation from the Secretary, "procures and preserves all information concerning agriculture which can be obtained by means of books * * *." Under the act establishing the Department, the Library also serves as the National Agricultural Library.

The Library makes available to the research workers of the Department and the State agricultural colleges, as well as to the general public, the agricultural knowledge of the world that is contained in published literature. The Library collects current and historical published material and organizes it for maximum service to the Department and to the public through reference services, loans of publications, bibliographical services, and photo reproductions of library material. It issues a monthly Bibliography of Agriculture in which is listed the agricultural literature of the world. The book collection approximates 1.2 million volumes.

For salaries and expenses the Committee recommends the full budget estimate of \$1,347,000 for fiscal year 1965. The increase of \$20,860 is allowed to meet mandatory pay act costs next year.

The budget request of \$7,000,000 for construction of a new library has been deferred in view of the fact that plans and specifications will probably not be ready in time to begin construction during the 1965 fiscal year.

OFFICE OF MANAGEMENT SERVICES

The Office of Management Services was established by Secretary's Memorandum No. 1529, dated January 29, 1963 to provide management support services for certain agencies and offices of the Department. These management support services include budget, accounting, and related financial management services; information services; personnel; organization and related services; and procurement, property, space, communications, messenger, paperwork management, and related services. This consolidation of management support services was made to provide greater economy and effectiveness, improved utilization of manpower and management techniques, increased specialization of professional skills, and more extensive use of time-saving equipment.

These services are provided for the Office of the Secretary, Office of Budget and Finance, Office of Hearing Examiners, Office of Management Appraisal and Systems Development, Office of Personnel, Office of Plant and Operations, Office of Rural Areas Development, Office of Information, National Agricultural Library, Office of the General Counsel, Office of Inspector General, Farmer Cooperative Service, Commodity Exchange Authority, Cooperative State Research Service, Economic Research Service, Statistical Reporting Service, and Office of Management Services.

The Committee recommends the full budget request of \$2,482,000 for this activity for the next fiscal year, a decrease of \$59,200 below 1964. The amount approved includes \$47,000 for mandatory pay act costs in 1965. The net reduction below 1964 results from savings due to the centralization of management services under this new operation.

GENERAL ADMINISTRATION

The Secretary of Agriculture, assisted by the Under Secretary, the Assistant Secretaries, and members of their immediate staff, directs and coordinates the work of the Department; formulates and develops policy; maintains relationships with agricultural organizations and others in the development of farm programs; and maintains liaison with the Executive Office of the President and Members of Congress on all matters pertaining to legislation and policy to insure effective performance of the agricultural programs of the Department.

The following activities are also included under General Administration:

Personnel administration and service is carried on by the Office of Personnel, the staff agency with responsibility for the personnel management program of the Department.

Budgetary and financial administration and service is carried on by the Office of Budget and Finance, the staff agency with responsibility for functions relating to overall administration of the budgetary, fiscal, and related affairs of the Department.

General operations are carried on by the Office of Plant and Operations, a staff agency exercising general staff management direction of the housing of the Department's activities; the leasing of commercial

space and management of real property; procurement activities; purchasing, warehousing, utilization and disposal of administrative and operating supplies and equipment.

Management appraisal and systems development functions are carried out by the Office of Management Appraisal and Systems Development which was established by Secretary's Memorandum No. 1477 of December 8, 1961. The Office is responsible for the general direction, leadership, and coordination in the department of management appraisals, systems design, automatic data processing, operations research, and related management techniques.

Regulatory hearings and decisions include the work of the Office of Hearing Examiners and of the Judicial Officer. The Hearing Examiners carry out the provisions of the Administrative Procedure Act relating to the holding of hearings (5 U.S.C. 1006, 1010). Hearings are held in connection with prescribing of new regulations and orders, and on disciplinary complaints filed by the Department, or on petitions filed by private parties asking relief from some action of the Department.

The National Agricultural Advisory Commission was established pursuant to Executive Order 10472, approved July 20, 1953, amended by Executive Order 10937, approved May 3, 1961. In its advisory functions, the Commission is concerned with the broad fields of agricultural policy and administration, both as they affect the U.S. farmer and the national economy.

For the coming fiscal year, the Committee recommends an appropriation of \$3,530,000, an increase of \$307,000 over 1964 and \$173,000 in the budget estimate. Of the increase, \$57,000 is approved to meet mandatory pay costs in fiscal year 1965. The balance is provided to finance the Secretary's new program on pesticides discussed earlier in this report.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration was established by Executive Order 7037 of May 11, 1935, to make loans for extension of central station electric service to unserved rural people. It was continued by the Rural Electrification Act of May 20, 1936, and became part of the Department of Agriculture on July 1, 1939, under Reorganization Plan II. On October 28, 1949, Public Law 423 amended the act to authorize loans for furnishing and improving rural telephone service.

Electric and telephone construction loans are self-liquidating within a period not to exceed 35 years at 2 percent interest.

Loan authorization.—The Committee recommends the full budget estimate of \$365,000,000 for electrification loans, including a contingency reserve of \$90,000,000. This is a reduction of \$60,000,000 below the electrification loan funds authorized for 1964. While the budget proposed a single contingency fund for both electrification and telephone loans, a separate contingency reserve has been established for each program.

For the telephone loan program, the bill for 1965 includes the same amount as provided for 1964, \$70,000,000. The increase of \$7,000,000 in the budget request has been placed in a separate contingency reserve for telephone loan purposes.

The number of telephone subscribers being served by REA borrowers has regularly been increasing by more than 100,000 per year, and this is expected to continue. In addition, there is a rapidly developing demand for a grade of service better than the old 8-party line. This has lead REA to recommend 4 party flat rate rural service as the preferred standard, and in response to the demand, many borrowers are forecasting and developing systems to provide one or two party service in rural areas. The requirements for upgrading of service is expected to lead to an increase in loan applications in 1964 and 1965.

The Administrator of REA is to be commended for his cooperation in formulating and issuing regulations in accord with the directives in last year's reports of the House and Senate committees. In connection with last year's report of this Committee, it should be clearly understood that the directives contained therein were intended to apply to generation and transmission loans to G&T cooperatives and not to relatively small transmission loans to distribution cooperatives. The regulations issued recently pursuant to these directives should be interpreted and administered on this basis.

The Committee feels that loan funds provided to REA should not be used for power generation loans where the feasibility is based solely on the cheaper power rate resulting from the lower interest rate paid by REA cooperatives than is available to private investor companies unless essential to get area coverage at reasonable rates.

In connection with Section 5 loans, the majority of the Committee feels that the REA should investigate each request prior to approval to see that the application is for purposes *directly* related to the distribution, generation or transmission of electrical energy.

In evaluating the place of REA in the rural electrification industry, it is important that a few significant facts be kept in mind:

(1) The Nation as a whole used 761,380 million kilowatt hours of electricity in 1960. This is expected to increase to 2,692,650 million kilowatt hours by 1980—an increase of over three times.

(2) The REA financed systems serve only 8 percent of the consumers and receive only 5 percent of the revenues. They operate only 1 percent of the generating capacity and sell only 4 percent of the kilowatt hours.

(3) The REA financed systems serve an average of 3.3 consumers per mile as compared to 33.2 consumers per mile on commercial utility lines. REA borrowers have a gross annual revenue of \$460 per mile of line compared to \$7,164 gross annual revenue per mile of commercial companies.

(4) During fiscal year 1963 REA cooperatives used a total of 37,518 million kilowatt hours of electric energy. Of this total only 6,597 million kilowatt hours (approximately 17%) were generated by REA-G&T cooperatives. Nearly one-half of the balance (14,393 million kwh) was purchased from commercial power

suppliers. The rest (16,259 million kwh) came from municipal and other publicly owned suppliers.

(5) Of the approximately 1,000 REA borrowers only one is delinquent in an amount of \$55,000, and this amount is being steadily reduced.

Salaries and expenses.—An appropriation of \$11,641,000 is proposed for the administrative expenses of the REA program in fiscal year 1965. This is an increase of \$492,000 over 1964 and \$213,000 over the budget request. The increase over 1964 includes \$242,000 for mandatory pay act costs next year, plus \$250,000 to make the necessary additional surveys required by last year's directives and to process the loan applications without undue delay. With this increase, there should be no reason for any delay in processing applications due to additional surveys and reviews required.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration, established November 1, 1946, conducts the following primary activities:

Makes direct and insured farmownership loans to farmers and ranchers for acquiring, enlarging, or improving farms, including farm buildings, land development, use and conservation, refinancing indebtedness, and for loan-closing costs. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent. Insured loans are made with funds advanced by private lenders and payments of principal and interest are fully guaranteed.

Makes direct and insured soil and water conservation loans to farmers and ranchers and to associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Loans are repayable in not more than 40 years and bear interest not in excess of 5 percent.

Makes direct operating loans to farmers and ranchers for paying costs incident to reorganizing a farming system for more profitable operations, for a variety of essential farm operating expenses such as purchase of livestock, farm equipment, feed, seed, fertilizer, and farm supplies, for financing land and water development, use and conservation, for refinancing indebtedness, for other farm and home needs, and for loan-closing costs. Loans bear interest at 5 percent and may be made for periods up to 7 years, but may be renewed for not more than 5 additional years.

Makes direct emergency loans in designated areas where a natural disaster has caused a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative, or other responsible sources, including the Farmers Home Administration. Emergency loans bear interest not in excess of 3 percent and are repayable not later than provided for the regular loans for similar purposes.

Makes rural housing loans and grants for building purposes pursuant to title V of the Housing Act of 1949, as amended, to farm owners to owners of other real estate in rural areas, and to long-term farm leaseholders to construct, improve, alter, repair, or replace dwellings

and essential farm service buildings. Direct farm enlargement and development loans, along with building loans, are also made to farm-owners on potentially adequate farms who need to develop their farms so as to increase their income sufficiently to repay the loans. Loans are repayable in not more than 33 years and bear interest at 4 percent.

Makes watershed and flood prevention loans from funds appropriated under "Watershed protection, Soil Conservation Service" and under "Flood prevention, Soil Conservation Service." Such loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs. Loans are repayable in not more than 50 years at an interest rate based on specified outstanding obligations of the Treasury.

Makes insured loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such insured loans are made to individuals, corporations, associations, trusts, or partnerships to provide moderate cost rental housing and related facilities for elderly persons in rural areas. These loans, made with funds advanced by private lenders, are repayable in the number of years best suited to the individual case and bear interest at 5¾ percent. No loan may exceed \$100,000.

Makes direct loans for rental housing for the elderly pursuant to title V of the Housing Act of 1949, as amended. Such direct loans are made to private nonprofit corporations and consumer cooperatives to provide modest cost rental housing and related facilities for elderly persons of low or moderate income in rural areas. These direct loans, made from the Rural housing for the elderly revolving fund, are repayable in not more than 50 years and bear interest at a rate similar to that of the direct loan program of the Housing and Home Finance Agency for the elderly in urban areas which is currently 3½ percent.

Beginning with fiscal year 1964 the Farmers Home Administration initiated technical assistance and loans for rural renewal activity pursuant to section 102 of the Food and Agriculture Act of 1962. Loans are made to local agencies or groups for rural renewal projects specifically related to conservation and land utilization.

Rural housing loans.—Section 511 of the Housing Act of 1949, as amended, provides a total of \$650,000,000 in Treasury borrowing authorization for building loans. In addition, the 1964 Department of Agriculture and Related Agencies Appropriation Act provides a direct appropriation of \$25,000,000 for such loans. The status of these funds is as follows:

	Borrowing authoriza- tion	1964 appro- priation
Total available.....	\$650,000,000	\$25,000,000
Estimated obligations:		
Through June 30, 1963.....	—499,793,985	-----
Fiscal year 1964.....	—122,000,000	-----
Fiscal year 1965.....	—5,000,000	-----
Unobligated balance, June 30, 1965 (estimated).....	23,206,015	25,000,000

The amendments to Title V of the Housing Act of 1949 contained in the Housing Act of 1961, broadened the eligibility of individuals for rural housing loans to include non-farm rural residents, as well as farmers. The obligations for fiscal year 1963 of over \$183,000,000 as compared to obligations of \$96,000,000 in 1962 is indicative of the acceleration of the rural housing program. The accelerated demand for rural housing loan funds is expected to continue from both nonfarm rural residents and farm operators.

The Senior Citizens Housing Act of 1962 provided an increase of \$50,000,000 in Treasury borrowing authority under Section 511 of the Housing Act of 1949, the added amount to be available exclusively for building loans for the elderly. The status of the \$50,000,000 authorization is as follows:

Total authorization.....	\$50, 000, 000
Obligations:	
Fiscal year 1963.....	-3, 305, 920
Fiscal year 1964 (est.).....	-10, 000, 000
Fiscal year 1965 (est.).....	-15, 000, 000

Unobligated balance, June 30, 1965 (estimate).....	21, 694, 080
----------------------------------------------------	--------------

Direct loan account.—Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1964, it is estimated that this account will have a balance on hand of \$113,300,000. Estimated collections in fiscal year 1965 of \$339,619,000 will make a total available of \$452,919,000 for 1965 loan purposes.

The bill includes authority to use up to \$360,000,000 of this total for loans during the coming fiscal year, \$60,000,000 for real estate loans and \$300,000,000 for operating loans. These are the same amounts as were provided for fiscal year 1964. Of the funds provided for operating loans, \$50,000,000 has been placed in a contingency reserve, to be released by the Bureau of the Budget as may become necessary to meet the needs of the program during the year.

Legislation is contemplated to increase the authority for insured real estate loans from \$200 million to \$450 million. As of this date, this legislation has not yet been forwarded to Congress. Also, the volume of insured loans in the past has never reached expectations. In order to make certain that adequate funds are available in 1965 for such loans, the Committee recommends the 1964 level of \$60 million for the coming year for real estate loans.

Rural renewal.—The rural renewal program was authorized by section 102 of the Food and Agricultural Act of 1962. The program provides technical assistance to locally initiated and sponsored demonstration projects. Loans are made to local public agencies or groups for rural renewal development projects specifically related to conservation and land utilization. To be eligible for designation as a rural renewal area, the locality must be one of chronic underem-

ployment on farms and unemployment in the surrounding communities and where agriculture or forestry contributes substantially to the economy.

The Committee recommends that the funds for this program be held to the 1964 level of \$1,200,000. This is a decrease of \$990,000 in the budget request.

A special study made by the Committee during the past year indicates that the objectives of this program could probably be met through regular existing programs, that there is considerable overlapping with other activities of the Department, and that certain loan features of the program could create serious problems. In view of these findings, the Subcommittee feels that this program should be held at the present level for the coming year.

Rural housing for the elderly revolving fund.—This program was authorized by the Senior Citizens Housing Act of 1962, approved September 28, 1962. The act authorizes an appropriation of not to exceed \$50 million for a revolving fund to finance the program. It also authorizes loans from the revolving fund to private nonprofit corporations and consumer cooperatives to provide modest rental housing and related facilities for elderly persons (age 62 or over) of low or moderate income in rural areas. These are direct loans, repayable in not more than 50 years. The interest is comparable to housing loans for the elderly in urban areas, which is currently running 3½ percent.

The bill includes an appropriation of \$3,500,000 for this revolving fund in fiscal year 1965. This is the same amount as was provided for 1964 and is a reduction of \$1,500,000 in the budget estimate.

The amount recommended will make a total of \$8 million available for this revolving fund, \$1,000,000 in the Supplemental Appropriation Act, 1963, \$3,500,000 in the regular 1964 Appropriation Act, and \$3,500,000 in this bill. This should provide adequate funds for this purpose through fiscal year 1965.

Salaries and expenses.—The Committee recommends an appropriation of \$39,544,000 for the coming year, an increase of \$1,500,100 over 1964 and a decrease of \$640,000 in the budget request. The increase includes \$1,000,000 for mandatory pay act costs in 1965 and \$500,100 to meet the increasing workload resulting from the new programs assigned to this agency by law.

In addition, the Committee has restored language in the bill which authorizes the use of not to exceed \$500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

New responsibilities in the field of financing shifts in land use, recreational enterprises, rental housing for senior citizens in rural areas, farm labor housing, assistance to disadvantaged rural youth and under other authorities of the Farmers Home Administration require new skills and additional manpower, particularly at the field level. With low income farm borrowers, it is particularly important to provide good technical supervision and assistance coupled with needed credit, if the borrower is to become successfully established. The complicated financial management problems of many applicants require more skill and more effort today than formerly was the case.

During the past three years the loan programs of the Farmers Home Administration have more than doubled in volume with no significant increase in employment. The volume of loans made has increased from \$308 million to \$795 million and collections have raised from \$307 million to \$418 million. Loans outstanding and now to be supervised and serviced, have risen from \$1.2 billion to \$2 billion. By June 30, 1964, loans outstanding will total over \$2.5 billion dollars.

TITLE III—CORPORATIONS (INCLUDING P.L. 480 AND OTHER ASSISTANCE PROGRAMS)

FEDERAL CROP INSURANCE CORPORATION

The Federal Crop Insurance Corporation is a wholly owned Government corporation created February 16, 1938 (7 U.S.C. 1501) to carry out the Federal Crop Insurance Act. Its purpose is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance and providing the means for research and experience helpful in devising and establishing such insurance.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The Committee recommends a total of \$10,580,000 for administrative and operating expenses during fiscal year 1965, \$6,942,000 by direct appropriation and \$3,638,000 from premium income. This is a net increase of \$131,000 over 1964 and a reduction of \$11,000 in the budget request. The increase proposed includes \$103,000 for mandatory pay act costs for 1965 and \$28,000 to cover increased rental costs in Washington.

The General Services Administration has determined that the rental rate for space occupied by the Federal Crop Insurance Corporation in Washington shall be increased, effective July 1, 1964, from \$2.10 per square foot to \$4.14 per square foot. GSA advises that this rate is equal to the cost that a commercial landlord would bear, excluding profit.

The 1965 budget estimate is based on the operation of the crop insurance program at approximately the same level as in 1964, with no expansion of the crop insurance program to additional counties or commodities. The following table summarizes the planned program for fiscal year 1965 compared to 1963 and 1964:

Item	1963	1964	1965
Number of counties.....	1,096	1,196	1,196
Number of county programs.....	2,378	2,716	2,716
Number of crops insured.....	418,077	465,000	467,000
Insurance coverage (\$1,000).....	\$498,765	\$566,000	\$574,000
Premiums (\$1,000).....	\$30,545	\$34,500	\$35,000
Indemnities (\$1,000).....	\$24,845	\$25,530	\$26,000

COMMODITY CREDIT CORPORATION

The Corporation was organized October 17, 1933, under the laws of the State of Delaware, as an agency of the United States, and was managed and operated in close affiliation with the Reconstruction Finance Corporation. On July 1, 1939, it was transferred to the Department of Agriculture by the President's Reorganization Plan I. On July 1, 1948, it was established as an agency and instrumentality of the United States under a permanent Federal charter by Public Law 80-806, as amended. Its operations are conducted pursuant to this charter and other specific legislation.

The Commodity Credit Corporation engages in buying, selling, lending, and other activities with respect to agricultural commodities, their products, food, feeds, and fibers. Its purposes include stabilizing, supporting, and protecting farm income and prices; assisting in the maintenance of balance and adequate supplies of such commodities; and facilitating their orderly distribution. The Corporation also makes available materials and facilities required in connection with the production and marketing of such commodities.

The Corporation is managed by a board of directors appointed by the President and confirmed by the Senate, subject to the general supervision and direction of the Secretary of Agriculture, who is, *ex officio*, a director and chairman of the board. In addition, it has a bipartisan advisory board of five members appointed by the President to survey the general policies of the Corporation and advise the Secretary with respect thereto.

Personnel and facilities of the Agricultural Stabilization and Conservation Service, ASC State and county committees, and other USDA agencies are used to carry out Corporation activities.

The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion. Funds are borrowed from the Federal Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, the Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by lending agencies or certificates of interest issued in connection with the financing of price-support operations. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the act of March 8, 1939 (15 U.S.C. 713a-4).

The budget is based on the following types of programs: (1) price support, (2) commodity export, (3) storage facilities, (4) supply and foreign purchase, (5) special agricultural conservation program for feed grains, (6) wheat stabilization program, and (7) special activities.

Reimbursement for net realized losses.—An appropriation of \$1,724,000,000, the full budget estimate, is proposed in the bill to restore a portion of the capital impairment of the Corporation for fiscal year 1963. This is \$975,400,000 less than the funds carried in the 1964 Appropriation Act.

As discussed at the beginning of this report, the reduction in this item is due to a change in policy by the Bureau of the Budget. Instead of requesting sufficient funds to fully reimburse the Corporation for 1963 capital impairment, only a partial restoration was included in the budget estimate for this purpose. The amount requested and recommended in the bill is the total deemed by the Department to be sufficient, when supplemented with cash receipts from the sale of commodities in CCC inventory, to meet the Corporation's obligation during the coming fiscal year to finance price supports, exports, supply and related programs.

The Committee has approved the budget request, realizing that the amount of money required next year will be determined finally by volume of production, weather conditions, market prices and other factors which cannot be predicted at this time nor controlled in the future. Also, it recognizes that increased dollar sales of CCC commodities on a competitive bid basis could provide the additional operating funds needed for the coming year. Also, it is not possible at this time to accurately foretell the final effect of the wheat and cotton legislation recently adopted.

The Committee has approved budget language which will avoid increasing future appropriation requests by accumulated interest charges on realized losses not restored currently. This change will have the effect of terminating at the close of each fiscal year, beginning with the fiscal year 1964, interest on borrowings from the Treasury in an amount equivalent to the realized losses sustained by the Corporation (1) during the fiscal year 1964 and succeeding fiscal years, and (2) in prior fiscal years, for which the Corporation has not been reimbursed by appropriation. Interest would continue to be charged on borrowings for losses sustained during a particular fiscal year but not after the end of that fiscal year. This would limit interest expenses to borrowings for current operations and would avoid increasing future appropriation requests by interest charges resulting solely from deferral of reimbursement to the Corporation for realized costs and losses applicable to past operations.

The Committee wishes to point out again this year that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 5 years shows that the percentage of CCC payments to nonfarm groups

has run 58 to 59 percent in 4 of the last 5 years. Figures from the Department of Agriculture are as follows:

[In thousands]

Item	Fiscal year				
	1959	1960	1961	1962	1963
Storage and handling.....	\$371, 230	\$476, 138	\$426, 779	\$393, 257	\$377, 281
Transportation.....	167, 553	83, 035	164, 183	134, 051	170, 114
Interest expenses (net of income).....	150, 182	413, 355	354, 007	290, 651	377, 612
Administrative and nonadministrative expense.....	48, 219	64, 975	89, 095	82, 804	89, 283
Special milk program.....	74, 027	80, 563	-374	-23	-879
Payments to nonfarm groups.....	811, 211	1, 118, 066	1, 033, 690	900, 740	1, 013, 411
Other price support and related programs..	598, 813	766, 475	714, 907	1, 030, 599	695, 556
Subtotal.....	1, 410, 024	1, 884, 541	1, 748, 597	1, 931, 339	1, 708, 967
Acreage diversion payments.....			333, 223	868, 061	945, 886
Total realized loss.....	1, 410, 024	1, 884, 541	2, 081, 820	2, 799, 400	2, 654, 853
Percentage of payments to nonfarm groups to realized losses for price support and related programs (excluding diversion payments).....	58	59	59	47	59

Limitation on administrative expenses.—The Committee recommends the budget estimate of \$37,351,000 for administrative expenses of the Corporation in the coming year. This is a decrease of \$4,299,000 below fiscal year 1964.

The officials of the Corporation and the Agricultural Stabilization and Conservation Service are to be commended for their outstanding administrative record and for the many operating savings and economies they have made in recent years. Despite salary raises and other increased costs, the amount authorized for administration of CCC has decreased from \$45,726,000 in fiscal year 1961 to the recommendation of \$37,351,000 for next year.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

Foreign assistance programs are currently being carried out pursuant to the following specific authorizations:

Public Law 480 (Agricultural Trade Development and Assistance Act—7 U.S.C. 1701–1736):

Sales of surplus agricultural commodities for foreign currencies: Under title I of the act, surplus agricultural commodities are sold for foreign currencies. Within certain limitations, these currencies may then be used by the U.S. Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military housing, and other specified purposes.

Commodities disposed of for emergency famine relief to friendly peoples: Under title II, the Commodity Credit Corporation makes its surplus stocks of agricultural commodities available for famine relief and other assistance to friendly nations and friendly peoples in meeting famine or other relief requirements and to pay ocean freight charges for the shipment of donated commodities.

Long-term supply contracts: Under title IV the President is authorized to make agreements with friendly nations under which the United States could deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years.

Appropriations are authorized to reimburse the Corporation for its cost in carrying out these programs.

International Wheat Agreement (7 U.S.C. 1641–1642): The Act operates to provide an assured market for wheat to exporting countries at stable and equitable prices. The maximum and minimum prices in the 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1, Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as of March 1949. The total quantity represents about 36 percent of the world trade in wheat.

The Commodity Credit Corporation makes available wheat or wheat flour to carry out the provisions of the agreement, including the payment-in-kind to the exporter for the difference between the prevailing sales price of wheat under the agreement and the market price. A cash payment for this differential is made for flour.

Bartered materials for supplemental stockpile: Under title II of the Agricultural Act of 1956 (7 U.S.C. 1856), the Commodity Credit Corporation transfers to the supplemental stockpile strategic and other materials acquired as a result of barter and exchange of agricultural commodities, other than those acquired for the national stockpile or for other purposes. Appropriations are authorized for the value of materials transferred at the lower of cost or market value at the time of the transfer.

The rate at which expenditures are made under these programs is influenced by such unpredictable factors as international negotiations, economic conditions abroad, availability of shipping space, and the processing of documents.

Also, these programs are affected by major farm legislation, such as the wheat and cotton bills recently adopted, and the effect of such legislation cannot be foreseen at this point. As one of the officials of the Department states: "These estimates are of necessity very indefinite."

Public Law 480.—The bill for fiscal year 1965 includes a total of \$1,887,453,000 to finance the activities under this head, \$1,612,000,000 for Title I sales for foreign currencies, \$220,453,000 for emergency famine relief under Title II, and \$55,000,000 for long-term supply contracts authorized by Title IV. The total recommended is an increase of \$167,487,000 over 1964 and a reduction of \$327,547,000 in the budget request.

The amount provided for sales for foreign currencies includes \$612,000,000 to cover unreimbursed prior year costs and \$1,000,000,000 estimated 1965 costs. The appropriation proposed for emergency famine relief provides \$20,453,000 for unreimbursed prior year costs plus \$200,000,000 for the 1965 program.

Under the long-term supply contract program (Title IV), the foreign governments contract to repay the United States in agreed installments. Such future repayments, including interest specified in the agreements, are deducted from the appropriation request. In effect, the appropriation covers only the difference between the cost of shipments and the export market value which is established at time of the agreement, plus the differential on the U.S.-flag vessels over the foreign flag vessels and interest expense not charged to foreign governments. This latter item is the difference between CCC interest cost and the interest rate specified in the agreement. The Government then must look to the future for recovery of costs due from foreign governments which are financed by the Commodity Credit Corporation.

The matter of the extra cost of shipping agricultural commodities in U.S. ships has become a major issue in view of the large shipments of goods under Public Law 480. This also became a primary consideration in negotiating agreements for sales of wheat to Soviet countries. While the Committee recognizes the need to protect the American Merchant Marine, it does not feel that this should be allowed to interfere unduly with agricultural sales abroad. Further, it does not feel that the Department of Agriculture should be expected to carry the extra costs involved in the difference between world shipping rates and American flag carrier rates.

A statement prepared by the Department shows that the use of U.S. vessels for Public Law 480 shipments since 1955 has cost the Department an extra \$675,700,000 as follows:

[Millions of dollars]

Fiscal year	Title I	Title II	Title III ¹	Title IV	Total
1955.....	9.6		0.1		9.7
1956.....	20.2		.2		20.4
1957.....	50.6		.1		50.7
1958.....	53.8		.1		53.9
1959.....	73.8		.2		74.0
1960.....	79.6		.1		79.7
1961.....	107.7	6.9	1.3		115.9
1962.....	98.4	11.9	.3	0.6	111.2
1963.....	147.0	11.2	.6	1.4	160.2
Total.....	2 640.7	3 30.0	3 3.0	3 2.0	675.7

¹ Shipments of nonagricultural materials on U.S. vessels under barter contracts.

² The U.S. Government received from the recipient country foreign currencies equivalent to \$343.9 million over this same period of years, representing the estimated foreign-flag vessel rate. Some of these currencies have been available for payment of U.S. expenses abroad.

³ Reflects costs for ocean transportation on U.S.-flag vessels in excess of foreign-flag vessel rates.

The Department is requested to look into the possibility of paying the extra cost of such shipments in U.S. vessels from foreign currencies available in those countries to which Public Law 480 shipments are made.

Information has also come to the Committee's attention which may possibly indicate that foreign currency sales under Public Law 480 are being made to certain foreign countries which displace regular dollar sales. Attention is directed to those provisions of Public Law 480 which require that Title I sales be "in excess of the usual marketings of such commodities * * *." In the opinion of the Committee, agreements under Public Law 480 which would in any way displace U.S. dollar sales should not be entered into. Normal commercial overseas markets for U.S. agricultural production should never intentionally be sacrificed for international political reasons.

International wheat agreement.—The full budget estimate of \$31,838,000 is approved for fiscal year 1965, a reduction of \$54,380,000 below the 1964 appropriation. The amount approved includes \$31,659,000 for prior year unreimbursed costs and \$179,000 for estimated 1965 costs.

It is estimated that, due to the disapproval of wheat producers of marketing quotas for the 1964 crop year, and substitution of a production certificate plan, the open market price will be closer to the competitive world price in fiscal year 1965 than in prior years. However, the final effect of the new wheat legislation on wheat prices cannot be determined at this time. The total shipments in 1965 are expected to be about 120 million bushels and the quantities shipped by country will be in about the same proportion as in 1964.

Bartered materials for supplemental stockpile.—The Committee recommends an appropriation of \$82,860,000 for fiscal year 1965, the same as provided for fiscal year 1964. The amount recommended includes \$39,000,000 for unrecovered 1964 costs and \$43,860,000 for the 1965 program.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

Limitation on administrative expenses.—The Administration supervises, examines, and provides facilities and services to a coordinated system of farm credit banks and associations making loans to farmers and their cooperatives. Services and facilities furnished by the Administration facilitate the operations of the several agencies and their progress toward farmer ownership. Typical services are: custody of collateral for bonds and debentures, assistance in financing and investments, credit analysis, development of land appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on farm credit. All expenses of these activities are paid by assessments collected from the banks and associations of the farm credit system.

Since December 4, 1953, the Administration has been an independent agency under the direction of a Federal Farm Credit Board (12 U.S.C. 636). The Administration, originally created by Executive Order No. 6084 on May 27, 1933, was transferred to the Department of Agriculture on July 1, 1939, by Reorganization Plan No. 1.

The full budget request of \$2,876,000 is recommended for fiscal year 1965, an increase of \$91,000 over 1964. The increase is necessary to meet the additional mandatory pay costs and lump sum leave payments which cannot be absorbed due to the small size of this organization.

The amount of loans made by the Farm Credit banks and associations continued in an upward trend and reached a new peak during the past year. A net total of \$5.3 billion in credit extended to agriculture in the year ended June 30, 1963, compares with \$4.8 billion for fiscal 1962 and \$4.0 billion in fiscal 1960. The 12 Federal land banks in the year ended June 30, 1963, made loans amounting to \$682 million as compared with \$636 million in fiscal 1962 and \$517 million in fiscal 1960. Production credit associations made \$3.4 billion in short- and intermediate-term loans to farmers in the 1963 fiscal year compared with \$3.0 billion in fiscal 1962. The banks for cooperatives made \$946 million in loans to farmers' marketing, purchasing and business service cooperatives during the year ended June 30, 1963, about \$86 million more than in the 1962 fiscal year.

Due to the increased use of credit by farmers' and their cooperatives, the total amount of loans outstanding among all Farm Credit banks and associations reached a new peak. Outstandings amounted to \$6.3 billion on June 30, 1963, as compared with \$5.8 billion a year earlier. The amount outstanding was at peak levels for each group of banks.

The Farm Credit banks and associations provide slightly less than one-fifth of the total amount of credit used by individual farmers. The proportion of credit used by farmers which is furnished by the Farm Credit System increased only slightly from 17.8 percent at the beginning of 1962 to 17.9 percent on January 1, 1963.

TITLE V—GENERAL PROVISIONS

The general provisions contained in the accompanying bill for fiscal year 1965 are essentially the same as those included in previous appropriation bills.

Section 501 authorizes the purchase of 472 passenger motor vehicles during fiscal year 1965. This will permit the replacement of 452 vehicles which have reached the Federal replacement standard of 6 years or 60,000 miles. It will also permit the purchase of 20 additional vehicles, 5 for the Agricultural Research Service, 10 for the Soil Conservation Service and 5 for the Statistical Reporting Service. At least 5 of the additional vehicles for the Soil Conservation Service should be used for the Watershed Protection program.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in any appropriation act are included in the bill:

On page 14, in connection with special milk program:

to be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c).

On page 16 in connection with Section 32 funds:

(5) not in excess of \$25,000,000 to be used to increase domestic consumption of farm commodities pursuant to authority contained in Public Law 88-250, the Department of Agriculture and Related Agencies Appropriation Act, 1964, of which amounted \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities.

On page 30, in connection with the Commodity Credit Corporation:

Provided, That after June 30, 1963, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1964	Budget estimates, 1965	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)-----	\$368, 001, 556	\$378, 000, 000	+\$9, 998, 444
Perishable Agricultural Commodities Act fund-----	830, 000	893, 000	+63, 000
Total, Agricultural Marketing Service-----	368, 831, 556	378, 893, 000	10, 061, 444
Agricultural Stabilization and Conservation Service: National Wool Act-----	90, 179, 493	80, 500, 000	-9, 679, 493
Total, permanent appropriations-----	459, 011, 049	459, 393, 000	+381, 951

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1964 AND ESTIMATES AND AMOUNTS RECOMMENDED IN BILL FOR 1965

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE I—GENERAL ACTIVITIES					
Agricultural Research Service:					
Salaries and expenses:					
Research.....	¹ \$96, 433, 075	² \$103, 074, 875	\$97, 656, 000	+\$1, 222, 925	-\$5, 418, 875
Plant and animal disease and pest control.....	64, 318, 000	³ 65, 655, 000	65, 255, 000	+937, 000	-400, 000
Meat inspection.....	27, 896, 000	30, 837, 000	30, 454, 000	+2, 558, 000	-383, 000
1964 Supplemental (H. Doc. 284).....	-----	90, 000	-----	-----	-90, 000
Total, Salaries and expenses.....	⁴ 188, 647, 075	⁴ 199, 656, 875	193, 365, 000	+4, 717, 925	-6, 291, 875
Salaries and expenses (special foreign currency program).....	1, 250, 000	5, 000, 000	-----	-1, 250, 000	-5, 000, 000
Total, Agricultural Research Service.....	189, 897, 075	204, 656, 875	193, 365, 000	+3, 467, 925	-11, 291, 875
Cooperative State Research Service: Payments and expenses.....	41, 428, 000	³ 42, 440, 000	42, 440, 000	+1, 012, 000	-----

See footnotes at end of table, p. 66.

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE I—GENERAL ACTIVITIES—Con.					
Extension Service:					
Payments to States and Puerto Rico.....	\$67, 295, 000	\$64, 705, 000	\$67, 295, 000	-----	+ \$2, 590, 000
Retirement costs for extension agents.....	7, 272, 500	7, 410, 000	7, 410, 000	+\$137, 500	-----
Penalty mail.....	3, 113, 000	3, 113, 000	3, 113, 000	-----	-----
Federal Extension Service.....	2, 401, 000	2, 451, 000	2, 451, 000	+50, 000	-----
Total, Extension Service.....	80, 081, 500	77, 679, 000	80, 269, 000	+187, 500	+2, 590, 000
Farmer Cooperative Service.....	1, 059, 200	1, 102, 200	1, 082, 000	+22, 800	-20, 200
Soil Conservation Service:					
Conservation operations.....	97, 926, 000	98, 750, 000	100, 511, 000	+2, 585, 000	+1, 761, 000
Watershed planning.....	5, 424, 000	4, 499, 000	5, 524, 000	+100, 000	+1, 025, 000
Watershed protection.....	58, 023, 000	61, 349, 000	60, 324, 000	+2, 301, 000	-1, 025, 000
Flood prevention.....	25, 423, 000	22, 656, 000	25, 423, 000	-----	+2, 767, 000
Great Plains conservation program.....	13, 612, 000	14, 744, 000	14, 176, 000	+564, 000	-568, 000
Resource conservation and develop- ment.....	1, 496, 000	2, 044, 000	1, 496, 000	-----	-548, 000
Total, Soil Conservation Service.....	201, 904, 000	204, 042, 000	207, 454, 000	+5, 550, 000	+3, 412, 000
Economic Research Service: Salaries and expenses.....	9, 246, 800	9, 476, 000	9, 476, 000	+229, 200	-----

Statistical Reporting Service: Salaries and expenses-----	10, 590, 900	11, 431, 400	11, 451, 000	+ 840, 100	- 400
Agricultural Marketing Service:					
Marketing Services-----	⁶ 37, 192, 600	⁶ 39, 515, 125	39, 389, 000	+ 2, 196, 400	- 126, 125
1964 Supplemental (H. Doc. 203)-----		173, 000 ⁷			- 173, 000
Payments to States and possessions-----	1, 500, 000	1, 425, 000	1, 500, 000		+ 75, 000
Special milk program-----	99, 834, 000	⁷ (99, 831, 000)	⁷ (99, 831, 000)	- 99, 834, 000	
School lunch program-----	⁸ 136, 616, 000	⁸ 147, 610, 000	⁸ 146, 400, 000	+ 9, 784, 000	- 1, 210, 000
Total, Agricultural Marketing Service-----	275, 142, 600	188, 723, 125	187, 289, 000	- 87, 853, 600	- 1, 434, 125
Foreign Agricultural Service:					
Salaries and expenses-----	⁹ 18, 587, 500	³ 20, 524, 000	18, 790, 000	+ 202, 500	- 1, 734, 000
Commodity Exchange Authority-----	1, 053, 000	1, 119, 000	1, 100, 000	+ 47, 000	- 19, 000
Agricultural Stabilization and Conservation Service:					
Expenses, Agricultural Stabilization and Conservation Service-----	¹⁰ 117, 970, 500	¹¹ 114, 562, 000	105, 602, 000	- 12, 368, 500	- 8, 960, 000
Sugar Act program-----	78, 000, 000	87, 500, 000	86, 400, 000	+ 8, 400, 000	- 1, 100, 000
1964 Supplemental (H. Doc. 203)-----		6, 400, 000			- 6, 400, 000
Agricultural conservation program-----	215, 000, 000	225, 000, 000	225, 000, 000	+ 10, 000, 000	
Conservation reserve program-----	294, 000, 000	198, 000, 000	194, 000, 000	- 100, 000, 000	- 4, 000, 000
Cropland conversion program-----	11, 350, 000	10, 000, 000	7, 200, 000	- 4, 150, 000	- 2, 800, 000
Total, Agricultural Stabilization and Conservation Service-----	716, 320, 500	641, 462, 000	618, 202, 000	- 98, 118, 500	- 23, 260, 000

See footnotes at end of table, p. 66.

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE I—GENERAL ACTIVITIES—Con.					
Office of Rural Areas Development-----	\$120, 000	\$124, 000	\$124, 000	+\$4, 000	-----
Office of Inspector General-----	9, 712, 400	9, 874, 000	9, 874, 000	+161, 600	-----
Office of the General Counsel-----	3, 698, 500	3, 853, 000	3, 784, 000	+85, 500	-\$69, 000
Office of Information-----	1, 634, 000	1, 648, 000	1, 648, 000	+14, 000	-----
National Agricultural Library:					
Salaries and expenses-----	1, 326, 140	1, 347, 000	1, 347, 000	+20, 860	-----
Library facilities-----	450, 000	7, 000, 000	-----	-----	-----
Office of Management Services-----	2, 541, 200	3 2, 482, 000	2, 482, 000	--59, 200	-----
General administration-----	3, 223, 000	3 3, 357, 000	3, 530, 000	+307, 000	+173, 000
Total, title I, general activities-----	1, 568, 016, 315	1, 432, 340, 600	1, 393, 687, 000	-174, 329, 315	-38, 653, 600
TITLE II—CREDIT AGENCIES					
Rural Electrification Administration:					
Loan authorizations:					
Electrification-----	¹² (425, 000, 000)	¹³ (365, 000, 000)	¹⁴ (365, 000, 000)	(-60, 000, 000)	-----

Telephone-----	(70, 000, 000)	(63, 000, 000)	¹⁵ (70, 000, 000)	-----	(+7, 000, 000)
Total, loan authorizations-----	(495, 000, 000)	(428, 000, 000)	(435, 000, 000)	(-60, 000, 000)	(+7, 000, 000)
Salaries and expenses-----	11, 149, 000	³ 11, 428, 000	11, 641, 000	+492, 000	+213, 000
Total, Rural Electrification Administration-----	11, 149, 000	11, 428, 000	11, 641, 000	+492, 000	+213, 000
Farmers Home Administration:					
Rural housing loans-----	25, 000, 000	-----	-----	-25, 000, 000	-----
Direct loan account:					
Real estate loans-----	(60, 000, 000)	(25, 000, 000)	(60, 000, 000)	-----	(+35, 000, 000)
Operating loans-----	¹⁶ (300, 000, 000)	(300, 000, 000)	¹⁶ (300, 000, 000)	-----	-----
Total, direct loan account-----	(360, 000, 000)	(325, 000, 000)	(360, 000, 000)	-----	(+35, 000, 000)
Rural renewal-----	1, 200, 000	2, 190, 000	1, 200, 000	-----	-990, 000
Rural housing for the elderly revolving fund-----	3, 500, 000	5, 000, 000	3, 500, 000	-----	-1, 500, 000
Salaries and expenses-----	38, 043, 900	³ 40, 184, 000	39, 544, 000	+1, 500, 100	-640, 000
Total, Farmers Home Administration-----	67, 743, 900	47, 374, 000	44, 244, 000	-23, 499, 900	-3, 130, 000
Total, title II, credit agencies:					
Loan authorizations-----	(855, 000, 000)	(753, 000, 000)	(795, 000, 000)	(-60, 000, 000)	(+42, 000, 000)
Direct appropriation-----	78, 892, 900	58, 802, 000	55, 885, 000	-23, 007, 900	-2, 917, 000

See footnotes at end of table, p. 66.

Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965	Recommended in bill for 1965	Bill compared with—	
				Appropriations, 1964	Estimates, 1965
TITLE III—CORPORATIONS					
(Including PL 480 and other assistance programs)					
Federal Crop Insurance Corporation:					
Administrative and operating expenses:					
Appropriation.....	\$6, 944, 000	\$6, 942, 000	\$6, 942, 000	-\$2, 000	-----
Premium income.....	(3, 505, 000)	(3, 649, 000)	(3, 638, 000)	(+133, 000)	(-\$11, 000)
Total, Federal Crop Insurance Corporation.....	6, 944, 000	6, 942, 000	6, 942, 000	-2, 000	-----
Commodity Credit Corporation:					
Reimbursement for net realized losses.....	2, 699, 400, 000	1, 724, 000, 000	1, 724, 000, 000	-975, 400, 000	-----
Limitation on administrative expenses.....	(41, 650, 000)	(37, 351, 000)	(37, 351, 000)	(-4, 299, 000)	-----
Total, Commodity Credit Corporation.....	2, 699, 400, 000	1, 724, 000, 000	1, 724, 000, 000	-975, 400, 000	-----
Public Law 480:					
Sales for foreign currencies.....	1, 452, 000, 000	1, 893, 000, 000	1, 612, 000, 000	+160, 000, 000	-281, 000, 000
Emergency famine relief.....	215, 451, 000	264, 000, 000	220, 453, 000	+5, 002, 000	-43, 547, 000
Long-term supply contracts.....	52, 515, 000	58, 000, 000	55, 000, 000	+2, 485, 000	-3, 000, 000
Total, Public Law 480.....	1, 719, 966, 000	2, 215, 000, 000	1, 887, 453, 000	+167, 487, 000	-327, 547, 000

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

International Wheat Agreement-----	86, 218, 000	31, 838, 000	31, 838, 000	-54, 380, 000	-----
Bartered materials for supplemental stock- pile-----	82, 860, 000	120, 000, 000	82, 860, 000	-----	-37, 140, 000
Total, title III, corporations-----	4, 595, 388, 000	4, 097, 780, 000	3, 733, 093, 000	-862, 295, 000	-364, 687, 000
TITLE IV—RELATED AGENCIES					
Farm Credit Administration: Limitation on administrative expenses-----	(2, 785, 000)	(2, 876, 000)	(2, 876, 000)	(+91, 000)	-----
Total, title IV, related agencies-----	(2, 785, 000)	(2, 876, 000)	(2, 876, 000)	(+91, 000)	-----
Total appropriations:					
Title I—General activities-----	1, 568, 016, 315	1, 432, 340, 600	1, 393, 687, 000	-174, 329, 315	-38, 653, 600
Title II—Credit agencies-----	78, 892, 900	58, 802, 000	55, 885, 000	-23, 007, 900	-2, 917, 000
Title III—Corporations (including PL 480 and other assistance programs)---	4, 595, 388, 000	4, 097, 780, 000	3, 733, 093, 000	-862, 295, 000	-364, 687, 000
Title IV—Related agencies-----	(2, 785, 000)	(2, 876, 000)	(2, 876, 000)	(+91, 000)	-----
Grand total-----	6, 242, 297, 215	5, 588, 922, 600	5, 182, 665, 000	-1, 059, 632, 215	-406, 257, 600
Consisting of:					
1965 appropriations-----	6, 242, 297, 215	5, 582, 259, 600	5, 182, 665, 000	-1, 059, 632, 215	-399, 594, 600
1964 supplementals-----	-----	6, 663, 000	-----	-----	-6, 663, 000

Footnotes appear on following page.

- ¹ Includes \$5,041,375 for marketing research which is merged with this appropriation.
- ² Includes \$4,459,875 for marketing research which is merged with this estimate.
- ³ Amended by House Document No. 240, dated March 9, 1964.
- ⁴ In addition, \$1,000,000 reapportioned for contingency fund.
- ⁵ Excludes \$5,041,375 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
- ⁶ Excludes \$4,459,875 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
- ⁷ By transfer from sec. 32 funds.
- ⁸ In addition, \$45,000,000 transfer from sec. 32 funds authorized for purchases and distribution of food.
- ⁹ In addition, \$3,117,000 transfer from sec. 32 funds authorized.
- ¹⁰ Includes \$13,600,000 deficiency for fiscal year 1964 submitted in H. Doc. 203, dated Jan. 21, 1964.
- ¹¹ In addition, transfers from Commodity Credit Corporation provided as follows: Fiscal year 1964, \$91,720,000; fiscal year 1965, \$87,508,000.
- ¹² Includes \$150,000,000 contingency authorization.
- ¹³ Includes \$65,000,000 contingency authorization.
- ¹⁴ Includes \$90,000,000 contingency authorization.
- ¹⁵ Includes \$7,000,000 contingency authorization.
- ¹⁶ Includes \$50,000,000 contingency authorization.

○

Union Calendar No. 580

88TH CONGRESS
2D SESSION

H. R. 11202

[Report No. 1387]

IN THE HOUSE OF REPRESENTATIVES

MAY 8, 1964

Mr. WHITTEN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1965, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quarantine
9 and regulatory work, and meat inspection: *Provided*, That
10 appropriations hereunder shall be available for field employ-
11 ment pursuant to the second sentence of section 706 (a) of
12 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
13 \$75,000 shall be available for employment under section 15
14 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
15 *further*, That appropriations hereunder shall be available for
16 the operation and maintenance of aircraft and the purchase of
17 not to exceed two for replacement only: *Provided further*,
18 That appropriations hereunder shall be available pursuant to
19 title 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$20,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$45,000
25 each, and the cost of altering any one building during the

1 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
2 cost of the building, whichever is greater: *Provided further,*
3 That the limitations on alterations contained in this Act
4 shall not apply to a total of \$100,000 for facilities at Belts-
5 ville, Maryland:

6 Research: For research and demonstrations on the pro-
7 duction and utilization of agricultural products; agricultural
8 marketing and distribution, not otherwise provided for; home
9 economics or nutrition and consumer use of agricultural and
10 associated products; and related research and services; and
11 for acquisition of land by donation, exchange, or purchase at a
12 nominal cost not to exceed \$100, \$97,656,000: *Provided,*
13 That the limitations contained herein shall not apply
14 to replacement of buildings needed to carry out the Act of
15 April 24, 1948 (21 U.S.C. 113 (a)) ;

16 Plant and animal disease and pest control: For oper-
17 ations and measures, not otherwise provided for, to control
18 and eradicate pests and plant and animal diseases and for
19 carrying out assigned inspection, quarantine, and regulatory
20 activities, as authorized by law, including expenses pursuant
21 to the Act of February 28, 1947, as amended (21 U.S.C.
22 114b-c), \$65,255,000, of which \$1,500,000 shall be ap-
23 portioned for use pursuant to section 3679 of the Revised
24 Statutes, as amended, for the control of outbreaks of insects
25 and plant diseases to the extent necessary to meet emergency
26 conditions: *Provided,* That no funds shall be used to formu-

1 late or administer a brucellosis eradication program for the
2 current fiscal year that does not require minimum matching
3 by any State of at least 40 per centum: *Provided further,*
4 That no funds in excess of \$250,000 shall be available for
5 carrying out the screwworm eradication program that does
6 not require minimum matching by State or local sources of
7 at least 50 per centum of the expenses of production, irradiation,
8 and release of the screwworm flies: *Provided further,*
9 That, in addition, in emergencies which threaten the livestock
10 or poultry industries of the country, the Secretary may transfer
11 from other appropriations or funds available to the agencies
12 or corporations of the Department such sums as he may
13 deem necessary, to be available only in such emergencies for
14 the arrest and eradication of foot-and-mouth disease, rinderpest,
15 contagious pleuropneumonia, or other contagious or
16 infectious diseases of animals, or European fowl pest and
17 similar diseases in poultry, and for expenses in accordance
18 with the Act of February 28, 1947, as amended, and any
19 unexpended balances of funds transferred under this head in
20 the next preceding fiscal year shall be merged with such
21 transferred amounts;

22 Meat inspection: For carrying out the provisions of
23 laws relating to Federal inspection of meat, and meat-food
24 products, and the applicable provisions of the laws relating
25 to process or renovated butter, \$30,454,000;

26 Special fund: To provide for additional labor to be em-

1 ployed under contracts and cooperative agreements to
2 strengthen the work at research installations in the field,
3 not more than \$1,000,000 of the amount appropriated under
4 this head for the previous fiscal year may be used by the
5 Administrator of the Agricultural Research Service in de-
6 partmental research programs in the current fiscal year,
7 the amount so used to be transferred to and merged with
8 the appropriation otherwise available under "Salaries and
9 expenses, Research".

10 COOPERATIVE STATE RESEARCH SERVICE

11 PAYMENTS AND EXPENSES

12 For payments to agricultural experiment stations, for
13 grants for cooperative forestry research, and for other ex-
14 penses, including \$40,863,000 to carry into effect the provi-
15 sions of the Hatch Act, approved March 2, 1887, as amended
16 by the Act approved August 11, 1955 (7 U.S.C. 361a-
17 361i), including administration by the United States De-
18 partment of Agriculture; \$1,000,000 for grants for coopera-
19 tive forestry research under the Act approved October 10,
20 1962 (16 U.S.C. 582a-582a-7); \$310,000 for penalty
21 mail costs of agricultural experiment stations under section
22 6 of the Hatch Act of 1887, as amended; and \$267,000 for
23 necessary expenses of the Cooperative State Research Serv-
24 ice, including administration of payments to State agricultural
25 experiment stations, funds for employment pursuant to the

1 second sentence of section 706 (a) of the Organic Act of
2 1944 (5 U.S.C. 574), and not to exceed \$30,000 for em-
3 ployment under section 15 of the Act of August 2, 1946 (5
4 U.S.C. 55a) ; in all, \$42,440,000.

5 EXTENSION SERVICE

6 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

7 Payments to States and Puerto Rico: For payments
8 for cooperative agricultural extension work under the Smith-
9 Lever Act, as amended by the Act of June 26, 1953, the Act
10 of August 11, 1955, and the Act of October 5, 1962 (7
11 U.S.C. 341-349), \$65,725,000; and payments and contracts
12 for such work under section 204 (b) -205 of the Agricultural
13 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000;
14 in all, \$67,295,000: *Provided*, That funds hereby appropri-
15 ated pursuant to section 3 (c) of the Act of June 26, 1953,
16 shall not be paid to any State or Puerto Rico prior to avail-
17 ability of an equal sum from non-Federal sources for expendi-
18 ture during the current fiscal year.

19 Retirement and Employees' Compensation costs for ex-
20 tension agents: For cost of employer's share of Federal
21 retirement and for reimbursement for benefits paid from the
22 Employees' Compensation Fund for cooperative extension
23 employees, \$7,410,000.

24 Penalty mail: For costs of penalty mail for cooperative
25 extension agents and State extension directors, \$3,113,000.

1 Federal Extension Service: For administration of the
2 Smith-Lever Act, as amended by the Act of June 26,
3 1953, the Act of August 11, 1955, and the Act of October 5,
4 1962 (7 U.S.C. 341-349), and extension aspects of the
5 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627),
6 and to coordinate and provide program leadership for the
7 extension work of the Department and the several States
8 and insular possessions, \$2,451,000.

9 FARMER COOPERATIVE SERVICE

10 SALARIES AND EXPENSES

11 For necessary expenses to carry out the Act of July 2,
12 1926 (7 U.S.C. 451-457), and for conducting research
13 relating to the economic and marketing aspects of farmer
14 cooperatives, as authorized by the Agricultural Marketing
15 Act of 1946 (7 U.S.C. 1621-1627), \$1,082,000.

16 SOIL CONSERVATION SERVICE

17 CONSERVATION OPERATIONS

18 For necessary expenses for carrying out the provisions of
19 the Act of April 27, 1935 (16 U.S.C. 590a-590f), includ-
20 ing preparation of conservation plans and establishment of
21 measures to conserve soil and water (including farm irriga-
22 tion and land drainage and such special measures as may be
23 necessary to prevent floods and the siltation of reservoirs);
24 operation of conservation nurseries; classification and map-
25 ping of soil; dissemination of information; purchase and erec-

1 tion or alteration of permanent buildings; and operation and
2 maintenance of aircraft, \$100,511,000: *Provided*, That the
3 cost of any permanent building purchased, erected, or as
4 improved, exclusive of the cost of constructing a water
5 supply or sanitary system and connecting the same to any
6 such building and with the exception of buildings acquired in
7 conjunction with land being purchased for other purposes,
8 shall not exceed \$2,500, except for one building to be con-
9 structed at a cost not to exceed \$25,000 and eight build-
10 ings to be constructed or improved at a cost not to exceed
11 \$15,000 per building and except that alterations or im-
12 provements to other existing permanent buildings cost-
13 ing \$2,500 or more may be made in any fiscal year in an
14 amount not to exceed \$500 per building: *Provided further*,
15 That no part of this appropriation shall be available for the
16 construction of any such building on land not owned by the
17 Government: *Provided further*, That no part of this appro-
18 priation may be expended for soil and water conservation
19 operations under the Act of April 27, 1935 (16 U.S.C.
20 590a-590f), in demonstration projects: *Provided further*,
21 That this appropriation shall be available for field employ-
22 ment pursuant to the second sentence of section 706 (a) of
23 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
24 \$5,000 shall be available for employment under section 15

1 of the Act of August 2, 1946 (5 U.S.C. 55a) : *Provided*
2 *further*, That qualified local engineers may be temporarily
3 employed at per diem rates to perform the technical planning
4 work of the service.

5 WATERSHED PLANNING

6 For necessary expenses for small watershed investiga-
7 tions and planning, \$5,524,000, to remain available until
8 expended.

9 WATERSHED PROTECTION

10 For necessary expenses to conduct river basin surveys
11 and investigations, and research and to carry out preventive
12 measures, including, but not limited to, engineering opera-
13 tions, methods of cultivation, the growing of vegetation, and
14 changes in use of land, in accordance with the Watershed
15 Protection and Flood Prevention Act, approved August 4,
16 1954, as amended (16 U.S.C. 1001-1008), and the provi-
17 sions of the Act of April 27, 1935 (16 U.S.C. 590a-f),
18 to remain available until expended, \$60,324,000, with
19 which shall be merged the unexpended balances of funds
20 heretofore appropriated or transferred to the Department
21 for watershed protection purposes: *Provided*, That this ap-
22 propriation shall be available for field employment pursuant
23 to the second sentence of section 706 (a) of the Organic Act
24 of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall

1 be available for employment under section 15 of the Act of
2 August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That
3 not to exceed \$4,000,000, together with the unobligated
4 balance of funds previously appropriated for loans and related
5 expense, shall be available for such purposes.

6 FLOOD PREVENTION

7 For necessary expenses, in accordance with the Flood
8 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
9 16 U.S.C. 1006a), as amended and supplemented, and in
10 accordance with the provisions of laws relating to the activ-
11 ities of the Department, to perform works of improvement,
12 including funds for field employment pursuant to the second
13 sentence of section 706 (a) of the Organic Act of 1944
14 (5 U.S.C. 574), and not to exceed \$100,000 for employ-
15 ment under section 15 of the Act of August 2, 1946 (5
16 U.S.C. 55a), to remain available until expended;
17 \$25,423,000, with which shall be merged the unexpended
18 balances of funds heretofore appropriated or transferred to
19 the Department for flood prevention purposes: *Provided*,
20 That no part of such funds shall be used for the purchase
21 of lands in the Yazoo and Little Tallahatchie watersheds
22 without specific approval of the county board of supervisors
23 of the county in which such lands are situated: *Provided*
24 *further*, That not to exceed \$1,000,000, together with the
25 unobligated balance of funds previously appropriated for

1 loans and related expense, shall be available for such
2 purposes.

3 GREAT PLAINS CONSERVATION PROGRAM

4 For necessary expenses to carry into effect a program of
5 conservation in the Great Plains area, pursuant to section
6 16(b) of the Soil Conservation and Domestic Allotment
7 Act, as added by the Act of August 7, 1956 (16 U.S.C.
8 590p), \$14,176,000, to remain available until expended.

9 RESOURCE CONSERVATION AND DEVELOPMENT

10 For necessary expenses in planning and carrying out
11 projects for resource conservation and development, and for
12 sound land use, pursuant to the provisions of section 32 (e)
13 of title III of the Bankhead-Jones Farm Tenant Act, as
14 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-f),
16 \$1,496,000, to remain available until expended: *Provided*,
17 That not to exceed \$500,000 of such amount shall be avail-
18 able for loans and related expenses under subtitle A of the
19 Consolidated Farmers Home Administration Act of 1961,
20 as amended: *Provided further*, That this appropriation shall
21 be available for field employment pursuant to the second
22 sentence of section 706 (a) of the Organic Act of 1944 (5
23 U.S.C. 574), and not to exceed \$50,000 shall be available

1 for employment under section 15 of the Act of August 2,
2 1946 (5 U.S.C. 55a).

3 ECONOMIC RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the Economic Research Serv-
6 ice in conducting economic research and service relating to
7 agricultural production, marketing, and distribution, as
8 authorized by the Agricultural Marketing Act of 1946 (7
9 U.S.C. 1621-1627), and other laws, including economics
10 of marketing; analyses relating to farm prices, income and
11 population, and demand for farm products, use of resources
12 in agriculture, adjustments, costs and returns in farming, and
13 farm finance; and for analyses of supply and demand for
14 farm products in foreign countries and their effect on pros-
15 pects for United States exports, progress in economic de-
16 velopment and its relation to sales of farm products,
17 assembly and analysis of agricultural trade statistics and
18 analysis of international financial and monetary programs
19 and policies as they affect the competitive position of United
20 States farm products; \$9,476,000: *Provided*, That not less
21 than \$350,000 of the funds contained in this appropriation
22 shall be available to continue to gather statistics and conduct
23 a special study on the price spread between the farmer and
24 consumer: *Provided further*, That this appropriation shall
25 be available for employment pursuant to the second sentence

1 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
2 574), and not to exceed \$75,000 shall be available for em-
3 ployment under section 15 of the Act of August 2, 1946
4 (5 U.S.C. 55a): *Provided further*, That not less than
5 \$145,000 of the funds contained in this appropriation shall
6 be available for analysis of statistics and related facts on
7 foreign production and full and complete information on
8 methods used by other countries to move farm commodities
9 in world trade on a competitive basis.

10 STATISTICAL REPORTING SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses of the Statistical Reporting
13 Service in conducting statistical reporting and service work,
14 including crop and livestock estimates, statistical coordination
15 and improvements, and marketing surveys, as authorized
16 by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621--
17 1627) and other laws, \$11,431,000: *Provided*, That no part
18 of the funds herein appropriated shall be available for any
19 expense incident to publishing estimates of apple production
20 for other than the commercial crop.

21 AGRICULTURAL MARKETING SERVICE

22 MARKETING SERVICES

23 For expenses necessary to carry on services related to
24 agricultural marketing and distribution as authorized by the
25 Agricultural Marketing Act of 1946 (7 U.S.C. 1621--

1 1627) and other laws, including the administration of mar-
2 keting regulatory acts connected therewith and for adminis-
3 tration and coordination of payments to States; and this ap-
4 propriation shall be available for field employment pursuant
5 to section 706 (a) of the Organic Act of 1944 (5 U.S.C.
6 574), and not to exceed \$25,000 shall be available for em-
7 ployment at rates not to exceed \$75 per diem under section
8 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying
9 out section 201 (a) to 201 (d), inclusive, of title II of the
10 Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and
11 section 203 (j) of the Agricultural Marketing Act of 1946;
12 \$39,389,000.

13 PAYMENTS TO STATES AND POSSESSIONS

14 For payments to departments of agriculture, bureaus and
15 departments of markets, and similar agencies for marketing
16 activities under section 204 (b) of the Agricultural Market-
17 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,500,000.

18 SPECIAL MILK PROGRAM

19 For necessary expenses to carry out the Special Milk
20 Program, as authorized by the Act of August 8, 1961 (7
21 U.S.C. 1446, note), \$99,831,000, to be derived by trans-
22 fer from funds available under section 32 of the Act of
23 August 24, 1935 (7 U.S.C. 612c).

SCHOOL LUNCH PROGRAM

1
2 For necessary expenses to carry out the provisions of
3 the National School Lunch Act, as amended (42 U.S.C.
4 1751-1760), \$146,400,000: *Provided*, That no part of
5 this appropriation shall be used for nonfood assistance under
6 section 5 of said Act: *Provided further*, That \$45,000,000
7 shall be transferred to this appropriation from funds avail-
8 able under section 32 of the Act of August 24, 1935, for
9 purchase and distribution of agricultural commodities and
10 other foods pursuant to section 6 of the National School
11 Lunch Act.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

14 No funds available under section 32 of the Act of
15 August 24, 1935 (7 U.S.C. 612c) shall be used for any
16 purpose other than commodity program expenses as author-
17 ized therein, and other related operating expenses, except
18 for (1) transfers to the Department of the Interior as
19 authorized by the Fish and Wildlife Act of August 8, 1956,
20 (2) transfers otherwise provided in this Act, (3) not more
21 than \$2,924,000 for formulation and administration of mar-
22 keting agreements and orders pursuant to the Agricultural
23 Marketing Agreement Act of 1937, as amended, and the

1 Agricultural Act of 1961, (4) not more than \$45,000,000
2 for expenses for the Pilot Food Stamp Program and
3 (5) not in excess of \$25,000,000 to be used to increase
4 domestic consumption of farm commodities pursuant to au-
5 thority contained in Public Law 88-250, the Department
6 of Agriculture and Related Agencies Appropriation Act,
7 1964, of which amount \$2,000,000 shall remain available
8 until expended for construction, alteration and modification
9 of research facilities.

10 FOREIGN AGRICULTURAL SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses for the Foreign Agricultural
13 Service, including carrying out title VI of the Agricultural
14 Act of 1954 (7 U.S.C. 1761-1768), market development
15 activities abroad, and for enabling the Secretary to coordinate
16 and integrate activities of the Department in connection
17 with foreign agricultural work, including not to exceed
18 \$35,000 for representation allowances and for expenses pur-
19 suant to section 8 of the Act approved August 3, 1956 (7
20 U.S.C. 1766), \$18,790,000: *Provided*, That not less than
21 \$255,000 of the funds contained in this appropriation shall
22 be available to obtain statistics and related facts on foreign
23 production and full and complete information on methods
24 used by other countries to move farm commodities in world
25 trade on a competitive basis: *Provided further*, That, in

1 addition, not to exceed \$3,117,000 of the funds appropriated
2 by section 32 of the Act of August 24, 1935, as amended
3 (7 U.S.C. 612c), shall be merged with this appropriation
4 and shall be available for all expenses of the Foreign Agri-
5 cultural Service.

6 COMMODITY EXCHANGE AUTHORITY

7 SALARIES AND EXPENSES

8 For necessary expenses to carry into effect the pro-
9 visions of the Commodity Exchange Act, as amended (7
10 U.S.C. 1-17a), \$1,100,000.

11 AGRICULTURAL STABILIZATION AND CONSERVATION

12 SERVICE

13 EXPENSES, AGRICULTURAL STABILIZATION AND

14 CONSERVATION SERVICE

15 For necessary administrative expenses of the Agricultural
16 Stabilization and Conservation Service, including expenses
17 to formulate and carry out programs authorized by title III
18 of the Agricultural Adjustment Act of 1938, as amended (7
19 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7
20 U.S.C. 1101-1161); sections 7 to 15, 16 (a), 16 (d), 16 (e),
21 16 (f), and 17 of the Soil Conservation and Domestic Allot-
22 ment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C.
23 1010-1011) as added by section 132 of the Act of August 8,
24 1961; subtitles B and C of the Soil Bank Act (7 U.S.C.

1 1831-1837, 1802-1814, and 1816); and laws pertaining
2 to the Commodity Credit Corporation, \$105,602,000: *Pro-*
3 *vided*. That, in addition, not to exceed \$87,508,000 may be
4 transferred to and merged with this appropriation from the
5 Commodity Credit Corporation fund (including not to exceed
6 \$35,668,000 under the limitation on Commodity Credit
7 Corporation administrative expenses): *Provided further*,
8 That other funds made available to Agricultural Stabilization
9 and Conservation Service for authorized activities may be
10 advanced to and merged with this appropriation.

11 SUGAR ACT PROGRAM

12 For necessary expenses to carry into effect the pro-
13 visions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
14 \$86,400,000, to remain available until June 30 of the next
15 succeeding fiscal year.

16 AGRICULTURAL CONSERVATION PROGRAM

17 For necessary expenses to carry into effect the program
18 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
19 Conservation and Domestic Allotment Act, approved Feb-
20 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
21 590p (a), and 590q), including not to exceed \$6,000 for
22 the preparation and display of exhibits, including such dis-
23 plays at State, interstate, and international fairs within
24 the United States, \$225,000,000, to remain available
25 until December 31 of the next succeeding fiscal year
26 for compliance with the programs of soil-building and soil-

1 and water-conserving practices authorized under this head
2 in the Department of Agriculture and Related Agencies
3 Appropriation Acts, 1963 and 1964, carried out during the
4 period July 1, 1962, to December 31, 1964, inclusive:
5 *Provided*, That none of the funds herein appropriated shall
6 be used to pay the salaries or expenses of any regional in-
7 formation employees or any State information employees, but
8 this shall not preclude the answering of inquiries or supply-
9 ing of information at the county level to individual farmers:
10 *Provided further*, That no portion of the funds for the current
11 year's program may be utilized to provide financial or techni-
12 cal assistance for drainage on wetlands now designated as Wet-
13 land Types 3 (III), 4 (IV), and 5 (V) in United States
14 Department of the Interior, Fish and Wildlife Service Circu-
15 lar 39, Wetlands of the United States, 1956: *Provided fur-*
16 *ther*, That necessary amounts shall be available for adminis-
17 trative expenses in connection with the formulation and ad-
18 ministration of the 1965 program of soil-building and soil-
19 and water-conserving practices, including related wildlife
20 conserving practices, under the Act of February 29, 1936, as
21 amended (amounting to \$220,000,000, excluding administra-
22 tion, except that no participant shall receive more than
23 \$2,500, except where the participants from two or more
24 farms or ranches join to carry out approved practices designed
25 to conserve or improve the agricultural resources of the com-

1 munity) : *Provided further*, That not to exceed 5 per centum
2 of the allocation for the current year's agricultural conserva-
3 tion program for any county may, on the recommendation
4 of such county committee and approval of the State com-
5 mittee, be withheld and allotted to the Soil Conservation
6 Service for services of its technicians in formulating and
7 carrying out the agricultural conservation program in the
8 participating counties, and shall not be utilized by the Soil
9 Conservation Service for any purpose other than technical
10 and other assistance in such counties, and in addition, on the
11 recommendation of such county committee and approval of
12 the State committee, not to exceed 1 per centum may be
13 made available to any other Federal, State, or local public
14 agency for the same purpose and under the same conditions:
15 *Provided further*, That for the current year's program \$2,-
16 500,000 shall be available for technical assistance in formu-
17 lating and carrying out agricultural conservation practices:
18 *Provided further*, That such amounts shall be available for
19 the purchase of seeds, fertilizers, lime, trees, or any other
20 farming material, or any soil-terracing services, and making
21 grants thereof to agricultural producers to aid them in carry-
22 ing out farming practices approved by the Secretary under

1 programs provided for herein: *Provided further*, That no
2 part of any funds available to the Department, or any bureau,
3 office, corporation, or other agency constituting a part of
4 such Department, shall be used in the current fiscal year for
5 the payment of salary or travel expenses of any person who
6 has been convicted of violating the Act entitled "An Act to
7 prevent pernicious political activities", approved August 2,
8 1939, as amended, or who has been found in accordance with
9 the provisions of title 18, United States Code, section 1913,
10 to have violated or attempted to violate such section which
11 prohibits the use of Federal appropriations for the payment
12 of personal services or other expenses designed to influence
13 in any manner a Member of Congress to favor or oppose any
14 legislation or appropriation by Congress except upon request
15 of any Member or through the proper official channels.

16 CONSERVATION RESERVE PROGRAM

17 For necessary expenses to carry out a conservation
18 reserve program as authorized by subtitles B and C of the
19 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
20 1816), and to carry out liquidation activities for the acreage
21 reserve program, to remain available until expended,
22 \$194,000,000, with which may be merged the unexpended

1 balances of funds heretofore appropriated for soil bank pro-
2 grams: *Provided*, That no part of these funds shall be paid
3 on any contract which is illegal under the law due to the
4 division of lands for the purpose of evading limits on annual
5 payments to participants.

6 CROPLAND CONVERSION PROGRAM

7 For necessary expenses to promote the conservation and
8 economic use of land pursuant to the provisions of section
9 16(e) of the Soil Conservation and Domestic Allotment
10 Act (16 U.S.C. 590h, 590p), as amended, \$7,200,000, to
11 remain available until expended.

12 OFFICE OF RURAL AREAS DEVELOPMENT

13 SALARIES AND EXPENSES

14 For necessary expenses, not otherwise provided for, of
15 the Office of Rural Areas Development in providing leader-
16 ship, coordination, liaison, and related services in the rural
17 areas development activities of the Department, \$124,000:
18 *Provided*, That this appropriation shall be available for field
19 employment pursuant to the second sentence of section 706
20 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not
21 to exceed \$3,000 shall be available for employment under
22 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

1 OFFICE OF THE INSPECTOR GENERAL

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Inspector
4 General, including employment pursuant to the second sen-
5 tence of section 706 (a) of the Organic Act of 1944 (5
6 U.S.C. 574), \$9,874,000.

7 OFFICE OF THE GENERAL COUNSEL

8 SALARIES AND EXPENSES

9 For necessary expenses, including payment of fees or
10 dues for the use of law libraries by attorneys in the field
11 service, \$3,784,000.

12 OFFICE OF INFORMATION

13 SALARIES AND EXPENSES

14 For necessary expenses of the Office of Information for
15 the dissemination of agricultural information and the co-
16 ordination of informational work and programs authorized
17 by Congress in the Department, \$1,648,000, of which
18 total appropriation not to exceed \$537,000 may be used
19 for farmers' bulletins, which shall be adapted to the interests
20 of the people of the different sections of the country, an
21 equal proportion of four-fifths of which shall be available to
22 be delivered to or sent out under the addressed franks fur-

1 nished by the Senators, Representatives, and Delegates in
2 Congress, as they shall direct (7 U.S.C. 417), and not less
3 than two hundred and thirty-two thousand two hundred and
4 fifty copies for the use of the Senate and House of Repre-
5 sentatives of part 2 of the annual report of the Secretary
6 (known as the Yearbook of Agriculture) as authorized by
7 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
8 *Provided*, That in the preparation of motion pictures or ex-
9 hibits by the Department, this appropriation shall be avail-
10 able for employment pursuant to the second sentence of sec-
11 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
12 and not to exceed \$10,000 shall be available for employment
13 under section 15 of the Act of August 2, 1946 (5 U.S.C.
14 55a).

15 NATIONAL AGRICULTURAL LIBRARY

16 SALARIES AND EXPENSES

17 For necessary expenses of the National Agricultural
18 Library, \$1,347,000: *Provided*, That this appropriation shall
19 be available for employment pursuant to the second sentence
20 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
21 574), and not to exceed \$35,000 shall be available for
22 employment under section 15 of the Act of August 2, 1946
23 (5 U.S.C. 55a).

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, \$2,482,000.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,530,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001): *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

1 TITLE II—CREDIT AGENCIES

2 RURAL ELECTRIFICATION ADMINISTRATION

3 To carry into effect the provisions of the Rural Elec-
4 trification Act of 1936, as amended (7 U.S.C. 901-924),
5 as follows:

6 LOAN AUTHORIZATIONS

7 For loans in accordance with said Act, and for carrying
8 out the provisions of section 7 thereof, to be borrowed from
9 the Secretary of the Treasury in accordance with the pro-
10 visions of section 3 (a) of said Act, as follows: Rural elec-
11 trification program, \$365,000,000, of which \$90,000,000
12 shall be placed in reserve to be borrowed under the same
13 terms and conditions to the extent that such amount is re-
14 quired during the current fiscal year under the then existing
15 conditions for the expeditious and orderly development of
16 the rural electrification program; and rural telephone pro-
17 gram, \$70,000,000, of which \$7,000,000 shall be placed in
18 reserve to be borrowed under the same terms and conditions
19 to the extent that such amount is required during the current
20 fiscal year under the then existing conditions for the expedi-
21 tious and orderly development of the rural telephone
22 program.

SALARIES AND EXPENSES

1
2 For administrative expenses, including not to exceed
3 \$500 for financial and credit reports, funds for employment
4 pursuant to the second sentence of section 706(a) of the
5 Organic Act of 1944 (5 U.S.C. 574), and not to exceed
6 \$150,000 for employment under section 15 of the Act of
7 August 2, 1946 (5 U.S.C. 55a), \$11,641,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

8
9
10 Direct loans and advances under subtitles A and B, and
11 advances under section 335 (a) for which funds are not other-
12 wise available, of the Consolidated Farmers Home Adminis-
13 tration Act of 1961 (7 U.S.C. 1921), as amended, may be
14 made from funds available in the Farmers Home Adminis-
15 tration direct loan account as follows: real estate loans,
16 \$60,000,000; and operating loans, \$300,000,000, of which
17 \$50,000,000 shall be placed in reserve to be used only to
18 the extent required during current fiscal year under the then
19 existing conditions for the expeditious and orderly conduct
20 of the loan program.

1 and section 514 (b) (3) of the Housing Act of 1949, as
2 amended: *Provided*, That, in addition, not to exceed
3 \$500,000 of the funds available for the various programs
4 administered by this Agency may be transferred to this
5 appropriation for temporary field employment pursuant to
6 the second sentence of section 706 (a) of the Organic Act
7 of 1944 (5 U.S.C. 574) to meet unusual or heavy workload
8 increases.

9 TITLE III—CORPORATIONS

10 The following corporations and agencies are hereby
11 authorized to make such expenditures, within the limits of
12 funds and borrowing authority available to each such cor-
13 poration or agency and in accord with law, and to make
14 such contracts and commitments without regard to fiscal
15 year limitations as provided by section 104 of the Govern-
16 ment Corporation Control Act, as amended, as may be
17 necessary in carrying out the programs set forth in the
18 budget for the current fiscal year for such corporation or
19 agency, except as hereinafter provided:

20 FEDERAL CROP INSURANCE CORPORATION

21 ADMINISTRATIVE AND OPERATING EXPENSES

22 For administrative and operating expenses, \$6,942,000.

23 FEDERAL CROP INSURANCE CORPORATION FUND

24 Not to exceed \$3,638,000 of administrative and oper-
25 ating expenses may be paid from premium income.

1 COMMODITY CREDIT CORPORATION

2 REIMBURSEMENT FOR NET REALIZED LOSSES

3 To partially reimburse the Commodity Credit Corpora-
4 tion for net realized losses sustained during the fiscal year
5 ending June 30, 1963, pursuant to the Act of August 17,
6 1961 (15 U.S.C. 713a-11, 713a-12), \$1,724,000,000:
7 *Provided*, That after June 30, 1963, the portion of borrow-
8 ings from Treasury equal to the unreimbursed realized losses
9 recorded on the books of the Corporation after June 30 of
10 the fiscal year in which such losses are realized, shall not bear
11 interest and interest shall not be accrued or paid thereon.

12 LIMITATION ON ADMINISTRATIVE EXPENSES

13 Nothing in this Act shall be so construed as to prevent
14 the Commodity Credit Corporation from carrying out any ac-
15 tivity or any program authorized by law: *Provided*, That
16 not to exceed \$37,351,000 shall be available for administra-
17 tive expenses of the Corporation: *Provided further*, That
18 \$945,000 of this authorization shall be available only to
19 expand and strengthen the sales program of the Corporation
20 pursuant to authority contained in the Corporation's charter:
21 *Provided further*, That not less than 7 per centum of this
22 authorization shall be placed in reserve to be apportioned
23 pursuant to section 3679 of the Revised Statutes, as amended,
24 for use only in such amounts and at such times as may become
25 necessary to carry out program operations: *Provided further*,

1 That all necessary expenses (including legal and special
2 services performed on a contract or fee basis, but not includ-
3 ing other personal services) in connection with the acquisi-
4 tion, operation, maintenance, improvement, or disposition
5 of any real or personal property belonging to the Corporation
6 or in which it has an interest, including expenses of collec-
7 tions of pledged collateral, shall be considered as nonadminis-
8 trative expenses for the purposes hereof.

9 PUBLIC LAW 480

10 For expenses during fiscal year 1965, not otherwise
11 recoverable, and unrecovered prior years' costs, includ-
12 ing interest thereon, under the Agricultural Trade Develop-
13 ment and Assistance Act of 1954, as amended (7 U.S.C.
14 1701-1709, 1721-1724, 1731-1736), to remain available
15 until expended, as follows: (1) Sale of surplus agricultural
16 commodities for foreign currencies pursuant to title I of said
17 Act, \$1,612,000,000; (2) commodities disposed of for
18 emergency famine relief to friendly peoples pursuant to title
19 II of said Act, \$220,453,000; and (3) long-term supply
20 contracts pursuant to title IV of said Act, \$55,000,000.

21 INTERNATIONAL WHEAT AGREEMENT

22 For expenses during fiscal year 1965 and unrecovered
23 prior years' costs, including interest thereon, under the Inter-
24 national Wheat Agreement Act of 1949, as amended (7

1 U.S.C. 1641-1642), \$31,838,000, to remain available until
2 expended.

3 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

4 For expenses during fiscal year 1965 and unrecovered
5 prior years' costs related to strategic and other materials
6 acquired as a result of barter or exchange of agricultural
7 commodities or products and transferred to the supplemental
8 stockpile pursuant to Public Law 540, Eighty-fourth Con-
9 gress (7 U.S.C. 1856), \$82,860,000, to remain available
10 until expended.

11 TITLE IV—RELATED AGENCIES

12 FARM CREDIT ADMINISTRATION

13 LIMITATION ON ADMINISTRATIVE EXPENSES

14 Not to exceed \$2,876,000 (from assessments collected
15 from farm credit agencies) shall be obligated during the cur-
16 rent fiscal year for administrative expenses.

17 TITLE V—GENERAL PROVISIONS

18 SEC. 501. Within the unit limit of cost fixed by law,
19 appropriations and authorizations made for the Department
20 under this Act shall be available for the purchase, in addition
21 to those specifically provided for, of not to exceed four hun-
22 dred and seventy-two passenger motor vehicles, of which
23 four hundred and fifty-two shall be for replacement only,
24 and for the hire of such vehicles.

1 SEC. 502. Provisions of law prohibiting or restricting
2 the employment of aliens shall not apply to employment
3 under the appropriation for the Foreign Agricultural Service.

4 SEC. 503. Funds available to the Department of Agricul-
5 ture shall be available for uniforms or allowances therefor as
6 authorized by the Act of September 1, 1954, as amended (5
7 U.S.C. 2131).

8 SEC. 504. No part of the funds appropriated by this Act
9 shall be used for the payment of any officer or employee of
10 the Department who, as such officer or employee, or on
11 behalf of the Department or any division, commission, or
12 bureau thereof, issues, or causes to be issued, any prediction,
13 oral or written, or forecast, except as to damage threatened
14 or caused by insects and pests, with respect to future prices
15 of cotton or the trend of same.

16 SEC. 505. Except to provide materials required in or
17 incident to research or experimental work where no suitable
18 domestic product is available, no part of the funds appro-
19 priated by this Act shall be expended in the purchase of
20 twine manufactured from commodities or materials pro-
21 duced outside of the United States.

22 SEC. 506. Not less than \$1,500,000 of the appropria-
23 tions of the Department for research and service work author-
24 ized by the Acts of August 14, 1946, July 28, 1954, and

1 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
2 1891-1893), shall be available for contracting in accordance
3 with said Acts.

4 This Act may be cited as the "Department of Agricul-
5 ture and Related Agencies Appropriation Act, 1965".

[Report No. 1387]

A BILL

Making appropriations for the Department of
Agriculture and related agencies for the
fiscal year ending June 30, 1965, and for
other purposes.

By Mr. WHITTEN

MAY 8, 1964

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

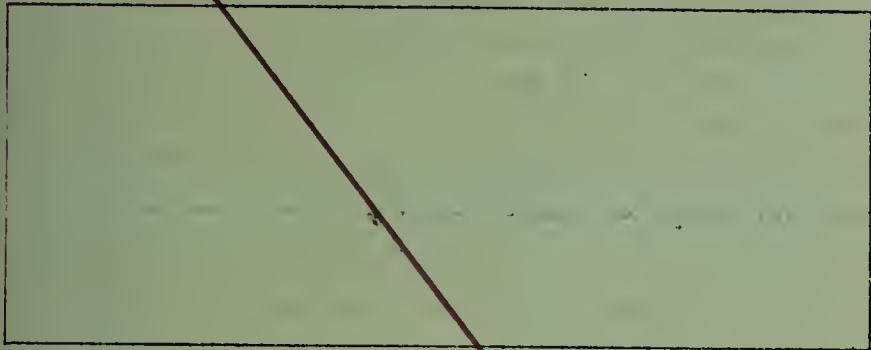
OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued May 20, 1964

For actions of May 19, 1964

88th-2nd; No. 100



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HIGHLIGHTS: House debated agricultural appropriation bill. House committee re-referred potato allotment bill to subcommittee. Rep. Nelsen charged pressure used to solicit campaign funds from REA employees. Sen. Hruska criticized administration's livestock policies. Sen. Williams (Del.) criticized honor award to ASCS Administrator because of Billie Sol Estes case. Sen. Symington inserted Sen. Ribicoff's address urging firm stand on agricultural trade at GATT trade negotiations.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1965, Began debate on this bill, H. R. 11202. pp. 10956, 10959-11026

Agreed to the following amendment:

By Rep. Pilcher, 83 to 73, to provide \$1,600,000 for a quality peanut research laboratory to be located at Dawson, Ga. pp. 11009-15

Rejected the following amendments:

By Rep. Findley, 32 to 74, to prohibit the use of money by the Economic Research Service for study of the price spread between the farmer and the consumer subsequent to the enactment of legislation establishing a National Commission on Food Marketing. pp. 11018-9

By Rep. Nelsen, 66 to 88, to provide that no funds appropriated shall be used

for any expense incident to preparing or publishing either an 'adjusted parity ratio' or any other parity ratios except the parity ratio defined in section 301(a)(B) of the Agricultural Adjustment Act of 1938, as amended. pp. 11019-20

Pending at adjournment was an amendment by Rep. Findley which would prohibit the use of funds for any expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately owned radio or television stations or newspapers of general circulation, and would prohibit the spending of money for the preparation of information to be transmitted over Government-leased wires which are subject to direct interconnection with wires leased by non-governmental persons, firms, or associations. pp. 11020-25

2. POTATOES. The Agriculture Committee rereferred H. R. 3928, to provide acreage allotments and marketing quotas for Irish potatoes, to the Subcommittee on Domestic Marketing. p. D390
3. WOOL. The Interstate and Foreign Commerce Committee reported without amendment H. R. 4994, to amend the Textile Fiber Products Identification Act and the Wool Products Labeling Act so as to require that imported woven labels must have woven into them the name of the country where woven (H. Rept. 1417). p. 11039
4. PERSONNEL. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 3800, to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel. p. D391
Rep. Nelsen criticized "the high pressure selling of campaign-dinner tickets to civil service employees," and inserted his letter to the President stating that he has received "a number of disturbing letters and calls from Government employees, particularly in the Rural Electrification Administration which I formerly headed, concerning the brazen efforts to solicit campaign funds from civil service workers," and citing some cases of complaints he stated he had received from REA employees. pp. 11027-8
5. AREA REDEVELOPMENT. Rep. Patman defended the Area Redevelopment Administration against criticism in a recent article in Reader's Digest. pp. 11034-7
Rep. Widnall criticized the area redevelopment program and inserted an article critical of the program. pp. 11028-30
6. VIRGIN ISLANDS; SALINE WATER. Received the annual report of the Virgin Islands Corporation on the operation of its saline water plant in St. Thomas. p. 11039

SENATE

7. LIVESTOCK. Sen. Hruska criticized the administration's livestock policies and discussed, with Sens. Jordan (N.C.) and Carlson, Mexico's agreement to cut down its cattle shipments to the U. S. pp. 10949-52
8. AWARDS. Sen. Williams (Del.) criticized the giving of a USDA Distinguished Service Award to the ASCS Administrator, claiming he was "partly responsible for the coverup in the Estes case." p. 10900
9. FOREIGN TRADE. Sen. Symington inserted Sen. Ribicoff's address urging the consideration of agriculture at the GATT trade negotiations. pp. 10880-1

of lengthy reports which were probably typed on Government stationery by Government employees in Government offices. While Cogswell was engaged as special master he was not available for his official duties. Whether or not he used Government time and facilities to earn these personal fees, his actions appear to violate title 19, sections 410 and 411 of the District of Columbia Code, as follows:

§ 19-410. Not to practice law.

No person, being register of wills shall plead as an attorney at law in any court in the District of Columbia, for any person or persons, on any pretense whatsoever; and no register of wills as aforesaid shall exact, extort, demand, take, accept or receive, from any person whatsoever, any fee or fees, gratuity, gift, or reward, for giving his advice in any matter or thing that will be transacted in the courts of the District of Columbia, under the penalty of \$80 current money for every such offense. (Md. Act 1871, ch. 16; Md. Act 1786, ch. 10; April 2, 1792, 1 Stat. 248, ch. 16, § 9.)

§ 19-411. Penalty for charging for advice.

The register of wills shall not demand, take or receive, from any person whatsoever any fee, gratuity, gift, or reward, for giving his advice in any matter or thing relative to his office, under the penalty of \$133.33, for every offense. (Md. Act. 1779, ch. 25, § 7; Md. Act, 1781, ch. 16; Apr. 2, 1792, 1 Stat. 248, ch. 16, § 9.)

Cogswell has become a power to be reckoned with by any member of the bar having business with the probate court in the District of Columbia. His recommendations to the court have become prerequisites to court action.

No person vested with such power should indulge in such conflicts of interest and violate the trust placed in his office—if public confidence in our courts is to be maintained.

U.S. PAVILION AT THE NEW YORK WORLD'S FAIR

(Mr. WAGGONER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONER. Mr. Speaker, I enjoyed last weekend one of the most pleasant weekends I have ever had as a guest of the New York delegation. The annual trip to New York was highlighted this year by a trip to the World's Fair and I would like to take a brief minute of the House's time to express my thanks to the companies and the individuals who made the trip so pleasant.

The fair itself has something for everyone, young and old. It is imaginative, colorful and exciting. The fair is, in short, all the things the U.S. pavillion is not.

Our exhibit is neither colorful, exciting or imaginative. It is, architecturally, a handsome building, a structure that does us credit. But what is inside is drab, dull and totally lacking in appeal to any age group. With the thrilling story of this Nation's progress, our heritage and our eventful past to draw on, it is embarrassing to see what have come up with in the way of an exhibit.

Most of the story of the United States is told by a bunch of old newspaper clippings. The only other attraction worth mentioning is a mole-hole tunnel the visitors are taken through. It features some haphazard slides that reminded me of a lantern-slide lecture on the Chautauqua circuit.

The fair has just begun and it would be a shame for millions of people from all over the world to find that this exhibit is the best we can do.

If ever there was a good argument for private enterprise over the Federal bureaucracy system, our exhibit is it. The commercial pavillions are brilliant in concept and execution. Ours looks like the State Department pasted it together some Friday afternoon after work.

We have botched the job and I suggest we get to work and clean up the mess.

The SPEAKER pro tempore. The time of the gentleman from Louisiana has expired.

NEW YORK WORLD'S FAIR

(Mr. KEOGH asked and was given permission to address the House for 1 minute.)

Mr. KEOGH. Mr. Speaker, I listened with great attention to the remarks of the gentleman from Louisiana. We from New York were delighted that he and so many of our colleagues and their families spent what I have been told was a most pleasant weekend there.

The gentleman is entitled, of course, to his appraisal of modern-day architecture. He is entitled to his evaluation of the contents of any of the pavillions at the fair. I shall not quarrel with him, nor deny him that right.

I merely wish to call to the attention of Members of the House the fact that we believe we have a great fair. We certainly hope that the gentleman from Louisiana will neither discourage nor defer the millions of Americans whom we hope to entertain as hospitably as possible this year and next from seeing the fair themselves. Please "Come to the Fair."

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from Michigan.

Mr. DINGELL. I wish to associate myself with the remarks of the gentleman.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1965

The SPEAKER pro tempore. The question is on the motion of the gentleman from Mississippi that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H.R. 11202, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Mississippi [Mr. WHITTEN] will be recognized for 1½ hours, and the gentleman from Washington [Mr. HORAN] will be recognized for 1½ hours.

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may need.

Mr. Chairman, I believe it was in 1949 that it was first my privilege to present this annual bill making appropriations to the Department of Agriculture to the House of Representatives. Since that time there has been continuing study and continuing work by this committee in connection with the Department of Agriculture.

Over that period of years, and prior thereto, I became convinced that there is nothing which constitutes a greater challenge to a Member of Congress than the need, in this day and time, to give proper attention to the basic things of life, which are food, clothing, and shelter.

Mr. Chairman, during the years it has been my privilege to serve on the Appropriations Committee, we have been quite fortunate indeed to have a chairman of this great committee who was greatly interested in American agriculture. We have lost our late chairman, the Honorable Clarence Cannon. I shall not go into great detail at this time, because I understand Thursday of this week will be set aside to pay tribute to his fine service in the Congress.

It was my privilege to succeed him as the chairman of this subcommittee for agricultural appropriations, though there were acting chairmen between the times of our services. All throughout his extended service, and despite his work in many other fields of endeavor, never did he lose sight of the fact that the Department of Agriculture and those engaged in agriculture were working in a field basic to all other segments of our Government.

Mr. Chairman, as his successor we have my friend and yours, also from an agricultural district, the Honorable GEORGE MAHON.

His district is as agricultural as mine is, and I happen to know that throughout his long service here and his great responsibility for defense appropriations and other appropriations he, too, has realized that agriculture and those engaged in it are still basic to the welfare of all the other segments of our population.

It is appropriate to note here that the last bill handled by former Chairman Cannon in our full committee session was the appropriation bill for agriculture. Also the first bill to be handled on the House floor under the new chairman, the gentleman from Texas, Mr. GEORGE MAHON, is the same bill for agriculture.

I pause here briefly before I discuss this question to quote some things to you that we need to keep ourselves reminded

of. In a recent publication by the Sierra Club which was formed by John Muir in 1872, it was pointed out as follows:

In Rome, three centuries after Christ, the Christian Tertullian observed: "All places are now accessible; all open to commerce; cultivated fields have subdued forest; flocks and herds have expelled wild beasts. Sandy deserts are sown, marshes are drained, rocks are planted. Everywhere are houses, and inhabitants, and settled governments, and civilized life. What most frequently meets the view is our teeming population; our numbers are burdensome to the world; our wants grow more and more keen, and our complaints bitter in all mouths, whilst nature fails in affording us her usual sustenance. In very deed, pestilence, and famine, and wars, and earthquakes have to be regarded as remedy for nations, as means of pruning the luxuriance of the human race."

In Mongolia, thousands of years ago, sheep herded by men ate dry the lush pastures and reedbeds; lakes vanished, and the soil was lifted by the wind. From this desolation, in years of drought, savage hordes rode forth, age after age, to burn, loot, slaughter.

In China, centuries ago, hungry multitudes stripped bare the hills of the north. Down gullies yearly more cavernous the floods poured until the Yellow River burst its dykes and drowned millions on the plains below.

In India, rich, wasted land; in cycles almost predictable, the specter of famine walked as it still walks, vast and terrible abroad.

I mention this to show you that even as long as 1,000 years ago, other nations in other areas had people who demanded their cost of living and their food cost be below the cost of production. Yes, it is a matter of history throughout the world that wherever people have congregated in cities they have given less and less attention to their very welfare, that is, the good earth from which their living comes.

That is the reason for the fall of the great city states, if you will study history. Yes, that is the reason why India is like it is today and China and other countries around the world are short of food and wealth. They, too, gave attention to those things which are not really wealth but are in the form of services.

THE 1965 BUDGET FOR AGRICULTURE

A review of the President's budget for 1965 indicates that the Department of Agriculture has received a greater reduction in appropriated funds for the coming fiscal year than the sum total for all other departments of the Federal Government. The amount requested for all activities of the Department is about the same as requested for the National Space Agency. It is nearly \$1 billion less than requested for the Department of Health, Education, and Welfare and is approximately one-tenth of the request for the Department of Defense. It is only twice what we propose to spend for the Atomic Energy Commission next year. In making these comparisons, we in no way mean to pass judgment on the needs of these departments or agencies.

On the basis of appropriation requests before the committee for fiscal year 1965, the budget carries a net reduction under fiscal year 1964 of \$653,374,615.

The reduction proposed by the Bureau of the Budget for the Department of Agriculture would have eliminated important research stations at Petersburg,

Alaska; Glendale, Ariz.; Clarkedale, Ark.; Quincy, Fla.; Tallulah, La.; Durham, N. H.; University Park, N. Mex.; Geneva, N.Y.; Scottsbluff (Mitchell), Nebr.; Brownsville, Tex.; and Logan, Utah. It would also have eliminated the following market news services: Fort Smith, Ark.; Baltimore, Md.; Tulsa, Okla.; Memphis, Tenn.; and Nashville, Tenn. The budget also proposed to eliminate certain marketing research which has done so much for Chicago, Boston, Philadelphia, New York, Pittsburgh, Detroit, and many other cities in helping to improve marketing facilities. Further, the budget would have drastically reduced the agricultural conservation program for next year, as

well as the extension service, watershed protection, flood prevention, and assistance to districts by the Soil Conservation Service.

CERTAIN RESTORATIONS ESSENTIAL

The committee is convinced that these activities are extremely valuable, particularly to the consumers of the country, and should be continued. It believes that they are far more essential than work done by the Department of Agriculture for other agencies and departments. Such extra work should be reduced sufficiently to offset the manpower requirements and cost of these activities which are to be restored in the following amounts:

	Funds	Man-years
Agricultural Research Service:		
Closing of field research stations.....	\$264,000	29
Transportation and facilities research.....	662,000	60
Extension Service:		
Payments to States and Puerto Rico.....	2,590,000	(1)
Soil Conservation Service:		
Curtailling of State offices, area offices, work units, and plant materials offices.....	1,344,000	162
Small watershed planning.....	1,025,000	111
Flood prevention.....	2,767,000	58
Statistical Reporting Service:		
Consumer surveys.....	94,000	1
Agricultural Marketing Service:		
Payments to States and possessions.....	75,000	(1)
Closing of market news offices.....	50,000	7
Total.....	8,871,000	428

¹ Personnel not counted against Federal employment ceilings.

The Department is directed to provide a budget balancing offset to these restored items by eliminating an equivalent amount of work for the Agency for International Development, for which a transfer of nearly \$12 million is proposed for fiscal year 1965.

In the opinion of the committee, it is far better to use taxpayers money to improve American agriculture and protect the American consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development.

None of the funds of the Department should be used to promote or assist in promoting oversea production of any agricultural commodity for export which, first, is affected by any price-support program in the United States, second, is given financial support through purchase or other assistance under section 32 of Public Law 320, 74th Congress, or, third, is included in the inventories of the Commodity Credit Corporation.

COMPETITIVE-BID SALES FOR DOLLARS, A MUST

The committee renews again its insistence that the Department see that U.S. commodities are kept in world markets at a competitive price, using competitive-bid sales of commodities to insure that we remain competitive and to regain our share of world markets.

Experience in 1962 and 1963 demonstrates conclusively that the Department must keep the competitive-bid sales program to insure that U.S. commodities will be constantly competitive in world markets. In 1962, using the payment-in-kind program, cotton exports totaled only 3.8 million bales. In 1963, 4.3 million bales were sold abroad, of which 2.1

million bales were sold in the last half of the year, after the Department returned to competitive-bid sales. This represented an increase of 1.3 million bales over the last half of 1962. This increase was due almost entirely to the resumption of sales on competitive bid during the later part of 1963 at the insistence of this committee.

The export of an additional 3 million bales of cotton in the coming year, for example, could make available an additional \$380 to \$400 million for CCC by requiring a smaller investment if sold from private sources or by providing cash for operating expenses if sold from CCC stocks. Increased exports of 100 million bushels of wheat would put some \$140 million back into CCC operating accounts. Exports of 100 million bushels of corn would return \$125 million.

By all means we must not return to the situation which existed prior to 1954 when the Department refused to sell U.S. agricultural commodities competitively in world markets, notwithstanding unlimited authority to sell competitively for dollars.

PRESIDENTIAL MANPOWER CEILINGS

Severe manpower limitations have been placed upon the Department's programs for fiscal years 1964 and 1965.

The effect of these end-of-year employment targets for 1964, in some instances, is to negate congressional action taken last year to provide funds to meet special problems. While such funds have been appropriated for fiscal year 1964 they are not being used for the purposes intended by Congress, since personnel cannot be employed under the established ceilings to carry out the work. For a number of items, reserves

have been established by the Bureau of the Budget to impound such funds, even though they were specifically provided by Congress to meet urgent needs.

These employment targets include positions for work done for other Federal agencies and organizations outside the Department with transferred funds. In some cases, the personnel limitations require reductions in the regular activities of the bureaus and agencies in the Department to cover personnel financed from transferred funds. In the opinion of the Committee, savings in funds and personnel made necessary by our present tight financial situation should come at the expense of extra activities for other agencies, rather than at the expense of the regular programs of the Department of Agriculture.

Also included in the manpower ceilings are positions financed from funds contributed by States, local governmental units and private organizations to meet special problems. The Committee feels that this practice should be discontinued, since it could result in discouraging local contributions which are urgently needed to supplement Federal funds provided for these special purposes, and recommends to the President that manpower ceilings be removed from personnel paid from such non-Federal funds.

In view of these presidential reserves and manpower ceilings, the Committee must insist that all agencies of the Department use funds and manpower allowed to carry out all regular basic responsibilities for which funds are provided by Congress, prior to undertaking extra curricular functions. Joint and cooperative domestic programs with private industry, the Corps of Engineers, and Departments of Commerce, Interior and Health, Education, and Welfare, shall be deemed to be regular programs. The order of priority should be as follows:

First. Regular basic responsibilities.

Second. Work for other agencies of the Department of Agriculture related to their regular basic responsibilities.

Third. Work for other agencies of the Department related to recently established "pilot" programs.

Fourth. Work for other agencies and organizations outside the Department.

IMMEDIATE PROBLEMS FACING FARMER AND CONSUMER

There are two pressing problems currently facing American agriculture and the American consumer which must be given immediate attention. One of the more pressing is that facing the tobacco producers and processors and millions of consumers as a result of the recent report of the Surgeon General on "Smoking and Health." The other is due to the terrific impact present publicity is having on the producer and the consumer with regard to the use of insecticides and pesticides, the use of which is absolutely essential to our high standard of living.

The committee has included funds in the bill to enable the Department to undertake research immediately to meet these urgent problems. Under authority given by Congress last year, the use of \$3 million of section 32 funds for research on these problems in the next year has been provided for in the bill, along with

other items discussed under that section of the report.

THE TOBACCO PROBLEM

Tobacco has been a major agricultural commodity through the years. It is produced in 21 States and is the fifth largest income-producing crop to farmers. It is an \$8 billion industry with growers receiving about \$1.2 billion per year. It pays some \$3.3 billion each year in taxes to our Federal, State, and local governments.

Due to the implications of the Surgeon General's report, it is essential that we find the answers through research. In this effort we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found.

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

The committee hearings disclose that the University of Kentucky has a Tobacco Research Laboratory built with \$4.5 million of State funds which is now available and has been offered to the Department of Agriculture by university and State officials for such research. It is located adjacent to the New Medical Research Center at this university and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the committee has included \$1,500,000 of section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location in collaboration with the State university, State agencies, the Department of Health, Education, and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

THE PESTICIDE RESIDUE PROBLEM

The need for additional research on development, testing, and use of pesticides and insecticides, together with the effects of sprays or other residues from products used in agricultural production is very acute. Recent well-publicized books and articles, not always based on complete and objective information, have increased public concern about this matter. Current statements in the press which make certain claims concerning the effect of agricultural pesticides on fish in the lower Mississippi River present a completely one-sided point of view, and in this instance it is not claimed that health is affected.

To enable the Department to protect agriculture and the consumer by developing and presenting full and complete facts on this matter and to develop improved methods of insect and pest control, some expansion of research activities in this area is necessary. Congress provided for the establishment of a weed control laboratory last year. Since the work at this location will be directly concerned with the use of pesticides, in-

secticides, other agricultural chemicals, materials, and methods, plans for this facility should be modified to permit testing and development of pesticides, insecticides, and other materials necessary to agriculture, including effects of residues.

For expanded research on use of pesticides and control of insects and pests, the committee has included the budget estimate of \$1,500,000 under section 32 for next year, including such amount as may be needed for the modification of plans at the weed control laboratory provided last year to include this type of research.

Both the Department of Health, Education, and Welfare and the Department of Agriculture are deeply interested in protecting the public health. Both Departments have responsibility for approving materials for use as pesticides and insecticides for agricultural purposes.

Neither Department, we are sure, would want to needlessly deprive the American consumer of any part of the finest and cheapest food any Nation has ever enjoyed. In recent weeks, however, after materials have been approved and put into use, new means of detection of minute amounts of residue have resulted in news releases, press accounts, and headlines which needlessly frighten the consumer, do financial damage to the manufacturer and the farmer, and lessen the supply of food for the consuming public, though there is no claim that the public health is endangered. Neither the Department of Health, Education, and Welfare, nor the Department of Agriculture would want to needlessly destroy any American business or agricultural enterprise. Yet that is what present policies are doing in cases where there is no evidence of danger to the public health.

The members of the committee recall the cranberry incident in 1960, when a whole industry was practically destroyed by reckless statements and charges. It took \$10 million recommended by President Eisenhower to compensate for the damage and bring back public acceptance of this commodity. The public health must be protected. However, the supply of food and the processes which make food and fiber plentiful and cheap must also be protected where there is no evidence that public health is endangered.

In an effort to prevent further financial damage to American producers and loss of food for consumers as a result of reckless handling of this problem, the committee has set up \$250,000 for the use of the Secretary of Agriculture to collaborate with the Department of Health, Education, and Welfare in working out rules and regulations including the recommendation of such changes in the law as may be necessary to protect our high standard of living with the most plentiful, cheapest and finest food and fiber any nation ever had—while at the same time protecting the public health.

The food supply shortage is said to be Russia's "Achilles heel." Russia's monumental failure to provide food for her people and their allies is her chief weakness in the world of today. We must prevent our Nation, where only 18

percent of total incomes goes for food, from sinking to Russia's level, where some 50 percent or more of national income is spent for food.

It is the firm belief of this committee that news releases or other public statements regarding any pesticide or other material which such departments have authorized for use should not be made unless at least one of such departments states that there is evidence that the continued use of such material would injure the public health.

Further, some provision should be made for payment of financial losses to any producer, processor, or manufacturer resulting from statements or actions concerning the use of approved pesticides, insecticides, chemicals, or other materials, where there is no evidence that their use endangers the public health. The payment for such damages should be made by the department issuing or negligently permitting the issuance of such statement or action.

PROTECTION FROM DISEASE AND PESTILENCE

It is estimated by officials of the Department that, if it were not for the use of fertilizers, insecticides, and pesticides, in 5 years the cost of a very inferior quality of food to the American consumer would double, and in 10 to 15 years the people of this Nation would be short of essential foods.

The threat from insects and diseases becomes increasingly serious as the speed and volume of travel increases between all areas of the world. Nearly 57 million more persons entered the United States during fiscal year 1963 than in 1954. The number of planes, ships, and other carriers in 1963 was over 26 million as compared to 14 million in 1954. The number of pieces of baggage inspected increased threefold in 6 years—from 9 million in 1957 to over 27 million in 1963.

The opening of additional ports along the St. Lawrence Seaway and increased nonstop oversea air flights to airports in the interior of the country are also increasing the threat of introduction of new pests from abroad.

It has been estimated by Agriculture experts that the damage to crops by the more than 600 different kinds of major destructive plant insects in the United States amounts to nearly \$4 billion each year. Cotton insects account for nearly \$600 million annually, cereal and forage insects account for some \$400 million annually, and stored grain and household insects cause annual damage of over \$1 billion. It is further estimated that annual losses caused by plant diseases total \$2,500 million, and that livestock losses due to diseases and parasites exceed \$2 billion per year.

If foot-and-mouth disease should become established in this country, it is estimated that annual losses would be in the billions of dollars. It is further predicted that the introduction of fowl pest in this country could virtually eliminate the poultry industry. The introduction of rinderpest would cost the Nation \$1 billion annually.

To fully appreciate the effects of these destructive diseases and pests, it is necessary only to look to other parts of the world where food production is subject to their ravages. In the Middle East, desert locusts have been sweeping the semiarid

lands for centuries, leaving ruined crops and starvation in their wake. In Pakistan, severe locust, caterpillar, and cricket outbreaks have caused losses as high as 80 percent in some areas. It is almost impossible to maintain supplies of grain in storage in India because of the ravages of weevils, bran beetles, and the world's worst pest of stored grain—the khapra beetle, which is now a threat in the United States.

Stored-grain pests are so bad in tropical areas of the world that the race to eat the grain before insects devour it results in frequent periods of starvation. The people compete with the pests for survival. Their low standard of living thus becomes understandable.

The distribution of cattle in Africa is determined primarily by the presence or absence of the tsetse fly. This is a major reason why an African child, once weaned, may never again taste milk. The cattle tick and the human warble or torsalo fly cause tremendous losses to hides, beef, and milk production in Central and South America. Mortality among calves may be as high as 70 percent in some of the most heavily infested areas.

A recent report from Argentina indicates that 50,000 calves succumbed in 1 year's time to screw-worm—the same one found in this country. The Argentines have had no effective means of dealing with this pest.

AMERICAN AGRICULTURE—A LONG-RANGE CONSUMER CONCERN

The agricultural problem facing the Nation in the long view is not the matter of present commodity surpluses. The real long-range problem is the consequences of serious changes now taking place in agriculture which could jeopardize the consumer's supply for food and fiber for the future. Such factors as declining farm population, decreasing income from farming, and increasing average age of farmers are significant indicators of problems ahead for the Nation's consumers.

In the last 10 years, the number of farmers has decreased from 19.9 to 13.4 million. During this same period, the investment required per farmer has increased from \$23,877 to \$51,472. The farmer's share of the consumer's food dollar has decreased from 44 percent in 1953 to 37 percent in 1963. The net income as related to investment has decreased from 13.3 percent to 7.8 percent in the past 10 years. Also the average age of farmers has increased from 48.3 years to 50.5 years between 1950 and 1960.

The President has recently announced a program designed to give more attention to the consumer's role in the highly competitive economy of the United States. In this connection, he has appointed a new Assistant Secretary of Labor to create more widespread interest in this matter.

While this special emphasis on consumer interest is probably justified, it seems appropriate to point out that perhaps the first consumer interest should be American agriculture and the Department of Agriculture, both of which do a primary and basic job of protecting and serving the consumer. All urban consumers must look to the rural producer—

who is also an important consumer—for first the protection of his food supply from disease and pestilence, second the protection and conservation of the Nation's soil, water and timber supplies, and third the providing of a major market for the products of labor and industry, which market is essential to the consumer's income.

PROTECTION OF OUR BASIC NATURAL RESOURCES

The American farmer and our agricultural programs provide the principal means of protecting and conserving our soil, water, and timber for the benefit of the present generation of consumers as well as future generations yet unborn.

This country had 8,000 billion board feet of timber about 150 years ago. Today we have around 1,600 billion board feet left—only 20 percent of the original stand.

Only 175 years ago we had 500 million acres of fertile soil in this Nation. We have already wasted 200 million acres—40 percent—and another 100 million acres—20 percent—is washing away today.

Just a few years in the future we will need three times the amount of water we use today—which points up the need to properly protect and manage our water supply. In some areas of this country we are already finding that expansion of population and industry is limited by the lack of adequate sources of water.

In recent years the United States has been spending large sums of money to maintain its position in the world and support its defense and defense related activities at home and abroad. For fiscal year 1965, it is estimated that 52 percent of the budget will be used for this purpose.

The public debt has been increasing year by year as a result of these and other Federal expenditures. The public debt of \$257 billion in 1950 increased to \$286 billion in 1960. It is expected to reach \$312 billion by June 30, 1964, and \$317 billion by June 30, 1965.

What we have been and are now doing is depleting our timber, our soil fertility, our sources of water and other natural resources to support these large public expenditures and carry this tremendous public debt.

We must have adequate defense. We must keep up with space exploration and similar activities. At the same time we must preserve the basic economic foundation of our Nation to support all of these billions of dollars of expenditures which are a drain upon our economy.

We must give more attention and financial support to reforesting our lands, protecting our watersheds, harnessing our streams for electricity, reclaiming our lands through soil conservation, developing our sources of water, and stressing those things which build up the potential economic strength of this Nation.

If we leave to future generations a fertile land, with timber restored, with soil erosion stopped, and with water resources developed, this country will be able to meet its future domestic problems, international threats, and financial needs. If we neglect these basic responsibilities, we will leave future generations nothing to look forward to or

to build on. Money alone is of no value. It must be supported by a sound economy based on natural resources to generate new wealth for future generations.

More than half of the estimated \$1.2 billion average annual floodwater and sediment damage in the United States occurs on the headwater streams and small tributaries. And sediment causes costly damage to the Nation's 10,000 major water storage reservoirs. The amount of erosion-produced sediment dredged annually from our rivers and harbors exceeds the volume of earth dug for the Panama Canal.

Through the years, the agricultural conservation program has been the Federal Government's principal economic stimulus to farmers and ranchers to voluntarily apply needed conservation measures. It is used in all agricultural counties in the 50 States, Puerto Rico, and the Virgin Islands. Conservation practices were carried out under this program in 1963 on over a million farms and ranches, covering nearly 400 million acres. The program has over 1 million participants each year, which represents nearly 25 percent of all farming units in the United States.

This program has stimulated twice as much economic activity as the amount of Federal funds spent, since the farmer puts up about half the cost of the practices, plus his labor. The per capita annual cost is about \$1.50 and the investment per acre of farmland is 54 cents.

To make certain that the contribution of this program to the Nation's conservation effort is maintained at least at present levels, the committee has provided the full \$220 million, plus \$30 million for administration, for the 1965 program. This is the same amount that has been carried for this purpose for a number of years.

The various programs of the Soil Conservation Service, the research agencies, and the Extension Service are also contributing much to our conservation efforts throughout the United States. The flood prevention and watershed protection programs are now beginning to bring real benefits to the Nation by "catching the water where it falls" in the upper reaches of the watersheds of the country and by reducing the volume of sediment flowing down our streams and rivers to the ocean. Improved conservation on the farms of the country is beginning to restore the productive capacity of the remaining land and to preserve it for the consumers of the future, the number of which are increasing at an alarming rate.

The committee also has restored proposed budget reductions for these important agencies for fiscal year 1965 to prevent a slowing down of their conservation activities and a corresponding reduction in national interest in this essential need.

PROTECTION OF MARKETS FOR LABOR AND INDUSTRY

The economic welfare of each segment of the Nation's economy is dependent on the economic strength of each of the others. History demonstrates that our Nation is prosperous only to the extent that our agricultural economy is strong and healthy.

Agriculture is the principal source of

new wealth. It is the main provider of basic raw materials which support all segments of business and industry. Around 65 percent of the basic raw materials used in industry come from the farm. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of our economy.

Agriculture is our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, and twice the number in the transportation and public utility industries. In addition, it supports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is a major dollar earner in world markets and is playing an important role in solving our balance-of-payments problems. It is expected that agricultural exports will represent 25 percent of our total exports in fiscal year 1964 as compared to 22 percent in fiscal year 1956.

Agriculture is one of the major markets for the products of labor and industry. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry.

Urban workers benefit directly from this rural demand for machinery, equipment supplies, and other items used on the Nation's farms. Significant changes in this demand, therefore, have a direct effect on business and employment in urban areas. Every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.

This important rural market must be protected by the assurance of adequate income to the producers of farm commodities and maintenance of farm purchasing power. Business prosperity and full employment in the cities are dependent on a strong and dependable agricultural market, including both large and small farms.

The programs of the Department which help the producer to market his commodities at home and abroad efficiently and profitably, as well as the activities of the Commodity Credit Corporation and other agencies which have an effect on production and commodity prices, have done much to maintain agricultural income and thereby protect this important market for labor and industry. The committee has attempted to provide sufficient funds in the bill for fiscal year 1965 to make certain that these essential services will be available to the producer and their benefits will be available to the consumer during the coming year.

THE CONSUMER'S STAKE IN AGRICULTURE IS INCREASING

Because products from the farm have become so abundant in recent years, and because the percentage of the Nation's income spent for food decreases each year, the average consumer in this country is inclined to take his supply of food

for granted. He frequently overlooks the fact that he is completely dependent for the food on his table on the efficiency and productivity of the American farmer and the assistance he receives from the various programs of the Department of Agriculture, the land-grant colleges, the Extension Service and other agencies which are devoted to the support of our agricultural economy.

Urban consumers frequently overlook the fact that research, insect and pest control, meat and poultry inspection, school lunch and special milk programs, market inspection, fruit and vegetable inspection, soil conservation, flood prevention, watershed protection, and many other programs financed in this bill have direct benefits to every person living in the United States and to future generations. They tend to disregard the fact that many segments of our economy other than the farmer are important beneficiaries of our farm programs. In fact the general public receives the major benefit from many of these activities.

In cooperation with officials of the Department, special analyses have been made of the benefits received by the general public from Federal funds spent for agriculture. One such analysis showed that, of the funds expended by the Department of Agriculture for fiscal year 1960, all had benefits to the general public and over 54 percent had direct benefits to the consumer of equal importance to those for the farmer. Subsequent studies show the same to be true for the funds appropriated to the Department each year since that time.

American consumers are enjoying the highest standard of living ever known to man. The reason is that fewer and fewer people are producing more and more food, which releases more of our population to provide the many things which contribute to this high standard of living. Less than 8 percent of our people now can produce enough to feed our entire population.

Also, American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Such food is the most wholesome and healthful in the world.

Further, per capita food expenditures in the United States are the lowest in the world in relation to consumer income. It is usual for people in most areas of the world to spend one-third to one-half or more of their income for food. United Nations figures for 1958 show the percentage of income spent for food in certain areas as follows: Italy, 46 percent; Japan, 51 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States, food costs now take only 18 percent of the disposable income, as compared to over 50 percent in Russia, as pointed out earlier.

The consumer's stake in agriculture will become increasingly vital in the future as the world's population explosion creates even larger demands for food and fiber. This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The popula-

tion growth in the United States is more than keeping pace with world expansion. U.S. population increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

Within the next decade or two, unless we continue to increase the efficiency of our farm production and provide the economic incentive to induce young and efficient producers to remain on the farm, food surpluses in the United States will likely disappear and the consumer will be faced with possible food shortages and much higher food costs. The 1959 census shows that some 17 percent of all farmers in the United States were 65 or older. An additional 22 percent were 55 to 64 years of age. By 1970, nearly half of the farmers will be 55 years of age or over.

Unless our present system of agriculture can survive, it is conceivable that the time could come when a significant portion of the 92 percent of nonfarm population will again have to return to the soil to obtain their food supply. This is the situation in certain Soviet-controlled countries and other areas of the world.

WORK IN RURAL AREAS

In his state of the Union message of January 8, 1964, the President stated:

This administration today here and now declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort.

Subsequent developments, as reported in the press and elsewhere, outline his efforts to follow through on this announcement.

While we believe the primary purpose of our agricultural programs should be to maintain a strong agricultural economy to prevent poverty, we do know such poverty exists. We feel that efforts to deal with poverty in rural areas should be under the direction of the Department of Agriculture.

Various agencies of the Department of Agriculture have had long and valuable experience in dealing with people in rural areas, including those who have had to live on the edge of poverty due to subsistence farming on small acreages. These agencies, including the Farmers Home Administration, the Extension Service, the Rural Electrification Administration, and the State and county ASC committees are to be commended for their work in this area through the years. They are to be commended for making it possible for life on the farm to be a little more comfortable and thereby slowing down migration to cities, with all the economic and social problems involved. They are also to be commended for their efforts to develop an economically healthy agriculture to help prevent poverty and make it possible for farm families to stay on the farm.

The Farmers Home Administration has made a major contribution toward enabling farm and rural people, through its various credit programs and valuable technical assistance, to become economically sound and financially responsible. Loans are made to those in rural areas who are unable to secure credit from any other source for, first, acquiring, enlarging, or improving farms; second, developing facilities for soil and water con-

servation; third, financing annual farm operating expenses; fourth, constructing farm housing; and, fifth, restoring damages from natural disasters.

HOME MANAGEMENT SUPERVISORS

This Committee has strongly supported the Farmers Home Administration through the years. It believes that this agency, along with others in the Department, can assume a major role in improving the economic situation of people in rural areas. It remembers that very effective work with farm families was done by this agency in former years when it had "women home management supervisors." For many years these home management supervisors worked with the womenfolk of the borrowing families, most of which were in the lower economic levels, on such matters as home budgeting, economical spending, home canning, sewing, etc. They taught the wives to use thrift and resourcefulness to help the family meet its financial problems.

This system proved very successful. It is a major reason why the repayment record of borrowers from the Farmers Home Administration has been so remarkable, with principal and interest repayments consistently exceeding scheduled installments due. This home supervisor service was ended a few years ago; however, against the wishes and best judgment of members of this committee.

We would call attention to the fact that in recent years, several new programs have been assigned to this agency, including "rural housing for the elderly" and "rural renewal" to meet the problems of low-income rural areas. Several years ago, at the instance of this committee the housing program of this agency was broadened from "farm" housing to "rural" housing. This has enabled this program to meet the housing needs in many small towns and villages not formerly eligible for loans from either the Federal Housing Agency, which served strictly urban areas, and the Farmers Home Administration, which was limited to farming areas.

If the home management supervisors were reinstated and their responsibilities enlarged to cover all needy families in rural areas, this would be the best possible approach to dealing with the economic problems of depressed rural areas. As has been proved by the Farmers Home Administration many times, a successful climb from poverty to economic well-being is primarily due to the influence of the wife in the rural family and her ability to handle the family finances wisely.

URGENT NEED FOR CONTROL OF EXCESSIVE AGRICULTURAL IMPORTS

Following the great economic depressions of 1921-23 and 1929-32, both of which were started by a decline in farm purchasing power, the Congress enacted laws designed to stabilize the agricultural economy. The primary purpose of such measures was and consistently since then has been to enable agricultural producers to maintain their purchasing power for the good of the economy of the entire Nation.

This legislation had two important features. The first was to establish a price-support system—with a parity index tied to cost based on the income of industry

and labor—which would keep farm income in balance with the farmer's production costs. The second feature provided for acreage controls and marketing quotas to keep supplies on hand, plus expected domestic consumption and exports, in balance with production.

In view of the nature of this legislation, it has been applied largely to non-perishable basic agricultural commodities—those which can be stored and carried over into the following year or years.

Subsequently, Congress enacted section 32 of Public Law 320, 74th Congress, to provide an additional means of protecting the purchasing power of farm producers. The primary purpose of section 32—which is financed from 30 percent of annual import duties—was to support agricultural markets by purchasing surpluses on the domestic market and diverting them to new uses, including increased exports. An amendment adopted in 1939 placed the primary emphasis of this program on perishable nonbasic commodities—those which must be marketed soon after production and harvest.

It is to be noted that the provisions of all of these farm laws have been directed toward controls, prices, and markets in an effort to maintain purchasing power of American agriculture at somewhat near a par with purchasing power of labor which is protected by minimum wage guarantees and bargaining rights—and with industry which can make automatic markups to assure adequate return on investment. It is also important to note that control of supplies on hand and in sight is an essential element of these laws. Unfortunately, this feature of the law has not worked too well in view of constantly increasing yields resulting from improved seeds, fertilizers, insecticides, production techniques, and so forth.

At the time it enacted these measures, Congress recognized that they could not be effective unless some protection was provided against agricultural imports from areas with cheap labor and low production costs. Accordingly, it enacted section 22 of the act of August 24, 1935.

One of the problems facing American agriculture in maintaining its purchasing power has been the failure of the Federal Government to use the provisions of section 22 quoted above to limit imports of competitive products where necessary to prevent undue competition from abroad. This makes it virtually impossible for any farm program to work. It is impossible to maintain a balance between supply and demand through buying up of surpluses—using section 32 funds or otherwise—when unlimited amounts can enter the country from abroad in direct competition with American production.

OVERSEA PRODUCTION ENCOURAGED BY UNITED STATES

To further complicate this situation, our own Federal Government has been providing funds and technical assistance to enable competitors (Americans and foreigners) to increase their production overseas—both in quantity and quality—and to take over much of our traditional world markets with commodities pro-

duced with cheap labor, land, and materials. It is extremely difficult for the American farmer to compete with foreign producers—although efficiency of production and superior quality has enabled him to retain some of his foreign markets despite this disadvantage.

The most serious situation facing the American farmer in this regard, however, is the current program of the U.S. Government which provides loans and investment guarantees to encourage American producers with American know-how to move their activities abroad to take advantage of cheap labor, land, and materials and to realize the benefits of certain tax advantages on overseas earnings.

Under the Foreign Assistance Act of 1961, American agricultural producers and other businessmen are being encouraged to go into business in foreign countries. In a brochure distributed to business interests throughout the country by the Agency for International Development (AID) entitled "Aids to Business—Overseas Investment," Americans who wish to move their interests abroad are given the following attractive inducements:

First. Investment surveys: AID will pay up to 50 percent of the cost of a trip to explore the feasibility of private investment abroad.

Second. Dollar loans: AID will make dollar loans to encourage American investors to go into business abroad. The Export-Import Bank, International Finance Corporation, the World Bank, and the Inter-American Development Bank are also available for this purpose.

Third. Local currency loans: AID will make local currency loans to Americans from foreign currencies generated under Public Law 480, the Agricultural Trade Development and Assistance Act, to undertake oversea production.

Fourth. Investment guarantees: AID will guarantee the American investor against inconvertibility of currency, expropriation, confiscation, and other political risks and will guarantee against certain normal business risks inherent in all business ventures.

To add to these inducements to expand overseas competition, the failure of the Federal Government to curtail imports through the use of section 22 makes it possible for commodities produced abroad with American capital and know-how and with cheap foreign labor to flow back into the United States in unlimited amounts to put our own American producers still located in this country out of business.

A study of this situation makes it apparent that the use of section 22 to control agricultural imports is an absolute necessity if any farm program is to work and if American farmers are to remain in business in this country.

Recent developments in the cattle industry are a case in point. Cattle prices in the United States have dropped drastically in recent months and many cattle producers are facing financial ruin. At the same time imports of livestock, meat, and meat products have been increasing. Such imports have in-

creased by more than 400 percent in the last few years. While recent negotiations have resulted in some "voluntary" reductions in meat imports from Australia and New Zealand, the volume still coming in is creating a surplus on the domestic market which is continuing to depress cattle prices.

The Secretary recently announced that section 32 will be used to buy up some of this meat surplus for use in the school lunch program and similar worthy causes in an effort to bolster the market. However, unless meat imports from abroad are curtailed through the use of section 22, the demands on section 32 funds will be very heavy and it is doubted that this approach can be effective.

SPECIAL INVESTIGATION OF CATTLE IMPORTS

In view of the serious threat to American agriculture from imports including those produced under the investment guarantee program of AID, the committee has initiated a special investigation of, first, imports of livestock, meat, and other agricultural products during the past 10 years; second, the extent to which U.S. funds and technical assistance have been used in production of such imports; and, third, the effect of American production abroad on our own farmers here at home.

A preliminary report indicates that U.S. imports of beef and veal have increased from 271 million pounds in 1953 to 1,440 million pounds in 1962, an increase of over 430 percent, and an estimated 1,679 million pounds in 1963. Increased imports from the three largest importers as follows:

[Million pounds]

	1953	1962	1963 (estimate)
Australia.....	2.6	638.8	747.0
New Zealand.....	1.8	298.9	332.0
Ireland.....	4.6	102.5	105.7

This report also indicates that U.S. imports of other meats, including pork, mutton and lamb have increased substantially during this same period. Also, increased numbers of live cattle and calves, largely from Canada and Mexico, were brought into the United States during these years.

While prices received by farmers for beef cattle increased somewhat over this 10-year period, they have dropped from \$22.60 per 100 pounds in 1959 to \$19.85 per 100 in 1963, a reduction of \$2.75 or 10.4 percent. Hog prices at the farm level have gone down from \$21.40 per 100 pounds in 1953 to \$14.98 in 1963, a reduction of \$6.42 or 30 percent.

Despite the availability of section 22 to control imports to protect domestic production, the report states further that "livestock, meat and meat products have never been regulated under section 22."

It is also pointed out in the report that over \$400 million of section 32 funds have been spent between 1936 and 1962 to remove surplus meats from the market as follows: beef, \$111.5 million; lamb, \$4.8 million; pork, \$202.1 million; pork

and beans, \$2 million; and miscellaneous meats, \$83.8 million.

An additional interim report just received contains the following supplemental data which is worthy of note:

Total U.S. imports in 1963 were \$17.032 billion. Of this total, \$4.012 billion of agricultural commodities included \$2.293 billion which competed with U.S. farm crops. Most recent tariff reductions for U.S. imports of meat, meat products, cattle, cotton, wheat, corn, barley and oats were all made prior to 1955. There are 11 different AID programs available to many countries of the world for loans, grants and technical assistance to furnish agricultural assistance to foreign countries. A few examples are as follows:

AID agricultural programs in Argentina have totaled over \$24 million for grain storage facilities and livestock improvements. Beef and veal production has increased with sales to United States 12 percent higher in 1958-62 than 1954-57. Cotton and corn exports also have increased substantially.

In Brazil, AID agricultural programs have totaled over \$34 million, including at least 3 projects to increase livestock production. Beef and veal production has increased with exports to the United States up 470 percent in 1958-62 compared to 1954-57. Cotton exports have also increased sharply since 1960.

AID agricultural assistance in Mexico has been about \$37 million. Mexico is an important cotton producer with three-fourths of its crop entering world trade. Also imports large number of live cattle and beef and beef products into the United States.

AID agricultural assistance of nearly \$279 million has been extended to Pakistan for irrigation, salinity control and land reclamation. Cotton exports in 1962 were 47 percent higher than 1955-59.

Since 1961 AID has spent \$848,000 for 17 Americans to go to Argentina, Brazil, Central America, Colombia, Ecuador, India, Pakistan, Turkey, North Boreno, Nigeria, and Thailand to make investment surveys. Fourteen additional applications are under consideration which will cost \$196,300.

A total of 778 political risk investment guarantees have been issued since 1948.

In 1963 there were 766 technicians employed overseas in food and agricultural fields. In 1963 about 400 foreigners received agricultural training in the United States under AID programs. In all, about 3,800 foreign nationals were trained in agriculture and home economics in 1963.

U.S. interests in foreign agriculture production as reflected in the report of this committee study are as follows:

ARGENTINA

International Packers, Ltd.—IPL—Chicago, including subsidiaries: Swift, Armour, La Blanca, and Provita.

King Ranch, Kingsville, Tex.

AUSTRALIA

Chase International Investment Corp., New York City.

American Factors Associates, Honolulu.

J. H. Whitney & Co., New York City.
Elders-G. M. Co., Ltd.
Intercontinental Meat Traders, Inc., Chicago.

International Packers, Ltd., Chicago.
King Ranch Australia, Ltd.
Art Linkletter and Allen T. Chase.

COLOMBIA

Ralston Purina Co., St. Louis.

HONDURAS

Alberti Foods, Inc., Chicago.
Adam Smith, Miami.
William Montiel.
United Fruit Co., Boston.

MEXICO

Ralston Purina, St. Louis.
Archer-Daniels-Midland Co., Minneapolis.

Burlington Industries, Inc. Greensboro, N.C.

NEW ZEALAND

International Packers, Ltd., Chicago.

PARAGUAY

Pan Western Enterprises, New Orleans.

SECTIONS 22 AND 32 MUST WORK TOGETHER

The relationship between section 32 and section 22 is extremely close. While it has been stated by Department officials that section 22 is applicable only to price supported commodities, a careful reading of the law will show that a special provision was added to make it applicable to commodities covered by section 32, including meat and meat products.

In the opinion of the Committee, consideration should be given to permanent legislation which would require the invoking of the provisions of section 22, where imports are a contributing factor to the surplus.

AGRICULTURAL RESEARCH SERVICE

The bill includes \$97,656,000 for fiscal year 1965 for research, including \$4,921,300 for marketing research. The amount recommended is an increase of \$1,222,925 over 1964 and a reduction of \$5,418,875 in the budget estimate. The increase is provided to cover mandatory pay increase costs for the coming year for the regular ARS research program and for marketing research.

Consistent with last year's action, the Committee has again combined the funds for marketing research with the other research programs financed by this appropriation. As the demand for research continues to grow, it becomes increasingly difficult to clearly differentiate between these two areas of research and to conduct the work under two separate agencies. This consolidation should prevent duplication and increase the effectiveness of the Department's research efforts and should make it possible to do more research with the same amount of money. The sum of \$662,000 of the proposed budget reduction for marketing research has been restored, as discussed earlier in the report.

As noted earlier, \$264,000 has been restored to this appropriation to continue the operation of 12 field research stations proposed to be eliminated by the Budget. Offsetting savings can be made by elimination of work done by transfer of funds

from the Agency for International Development.

For plant and animal disease and pest control, the Committee recommends an appropriation of \$65,255,000 for the next fiscal year, an increase of \$937,000 over 1964 and a decrease of \$400,000 in the budget. The entire increase is required to meet mandatory pay increase costs in fiscal year 1965.

The amount allowed includes increases of \$200,000 for plant and animal quarantine inspection at ports of entry, and \$600,000 for enforcement of the Virus-Serum-Toxin Act and the Insecticide-Fungicide-Rodenticide Act. It also provides \$200,000 to be used on a 50-50 matching basis to help meet the serious infestation of boll weevil in Texas and New Mexico through a Federal-State cooperative approach. These increases will be offset by proposed budget decreases of \$1 million for other eradication activities which can be curtailed at this time.

Since 1962, the Federal Government has spent some \$6,300,000 for screw-worm eradication in the Southwest. During this same period, the State of Texas spent approximately \$2,700,000, plus some services in kind, and the livestock producers and sportsmen in the area spent in excess of \$3,200,000—a total of \$5,900,000 from local sources, plus extra services. According to latest reports, the program has been fully effective and the screw-worm had been eradicated from the entire area. It has been proposed to establish a buffer zone of several hundred miles south of the Mexican border to prevent reinfestation by migrant flies from Mexico at an annual cost of around \$5,500,000. It has been further proposed that the Federal Government finance the entire cost, in lieu of the 50-50 matching arrangement in effect since 1962.

The committee recognizes the value of a buffer zone as proposed. It recognizes the threat of reinfestation from Mexico, whether it be screw-worms, fruit-flies, citrus blackflies or any similar insect pests. However, it does not feel that the Federal Government should provide the full cost of supporting such a buffer zone. It recommends, therefore, that the executive branch explore the possibility of establishing a joint program with Mexico to provide the necessary protection.

The full budget estimate of \$2,750,000 for screwworm eradication in the Southwest has been retained in the bill for 1965, should it be needed. The language in the bill, however, requires full matching for \$2,500,000 of this amount by obtaining funds from the States affected as well as other local sources. In the event a major program should be reinstated, a sum of \$250,000 may be used without matching to make spot checks and meet isolated outbreaks as may be necessary.

For meat inspection an appropriation of \$30,454,000 is proposed for next year. This is an increase of \$2,558,000 over 1964 and a decrease of \$383,000 in the budget request. The increase includes \$697,000 for mandatory pay increases plus \$861,000 for reclassifications of non-veterinary meat inspectors under Civil Service Commission standards. The 1964

supplemental estimate of \$90,000 for reclassification will not be needed since the funds cannot likely be made available prior to the close of the 1964 fiscal year. In the future, reclassifications and other actions requiring additional funds should not be initiated by the Department by change in job classification or otherwise without prior approval by the Congress.

An increase of \$1 million has also been included to provide for 100 additional meat inspectors required to handle the ever-increasing demands for this mandatory inspection service. Due to the constant dispersal of meatpacking establishments to areas closer to the source of supply, the number of plants and cities and towns in which located continues to increase.

SOIL CONSERVATION SERVICE

Soil conservation assistance is being provided for an increasing number of soil conservation districts each year. With only a few exceptions, most of the Nation is now organized into such districts. As of June 30, 1962, 2,929 districts had been established and the number increased to 2,942 as of June 30, 1963. It is estimated that they will increase to 2,972 by the end of fiscal year 1964 and 3,000 by June 30, 1965.

An appropriation of \$100,511,000 is recommended for fiscal year 1965, an increase of \$2,585,000 over 1964 and \$1,761,000 over the budget request. The increase over 1964 includes \$1,815,000 to cover the mandatory pay act costs in 1965 plus \$770,000 to provide technical assistance to the 28 new districts expected to be organized in the coming fiscal year.

The amount recommended by the Committee for next year restores proposed budget reductions with a directive to the Department to eliminate work for the Agency for International Development in sufficient amount to offset the funds and manpower needed for this far more essential work.

The additional funds of \$770,000 to provide technical assistance to the new soil conservation districts to be formed next year are essential if we are to continue to encourage new areas not yet organized to come into the soil and water conservation program of the Nation. In certain States such as Missouri and several Far Western States, local conditions resulted in a delay in organizing districts and entering the program. To fail to provide funds for these areas as they are ready to take their place in the national program would be unfair to those areas which have not been able to organize sooner.

For watershed protection, the full budget estimate of \$65,848,000 is provided in the bill for the coming year, an increase of \$2,401,000 over 1964. Of the increase, \$428,000 is required to meet mandatory pay act costs in 1965. The balance is recommended for river basin surveys and installation of works of improvement in Public Law 566 watersheds.

The 1965 budget proposed a reduction of \$1,025,000 for small watershed planning. This reduction would have reduced the staff of technical experts and aids currently engaged in watershed planning by about 110 positions and

would have resulted in the completion of 22 less project work plans in 1965 than in 1964.

The committee has restored this proposed cut in planning, as outlined earlier in this report, and has included specific language in the bill to provide \$5,524,000 for watershed planning next year, the same amount as authorized for 1964, plus day increases. Offsetting reductions in work financed from AID have also been directed in this instance.

For flood prevention, the fiscal year 1964 level of operations are recommended again for fiscal year 1965. Accordingly, an appropriation of \$25,423,000 is included in the bill for 1965. As has been discussed earlier in this report, the committee cannot agree to the proposed budget reductions for the various soil conservation programs of the Department which contribute so much to the future strength of this Nation. Reductions in soil conservation work for other countries of the world through the Agency for International Development should be made by the Department to offset the amount of the restoration for this program.

Interest in participating in the Great Plains conservation program has continued to increase. Applications for program assistance received in the fiscal year 1963 totaled 3,885. As of July 1, 1963, the Service has 4,110 unserved applications on hand as compared with 3,855 at the end of 1962. There were 2,852 new cost-share contracts covering 5,051,330 acres signed in the fiscal year 1963 as compared with 2,450 covering 4,950,101 acres during 1962.

The bill includes \$14,176,000 for fiscal year 1965, an increase of \$564,000 over 1964 and a decrease of \$568,000 in the budget request. The increase includes \$64,000 for mandatory pay costs in 1965, plus \$500,000 for cost-sharing assistance to participating farmers and ranchers.

The 1964 appropriation of \$1,496,000 is again recommended for resource conservation and development, a reduction of \$548,000 in the budget request. In addition, an unobligated balance of \$1,075,000 of the 1964 appropriation will carry forward into next year, which will make a total of \$2,571,000 available in 1965. The proposed reduction for resource investigation and planning will provide an additional \$281,000 for resource development and technical services.

STATISTICAL REPORTING SERVICE

The committee recommends the full budget estimate of \$11,431,000 for the next fiscal year, an increase of \$840,100 over 1964. The increase includes \$187,000 for mandatory pay act costs in 1965, \$62,500 to meet the full annual cost of cattle-on-feed reports initiated last year, and \$590,600 to continue the long-range program for the improvement of the crop and livestock estimates begun in fiscal year 1961. In 1965 it is expected that enumerative surveys will be expanded to all continental States except California and Oregon which will remain on a pilot basis.

The amount recommended for 1965 includes sufficient funds to restore the proposed budget elimination of \$94,000

for consumer surveys. In the opinion of the committee this work, which relates to research on market quality, standardization of processed products, and utilization, is extremely valuable to the Nation's consumers and should be continued. Offsetting reductions should be made in work done for the Agency for International Development, as outlined earlier in this report.

AGRICULTURAL MARKETING SERVICE

The bill for the coming fiscal year includes \$39,389,000 for marketing services, an increase of \$2,196,400 over 1964 and a net decrease of \$126,125 in the budget estimate. The increase includes \$896,400 to meet mandatory pay act costs in 1965, \$135,000 to complete the modernization of the market news leased wire service and to meet the cost of increased teletype rates, \$665,000 to cover the reclassification of nonveterinarian poultry inspectors based on revised civil service standards, and \$500,000 to provide 56 additional poultry inspectors to handle increased mandatory poultry inspection workload in the coming year. The 1964 supplemental request of \$173,000 for reclassifications has not been included. As pointed out for meat inspection, the committee feels that future reclassifications and other actions requiring additional funds should have advance congressional review.

The Poultry Products Inspection Act of 1957 requires the Department to inspect for wholesomeness all poultry moving in interstate or foreign commerce. The law was enacted primarily to protect consumers against diseased and otherwise unwholesome meat. Since enactment of this law, the number and capacity of plants and evisceration lines in plants requiring inspection service have reflected substantial growth, as have the pounds of product inspected. Although production may fluctuate from season to season because of low prices, the general trend is continuing upward—at a rate of about 6 to 7 percent estimated for 1965.

The increase of \$135,000 recommended for the market news leased wire service includes \$60,000 to cover increased rates which will go into effect in 1964 based on authorization of the Federal Communications Commission on May 29, 1963, and \$75,000 to complete modernization of equipment to increase transmission speed and realine circuits serving the southeastern and gulf-coast areas. This is expected to complete the modernization program begun in 1962.

Payments to States and possessions. The 1964 appropriation of \$1,500,000 is recommended again for 1965. This is an increase of \$75,000 over the budget request as outlined earlier in this report.

With these additional funds, the Department should study the needs for additional market news services on a matching-fund basis resulting from the decentralization of reporting from large central markets to the smaller markets closer to the production areas. In this connection, consideration should be given to installing some type of livestock market news reporting in Idaho, where no service exists at present. Also grain market news reporting begun in Mis-

souri in 1961 should be continued on an experimental basis looking forward to regular financing in future years.

The special milk program is aimed primarily at increasing the consumption of fluid milk by children. Nonprofit schools of high school grade and under, all nonprofit summer camps and child-care institutions devoted to the care and training of children, are eligible to participate in the program.

A total of 438 needy schools serving more than 13,600 children participated and consumed approximately 6.2 million half pints of milk under the limited experimental program of special assistance.

The committee recommends the full budget estimate of \$99,831,000 for 1965 and concurs in the budget proposal to finance the program next year by a transfer of funds from section 32. This action is not to be considered a precedent for future years, however, since section 32 funds must be kept available to prevent market surpluses and price declines of agricultural commodities as the need arises.

The committee proposes a direct appropriation of \$146,400,000 for the school lunch program, plus the transfer of \$45 million from section 32 funds for the purchase of meats and other foods needed to provide balanced school lunches. This is an increase of \$9,784,000 over 1964 and a decrease of \$1,210,000 in the budget request.

For a number of years, the committee has felt that funds for this program should increase as the number of children participating in the program increases. Last year the appropriation was computed on a fixed amount per meal for the first time. The committee has followed the same procedure again this year in determining the amount of the appropriation recommended for fiscal year 1965.

In fiscal year 1962 a total of 2.4 billion school lunches were served. This increased to nearly 2.6 billion in 1963 and is expected to exceed 2.7 billion in 1964. It is estimated that 2.886 billion meals will be served in 1965. At an average of 5 cents per meal, \$144,300,000 will be required for cash reimbursements and section 6 purchases during the 1965 school year, plus \$2,100,000 for administrative expenses, a total of \$146,400,000. This amount has been included in the bill. No funds have been earmarked to initiate special cash assistance to needy schools.

Last year the Congress approved language to permit the use of section 32 funds for activities which would help to increase consumption of farm commodities and thereby reduce the demands for purchases through this fund and reduce the investment of Commodity Credit Corporation funds in commodity inventories. The 1964 Appropriation Act also provided authority to include a similar provision in future appropriation bills in an amount not to exceed \$25 million.

Pursuant to this authority, the committee has provided for the use of \$25 million of section 32 funds in fiscal year 1965 for the following research programs which should help to increase consump-

tion by reducing the cost of production and increasing the utilization of agriculture commodities.

The sum of \$3 million has been allowed for research on tobacco and pesticides as discussed earlier.

The sum of \$1,200,000 is provided for staffing 15 new research laboratories in various parts of the country, which were previously funded and are now ready for operation, based on a budget estimate included for this purpose under the Agricultural Research Service. The estimate has been excluded from the Agricultural Research Service research appropriation.

A total of \$18,800,000 has been included under this heading for expanded research on cost of production and utilization of agricultural products. This is in keeping with increases allowed in recent years to expand research designed to deal with the problems of agricultural surpluses. A number of additional pressing research needs were brought to the attention of the committee during its hearing this year, including research on floricultural and horticultural crops, pecans, avian leukosis and other poultry diseases, special problems of swine, strawberries, blueberries and grapes, forage crops, York spot disease of apples, soybean production, sugar, sugarbeets and sugarcane, cotton, corn, wool and mohair, biological control of pests and insects, soil and water conservation, cereal leaf beetle, coffee harvesting, and many others. The Department is expected to give attention to these essential research needs in the allocation of these funds next year.

The committee has included \$250,000 for alterations and improvements at the Foot-and-Mouth Laboratory at Plum Island, \$850,000 for construction and remodeling of facilities at the Beltsville Research Center, and \$450,000 for replacement of sugarbeet, pasture and range research facilities at Fort Collins, Colo. These amounts are provided in lieu of budget requests for these purposes presented under the Agricultural Research Service.

Pursuant to an agreement entered into by the House and Senate conferees at the time the 1964 agriculture appropriation bill was adopted last December, not to exceed \$450,000 of section 32 funds is authorized for the establishment of a research facility in Georgia to be used to house the peanut shelling research work now underway at Dawson and to bring together the peanut research on production and marketing now being conducted at various locations in Georgia, if desirable. It has been agreed that this laboratory will not do any peanut "quality" research.

Based on a last-minute agreement of the conferees last December, the 1964 bill included \$9,500,000 for the construction of a new Southeastern Research Laboratory which has been located at Athens, Ga. It was fully agreed by the conferees at that time that this laboratory would not do any peanut quality research, for which additional funds were provided at the New Orleans Laboratory, and that it would not undertake research which would displace work being done at

the other four major utilization laboratories.

For expenses, Agricultural Stabilization and Conservation Service, an appropriation of \$105,602,000 is included for fiscal year 1965, a decrease of \$8,960,000 in the budget estimate. The amount recommended is a net increase of \$1,231,500 over the 1964 appropriation. However, it is a decrease of \$12,368,500 when the 1964 deficiency of \$13,600,000 for administering the 1964 feed grain program is taken into consideration.

Two items of increase have been allowed for 1965. An amount of \$1,761,415 has been included for mandatory pay act costs in 1965. Also, \$1,835,631 has been allowed to correct an imbalance between appropriated funds and funds transferred for Commodity-Credit functions, with an offsetting reduction in the CCC transfer. The two increases are partially offset by a decrease of \$2,365,546 due to economies in administering the conservation reserve and agricultural conservation programs.

No additional funds have been allowed for administering the feed grain and wheat stabilization programs for 1965. The amounts needed for these purposes cannot be accurately estimated until the effect of recent legislation on future fund requirements can be fully determined.

The committee recommends an appropriation of \$86,400,000 for the sugar act program, an increase of \$8,400,000 over 1964 and a decrease of \$1,100,000 in the budget estimate. The 1964 supplemental estimate of \$6,400,000 contained in House Document No. 203, dated January 21, 1964, has not been included in the bill.

Total sugar production in the 1964 crop year covered by this appropriation is estimated at 6,490,000 tons, the same quantity as produced in the 1963 crop year. The increase for 1965 will be used to make payments for increased production in 1963 in the continental sugar beet and cane areas.

For the agricultural conservation program, an appropriation of \$225 million the full budget estimate, is recommended for 1965 to make payments earned under the program authorized in the 1964 bill and to honor a small balance of unpaid 1963 commitments not fully covered by the 1964 appropriation. Amounts due under this program are legal commitments and funds must be provided to pay all contracts entered into.

The committee has also restored the 1965 program authorization to the regular level of \$220 million—plus \$30 million for administration under the heading "Expenses, ASCS." Almost every year in recent years, Congress has been required to restore budget cuts in this item.

In the opinion of the majority of the members of the committee, the funds expended through this program return to the Nation the greatest possible conservation benefits. Further, this program provides the best possible means of meeting local conservation needs in all areas of the country. It is far more effective than many other approaches adopted in recent years.

Apparently the Bureau of the Budget and others who do not support this pro-

gram are not aware of the important part it plays in building terraces, waterways and erosion control structures and in financing other conservation practices as an integral part of the extremely effective and successful Public Law 566 small watershed program. Without the ACP cost-sharing program, the small watershed program could not operate satisfactorily. Further, the ACP finances some 1,200 soil conservation technicians who provide assistance to soil conservation districts and the small watershed program, in addition to furnishing technical assistance for this program. The proposed reduction of \$100 million would have eliminated an estimated 555 of these soil conservation technicians.

An appropriation of \$194 million is proposed to meet conservation reserve contract commitments in 1965. This is a reduction of \$100 million below 1964 and is \$4 million below the budget request.

The decrease in this program is due to a reduction in annual rental payments in 1965 as a result of the expiration of 83,543 contracts covering 6,719,915 acres previously withheld from production.

The Food and Agriculture Act of 1962 authorized the Secretary to carry out a pilot program to determine how land not needed for crop production can best be used for conserving and developing soil, water, forests, wildlife, and recreational resources.

Because this program appears to be a miniature soil bank under a new name, the committee made a special investigation of its operations during the past year. A number of operational weaknesses were found, including: first, lack of documentation of land ownership and eligibility; second, failure to require that practices be carried out on acres covered by contract; third, lack of consideration of economic feasibility; fourth, cost-sharing payments on earth moving on horseshoe, badminton, basketball, baseball, and tennis courts; fifth, lack of limits on cost-sharing payments with possible cost per acre in excess of value of land; and sixth, failure to require that recreational facilities be made available to public.

Though the Department has undertaken to correct these deficiencies, the committee feels that the program should be continued on an experimental basis and should not be expanded beyond the level of the 1963 program. Accordingly, it recommends an appropriation of \$7,200,000 for 1965, the same amount as expended for the 1963 program. This is a reduction of \$2,800,000 in the budget estimate.

RURAL ELECTRIFICATION ADMINISTRATION

The committee recommends the full budget estimate of \$365 million for electrification loans, including a contingency reserve of \$90 million. This is a reduction of \$60 million below the electrification loan funds authorized for 1964. While the budget proposed a single contingency fund for both electrification and telephone loans, a separate contingency reserve has been established for each program.

For the telephone loan program, the bill for 1965 includes the same amount

as provided for 1964, \$70 million. The increase of \$7 million in the budget request has been placed in a separate contingency reserve for telephone loan purposes.

The number of telephone subscribers being served by REA borrowers has regularly been increasing by more than 100,000 per year, and this is expected to continue. In addition, there is a rapidly developing demand for a grade of service better than the old eight-party line. This has led REA to recommend four-party flat rate rural service as the preferred standard, and in response to the demand, many borrowers are forecasting and developing systems to provide one- or two-party service in rural areas. The requirement for upgrading of service is expected to lead to an increase in loan applications in 1964 and 1965.

The Administrator of REA is to be commended for his cooperation in formulating and issuing regulations in accord with the directives in last year's reports of the House and Senate committees. In connection with last year's report of this committee, it should be clearly understood that the directives contained therein were intended to apply to generation and transmission loans to G. & T. cooperatives and not to relatively small transmission loans to distribution cooperatives. The regulations issued pursuant to these directives should be interpreted and administered on this basis.

The committee feels that loan funds provide to REA should not be used for power generation loans where the feasibility is based solely on the cheaper power rate resulting from the lower interest rate paid by REA cooperatives than is available to private investor companies unless essential to get area coverage at reasonable rates.

In connection with section 5 loans, the majority of the committee feels that the REA should investigate each request prior to approval to see that the application is for purposes directly related to the distribution, generation, or transmission of electrical energy.

In evaluating the place of REA in the rural electrification industry, it is important that a few significant facts be kept in mind:

First. The Nation as a whole used 761,380 million kilowatt-hours of electricity in 1960. This is expected to increase to 2,692,650 million kilowatt-hours by 1980—an increase of over three times.

Second. The REA-financed systems serve only 8 percent of the consumers and receive only 5 percent of the revenues. They operate only 1 percent of the generating capacity and sell only 4 percent of the kilowatt-hours.

Third. The REA-financed systems serve an average of 3.3 consumers per mile as compared to 33.2 consumers per mile on commercial utility lines. REA borrowers have a gross annual revenue of \$460 per mile of line compared to \$7,164 gross annual revenue per mile of commercial companies.

Fourth. During fiscal year 1963 REA cooperatives used a total of 37,518 million kilowatt-hours of electric energy. Of this total only 6,597 million kilowatt-

hours—approximately 17 percent—were generated by REA-G. & T. cooperatives. Nearly one-half of the balance—14,393 million kilowatt-hours—was purchased from commercial power suppliers. The rest—16,259 million kilowatt-hours—came from municipal and other publicly owned suppliers.

Fifth. Of the approximately 1,000 REA borrowers, only 1 is delinquent in an amount of \$55,000, and this amount is being steadily reduced.

An appropriation of \$11,641,000 is proposed for the administrative expenses of the REA program in fiscal year 1965. This is an increase of \$492,000 over 1964 and \$213,000 over the budget request. The increase over 1964 includes \$242,000 for mandatory pay act costs next year, plus \$250,000 to make the necessary additional surveys required by last year's directives and to process the loan applications without undue delay. With this increase, there should be no reason for any delay in processing applications due to additional surveys and reviews required.

FARMERS HOME ADMINISTRATION

Pursuant to the Consolidated Farmers Home Administration Act of 1961, a direct loan account was established in fiscal year 1962. Collections of principal and interest on loans outstanding are deposited in the direct loan account and are available for principal and interest payments on borrowings from the Secretary of the Treasury and for making additional loans for (a) farmownership, (b) soil and water conservation, and (c) operating purposes. Such loans may be made only in such amounts as may be authorized in annual appropriation acts.

As of the end of fiscal year 1964, it is estimated that this account will have a balance on hand of \$113,300,000. Estimated collections in fiscal year 1965 of \$339,619,000 will make a total available of \$452,919,000 for 1965 loan purposes.

The bill includes authority to use up to \$360 million of this total for loans during the coming fiscal year, \$60 million for real estate loans and \$300 million for operating loans. These are the same amounts as were provided for fiscal year 1964. Of the funds provided for operating loans, \$50 million has been placed in a contingency reserve, to be released by the Bureau of the Budget as may become necessary to meet the needs of the program during the year.

For salaries and expenses, the committee recommends an appropriation of \$39,544,000 for the coming year, an increase of \$1,500,100 over 1964 and a decrease of \$640,000 in the budget request. The increase includes \$1 million for mandatory pay act costs in 1965 and \$500,100 to meet the increasing workload resulting from the new programs assigned to this agency by law.

In addition, the committee has restored language in the bill which authorizes the use of not to exceed \$500,000 of the funds available for the various new programs administered by this agency for the employment of temporary personnel to meet unusual or heavy workload increases.

New responsibilities in the field of financing shifts in land use, recreational enterprises, rental housing for senior citizens in rural areas, farm labor housing, assistance to disadvantaged rural youth and under other authorities of the Farmers Home Administration require new skills and additional manpower, particularly at the field level. With low income farm borrowers, it is particularly important to provide good technical supervision and assistance coupled with needed credit, if the borrower is to become successfully established. The complicated financial management problems of many applicants require more skill and more effort today that formerly was the case.

FEDERAL CROP INSURANCE CORPORATION

The committee recommends a total of \$10,580,000 for administrative and operating expenses during fiscal year 1965, \$6,942,000 by direct appropriation and \$3,638,000 from premium income. This is a net increase of \$131,000 over 1964 and a reduction of \$11,000 in the budget request. The increase proposed includes \$103,000 for mandatory pay act costs for 1965 and \$28,000 to cover increased rental costs in Washington.

The General Services Administration has determined that the rental rate for space occupied by the Federal Crop Insurance Corporation in Washington shall be increased, effective July 1, 1964, from \$2.10 per square foot to \$4.14 per square foot. GSA advises that this rate is equal to the cost that a commercial landlord would bear, excluding profit.

COMMODITY CREDIT CORPORATION

An appropriation of \$1,724,000,000, the full budget estimate, is proposed in the bill to restore a portion of the capital impairment of the Corporation for fiscal year 1963. This is \$975,400,000 less than the funds carried in the 1964 Appropriation Act.

As discussed earlier, the reduction in this item is due to a change in policy by the Bureau of the Budget. Instead of requesting sufficient funds to fully reimburse the Corporation for 1963 capital impairment, only a partial restoration was included in the budget estimate for this purpose. The amount requested and recommended in the bill is the total deemed by the Department to be sufficient, when supplemented with cash receipts from the sale of commodities in CCC inventory, to meet the Corporation's obligation during the coming fiscal year to finance price supports, exports, supply and related programs.

The committee has approved budget language which will avoid increasing future appropriation requests by accumulated interest charges on realized losses not restored currently. This change will have the effect of terminating at the close of each fiscal year, beginning with the fiscal year 1964, interest on borrowings from the Treasury in an amount equivalent to the realized losses sustained by the Corporation (1) during the fiscal year 1964 and succeeding fiscal years, and (2) in prior fiscal years, for which the Corporation has not been reimbursed by appropriation. Interest would continue to be charged on borrowings for

losses sustained during a particular fiscal year but not after the end of that fiscal year. This would limit interest expenses to borrowings for current operations and would avoid increasing future appropriation requests by interest charges resulting solely from deferral of reimbursement to the Corporation for realized costs and losses applicable to past operations.

The committee wishes to point out again this year that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 5 years shows that the percentage of CCC payments to nonfarm groups has run 58 to 59 percent in 4 of the last 5 years.

The committee recommends the budget estimate of \$37,351,000 for administrative expenses of the Corporation in the coming year. This is a decrease of \$4,299,000 below fiscal year 1964.

The officials of the Corporation and the Agricultural Stabilization and Conservation Service are to be commended for their outstanding administrative record and for the many operating savings and economies they have made in recent years. Despite salary raises and other increased costs, the amount authorized for administration of CCC has decreased from \$45,726,000 in fiscal year 1961 to the recommendation of \$37,351,000 for next year.

FOREIGN ASSISTANCE PROGRAMS

A number of statutes provide for the facilities of the Commodity Credit Corporation to be used in carrying out programs for the exportation of surplus agricultural commodities and authorize appropriations to reimburse the Corporation for costs incurred in connection with such programs.

Prior to fiscal year 1962, the Corporation was reimbursed for the costs of these activities by appropriations subsequent to incurrence of the costs. Beginning in the fiscal year 1962, the Congress added funds to place these activities on a pay-as-you-go basis, appropriating for estimated costs in fiscal year 1962. Subsequent bills have included funds for each ensuing fiscal year on the same basis as for other programs of the Department.

The bill for fiscal year 1965 includes a total of \$1,887,453,000 to finance the activities under Public Law 480, \$1,612 million for title I sales for foreign currencies, \$220,453,000 for emergency famine relief under title II, and \$55 million for long-term supply contracts authorized by title IV. The total recommended is an increase of \$167,487,000 over 1964 and a reduction of \$327,547,000 in the budget request.

The amount provided for sales for foreign currencies includes \$612 million to cover unreimbursed prior year costs and \$1 billion estimated 1965 costs. The appropriation proposed for emergency famine relief provides \$20,453,000 for unreimbursed prior year costs plus \$200 million for the 1965 program.

Under the long-term supply contract program—title IV—the foreign governments contract to repay the United States in agreed installments. Such future repayments, including interest specified in the agreements, are deducted from the appropriation request. In effect, the appropriation covers only the difference between the cost of shipments and the export market value which is established at time of the agreement, plus the differential on the U.S.-flag vessels over the foreign-flag vessels and interest expense not charged to foreign governments. This latter item is the difference between CCC interest cost and the interest rate specified in the agreement. The Government then must look to the future for recovery of costs due from foreign governments which are financed by the Commodity Credit Corporation.

The matter of extra cost of shipping agricultural commodities in U.S. ships has become a major issue in view of the large shipments of goods under Public Law 480. This also became a primary consideration in negotiating agreements for sales of wheat to Soviet countries. While the committee recognizes the need to protect the American Merchant Marine, it does not feel that this should be allowed to interfere unduly with agricultural sales abroad. Further, it does not feel that the Department of Agriculture should be expected to carry the extra costs involved in the difference between world shipping rates and American-flag carrier rates.

The Department is requested to look into the possibility of paying the extra cost of such shipments in U.S. vessels from foreign currencies available in those countries in which Public Law 480 shipments are made.

Information has also come to the committee's attention which may possibly indicate that foreign currency sales under Public Law 480 are being made to certain foreign countries which displace regular dollar sales. Attention is directed to those provisions of Public Law 480 which require that title I sales be "in excess of the usual marketings of such commodities." In the opinion of the committee, agreements under Public Law 480 which would in any way displace U.S. dollar sales should not be entered into. Normal commercial overseas markets for U.S. agricultural production should never intentionally be sacrificed for international political reasons.

For the International Wheat Agreement, the full budget estimate of \$31,838,000 is approved for fiscal year 1965, a reduction of \$54,380,000 below the 1964 appropriation. The amount approved includes \$31,659,000 for prior year unreimbursed costs and \$179,000 for estimated 1965 costs.

It is estimated that, due to the disapproval of wheat producers of marketing quotas for the 1964 crop year, and substitution of a production certificate plan, the open market price will be closer to the competitive world price in fiscal year 1965 than in prior years. However, the final effect of the new wheat legislation on wheat prices cannot be determined at this time. The total shipments

in 1965 are expected to be about 120 million bushels and the quantities shipped by country will be in about the same proportion as in 1964.

For bartered materials for supplemental stockpile, the committee recommends an appropriation of \$82,860,000 for fiscal year 1965, the same as provided for fiscal year 1964. The amount recommended includes \$39 million for unrecovered 1964 costs and \$43,860,000 for the 1965 program.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from North Carolina.

Mr. JONAS. Mr. Chairman, I should like to take this occasion to compliment the gentleman and all of his associates who helped prepare the report. I have rarely read a report by a committee of Congress that is more detailed or that contains more factual information, and in which the entire story of the agricultural programs and the problems of our country will be found. I am not commenting on the bill at this time. I may not even agree with some of the things that are in the bill, but I do think a word of commendation is in order for those who painstakingly prepared such a detailed report which tells the whole story in one volume.

Mr. WHITTEN. Mr. Chairman, I thank my friend and colleague from North Carolina.

May I say at this point that basically we attempted to live within the budget. But there were several things that we know were unsound. There were about 12 or 14 research stations scattered throughout the United States that the budget eliminated. We have put those stations back into the bill. Heretofore our subcommittee has largely done that, but we did it by a general statement.

But frequently our colleagues on the House side have had to do lots of explaining as to how their local operations were being taken care of. For that reason this year we listed those stations that we restored so that our colleagues will know they are in here. After all it is only by research on agriculture that we have been able to turn 92 or 93 percent of us loose to do something else and have our high standard of living.

Also may I say that the budget cut eliminated several marketing news service offices. I think there is nothing that helps orderly marketing more, and helps the consumer more than the knowledge to the farmer of where the market is short or where there is a given supply of a commodity, so that the farmer will know where to go. This is far better than going where the market is flooded and having to take practically nothing, in which case the consumer does not get the benefits.

We have directed that these marketing news services that were set for elimination be carried forward.

Mr. Chairman, there are two major problems in addition to those which need immediate attention. There is that problem which faced this committee and the tobacco industry. This was one of the major problems, and may I say it

is my opinion that far too few people realize that this problem does not involve only a handful of farmers. This affects an \$8 billion industry and is certainly worthy of consideration by the Congress.

Mr. Chairman, any industry which pays such a vast amount of taxes as is paid by the tobacco industry is worthy of consideration and it, of course, affects millions and millions of consumers.

Mr. Chairman, the gentleman from North Carolina [Mr. COOLEY], chairman of the House Committee on Agriculture appeared and testified before our committee last year. We had many others to come before our committee, since we handle the appropriations for the Department of Agriculture. It was our purpose to see what could be done not only to protect the tobacco industry but to do what we could in behalf of the consumer. There are millions and millions of people, of course, involved in tobacco production and its use.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I notice in the report on page 3 thereof, next to the last paragraph, there appears the following:

The net budget decrease of \$135,675,715 under "General activities" is largely due to (1) the proposal to finance the special milk program in fiscal year 1965 by transfer from section 32 funds in lieu of a direct appropriation, and (2) a reduction in the appropriation for the conservation reserve program which is due to expiration of 83,543 contracts during the coming year.

My question is this: When you go to the section 32 funds will there be a sufficient amount of money for the milk program to continue the school lunch program which has been in existence for quite some period of time?

Mr. WHITTEN. May I say to the gentleman from Colorado that the Bureau of the Budget recommended that the special milk fund, instead of requiring an appropriation, be taken out of section 32 funds.

As the gentleman from Colorado will recall, section 32 provides that 30 percent of the import duties be set aside with reference to surpluses, primarily perishable goods.

The only question involved here is the matter of the payment from those funds rather than from appropriated funds.

Again, whether this is sufficient or not, we went along with the full budgeted amount. In many of these areas it is impossible to provide all of the money that everyone would like to have. I would say that insofar as the milk program is concerned, the average school lunch carries as much contribution per lunch for milk as there is for the balance of the items which make up the lunch program.

Mr. Chairman, coming from a dairy area, I think that is fair. But the amount in the bill is the full amount sent to us by the Budget.

Mr. ROGERS of Colorado. Mr. Chairman, if the gentleman will yield further, the budgeted amount to which the gentleman refers—

Mr. WHITTEN. Those are the budgeted recommendations as to what it took to carry out the milk program.

Mr. ROGERS of Colorado. The budgeted amount to which the gentleman refers will permit a sufficient sum to be used from section 32 funds?

Mr. WHITTEN. Well, may I go further and say that this action will not jeopardize section 32. As the gentleman will recall, there is authority to carry forward \$300 million in any year plus any new amount which becomes available.

I have felt from time to time since I have been on the committee that the real value of section 32 is its provision to have a sufficient amount of funds so that announcement can be made that we will support this market. If you have enough money to do that and then announce that you are going to do it, frequently they will not have to buy any because they realize that they will have to pay the proper price. But this will not jeopardize the section 32 program. We will have an ample carryover of funds.

Mr. ROGERS of Colorado. If the gentleman will yield further, I want to make sure that there will be a sufficient carryover in the milk program, because there has been a great deal of propaganda throughout the country to the effect that if we do not step in here and provide sufficient funds, the milk program as it relates to school lunches is going to be hampered and there will not be sufficient funds to carry it out.

I judge from the statement that the gentleman has made that depending upon the amount of money that may come out of section 32 that the administrators are in a position, I would take it, to supply sufficient moneys for purchase of milk?

Mr. WHITTEN. It is the opinion of the committee—and certainly it is my opinion—that we have ample funds here with which to take care of the program.

There is no way to provide enough money for everybody to try to satisfy everybody. We think that the amount in the bill is sufficient.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, carrying the matter further. In respect to our colleague from Kentucky [Mr. NATCHER] I say candidly that largely through his intercession the State of Kentucky has a new \$4.5 million laboratory which they have made available to the Department of Agriculture to go into this research on the tobacco question. For that reason the committee has gone along with the \$1.5 million for research, calling on the Department to collaborate with the Department of Health, Education, and Welfare. This laboratory is next door to a medical research facility, which will be available also.

I would like to say also this does not preclude whatever may be done in the future. I have had one or two telegrams from North Carolina in reference to this matter. The funds in this bill are sufficient for the utilization of all present facilities in order to meet this program.

One of the other things that is disturbing to me is this: I remember telling you some years ago that I spoke to a National Chemical Association meeting in California. I went out there, and it was in the papers that I was on the defense appropriations subcommittee. I received a wire from the mayor giving me the key to the city. I was there to speak to an agricultural chemical group. I was interviewed for 45 minutes on agriculture. As they left, one of these fellows said, "We have had another fellow from Cape Canaveral." The next day, instead of having a 45-minute interview on agriculture, they had my picture and my statement and down at the bottom it was stated I was there to speak to some farm group. That was mentioned in the morning.

Then the afternoon paper came to me, and they wanted me to correct a situation through their paper. They helped me write the story in the second instance, and in the afternoon instead of coming out with the story on the farm problem they came out with an editorial that San Diego, Calif., is a great agricultural country, and is not getting its fair share.

The tragedy is those newspapers knew their readers were not interested. In recent weeks we have been reading every kind of scare story in the book about this, that, and various commodities. The headlines go much farther than the story underneath.

If there is anyone who wants to protect American health it is the Department of Agriculture, but we also must protect the sources of food, clothing, and shelter for the American consumer. Our committee in this bill has provided \$250,000 for the Secretary of Agriculture to cooperate with Health, Education, and Welfare, first, to see that nothing is used that is harmful to the American people, and second, that they work together to see that we do not eliminate those things so essential to having a big supply of the finest and cheapest food that any nation ever had.

We tried to meet that problem by asking the Secretary to cooperate. We are calling on the other departments to cooperate fully. It is not within our control to make them do that, but we have extended them a welcome hand, a cooperative hand, a hand with financing to carry on the Department's share of the expenses, and we almost plead that they cooperate, realizing that here is not only the public health that we must protect but, on the other hand, we have as much obligation to protect our food, and if this is carried out I think it will mean much to our Nation.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. NELSEN. I would like to compliment the gentleman now in the well, and the committee, for the very fine report they have made. I am aware of the reference to soil conservation which appears in the report, and the gentleman's realization of the problems that have been existing.

The other point I would like to refer to is on page 15 of the report. You refer to section 32 of Public Law 320 which permits the Government of the United States to purchase commodities in the event the farm income drops and funds are provided by a part of the tariff fee collection; is that not true?

Mr. WHITTEN. That is true.

Mr. NELSEN. It then goes on on page 16 and refers to the fact that:

(a) Whenever the Secretary of Agriculture has reason to believe that any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, any program or operation undertaken under this title * * *.

Then under section 22, he shall advise the President and the President shall advise the Tariff Commission to make proper investigation and, if, the findings are in favor of our American agriculture and if it is found and determined there is damage being done, then the President may then impose such fees as are necessary to eliminate the problem that does exist.

The question I wish to ask is this. Would not the President have the authority under section 22, in view of this report, to take a hand in this beef import situation now?

Mr. WHITTEN. May I say to the gentleman, over the past 10 or 12 years I have tried to point out regularly that section 22 and its use in proper cases is absolutely essential if any farm program is to ever work. We have had difficulty in getting anybody to move in and use it.

I would say that our committee with all its experience can only recommend and say what we think. I do think that section would call for a finding by the Department of Agriculture preceding the President's action. But I do think our committee has gone as far as we can in pointing out in our opinion it has reached that point. But as a lawyer who has not practiced as a lawyer who has not practiced for a good while, may I say, that it would require a certain determination. But I think the facts are clearly evident that the determinations can be made.

Mr. NELSEN. I would like to compliment the gentleman on his statement and I would also add that I personally appeared before the Tariff Commission and many other Members have because one of the problems, it seems to me, that is confronting our country today is the livestock industry and I believe the committee rendered a service in bringing in a report with the information contained here and again I thank the gentleman in the well and the committee also.

Mr. WHITTEN. I thank the gentleman.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. BOLAND. An inquiry has been directed to me by John B. Randall Jr., manager of the egg marketing department of the Eastern States Farmers' Exchange, in my congressional district. It

concerns an item in this budget relative to research in the field of leukosis in poultry. Specifically, it refers to the Avian leukosis complex. I understand there is some \$352,000 carried in this bill for this work. Mr. Leslie S. Hubbard appeared before your subcommittee and presented a very fine statement on this matter. It was his concern that this amount would not be sufficient to carry on this important work as effectively if additional funds were available. I am aware of the great interest of the gentleman from Mississippi and his committee in this problem and am conscious of the splendid cooperation given to the poultry industry by this committee. I would appreciate your commenting on this matter.

Mr. WHITTEN. May I say to my colleague, the gentleman from Massachusetts, that the problem he mentions is a really serious one. Our committee has attempted through the years to try to keep from appropriating dollarwise to each problem, and pressure is constantly being put on us to do that. If the gentleman will look, he will see that we have provided some \$18.8 million in cost of production research and utilization research which will be available for all problems in research. In addition we provide the usual \$1 million to meet extraordinary problems. In addition the department has transferability authority of 7 percent. Certainly, we feel there are ample funds and we feel the Department would and could use them to meet this problem that is so important to the poultry industry.

Mr. BOLAND. If the gentleman will yield further, I am indeed happy that the Subcommittee on Agriculture, under the chairmanship of the able and distinguished gentleman from Mississippi, Congressman WHITTEN, has restored \$394,000 to the Department of Agriculture budget for the Transportation and Facilities Research Division. I sincerely hope that the House today will vote for this \$394,000 item which means a great deal to me and to my city of Springfield and I compliment the gentleman and his committee for that action. The Transportation and Facilities Research Division made a very satisfactory and comprehensive study of the existing wholesale market facilities in Springfield, and the need for new and relocated facilities in my city in the future. The valuable recommendations by this division to the city for a modern food distribution center are now being weighed and evaluated by local interests. I would like to include with my remarks at this point a very clear meaning of this study to Springfield, contained in the statement to Chairman WHITTEN's subcommittee by the Honorable Charles V. Ryan, Jr., mayor of Springfield:

THE CITY OF SPRINGFIELD, MASS.,
April 3, 1964.
To Agriculture Subcommittee of the Committee on Appropriations of the House of Representatives:

Mr. Chairman, members of the committee, I wish to thank you very much for the opportunity to present to you certain remarks concerning the proposed elimination of the Transportation and Facilities Research Division of the U.S. Department of Agriculture.

This is a matter with which we in Springfield have come to have some familiarity over the course of the last year.

Our present wholesale marketing facilities are outmoded, decrepit, contribute to the congestion of the downtown area, and are so unsatisfactory that an increasing amount of our wholesale marketing is being lost to neighboring metropolitan communities. Some of these facilities will be demolished within the next year or so to make way for a new highway which is part of the Federal interstate program. With that in mind and with the realization that the whole picture of our marketing facilities was unsatisfactory, we asked the Transportation and Facilities Research Division of the Department of Agriculture for assistance on our problem some 8 or 9 months ago. We have had many occasions in the past to work with many Federal agencies and generally the experience has been most satisfactory. However, in all candor, I can say that we have never had a more rewarding relationship with any Federal agency than with the Transportation and Facilities Research Division. They have been generous beyond anyone's expectation with their time and efforts on our behalf. They have made our problem their problem. They have made a comprehensive study of our entire wholesale market situation. This included interviews with virtually all of our local wholesalers. They have studied at least 15 sites in the Greater Springfield area to consider the potential of these various sites for a modern food distribution center. They have prepared detailed plans for a proposed new center giving the many advantages of a new facility and comparing in most instances the cost of doing business in a new, modern facility as compared with the present cost of doing business in the outmoded facilities we now have.

Very recently they conducted a public hearing at which approximately 100 wholesalers from the Springfield area were present. Right now there is an extremely good chance that we will be successful in putting together a new, modern facility in Springfield with a total investment of approximately \$10 million in new buildings and, of course, the creation of many new jobs. I would be the first to admit that none of this would be possible if we had not had the direction and the advice of the Transportation and Facilities Research Division.

We are presently engaged in prolonged discussions with many of the wholesalers who have shown an interest in the new center. We are engaged in the difficult task right now of trying to put together a center which will have enough strength to attract as many tenants as possible, and which will represent a sure enough investment for our private investors to undertake the responsibility of financing the same.

While a great deal of progress has been made on our Springfield situation, we feel that we are only part way along the road to a successful food center and that we are in desperate need of the continuing help and assistance of the Transportation and Facilities Research Division. If this help is not available I am afraid that we will surely fail in our endeavors for the presence of the Department of Agriculture in this picture gives confidence to the whole enterprise which otherwise could not be achieved.

This community has a great deal at stake in being able to successfully work out our marketing problem. We need the assistance which has been available up to the present time. We respectfully urge the Committee on Appropriations to take favorable action in restoring funds to the Department of Agriculture's budget for the continuing operation at its current level of activities of the Transportation and Facilities Research Division.

CHARLES V. RYAN, Jr.,
Mayor of Springfield.

Mr. WHITTEN. Our committee believes in this program and I thank the gentleman very much.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Florida.

Mr. MATTHEWS. Mr. Chairman, I wish to congratulate the chairman of this Subcommittee on Appropriations, the gentleman from Mississippi [Mr. WHITTEN], and all of his colleagues for presenting to us this very comprehensive appropriation bill for the Department of Agriculture and related agencies. I have appeared before this committee several times this year, and they have always given me a fair hearing and many times I am gratified to note that they have honored me by accepting some of the recommendations that I have made.

Particularly this year do I want to congratulate the committee on this comprehensive bill which concerns many, many agricultural agencies, and which is so essential for the welfare, not only of rural America, but for all of this Republic which has the blessings of an abundance of food due to the efficiency of the American farmer, and the interest of the Federal Government in his welfare as evidenced here today by this particular appropriations bill.

It is gratifying to note that the committee has appropriated \$225 million for the agricultural conservation program, which restores budget cuts in this item. This great program of agricultural conservation, as the committee so graphically pointed out, provides the best possible means of meeting local conservation needs in all areas of the country. We must conserve our soil. It has been estimated that at least a million acres of fertile farmland are being lost each year to urbanization, the building of the great Interstate Highway System, and still because of inadequate conservation practices that lead to soil erosion. The ACP program is cost sharing and is absolutely necessary for the success of the small watershed program.

I want to congratulate the committee for its recommended appropriation of \$100,511,000 for fiscal year 1965 for the Soil Conservation Service. This represents an increase of \$2,585,000 over 1964 and it is hoped that this increase will provide technical assistance to the 28 new conservation districts expected to be organized in the coming fiscal year. In Florida we are desperately in need of more funds for organizing these new soil conservation districts.

The Agricultural Stabilization and Conservation Service is responsible for all of the various programs which call for acreage allotments and marketing quotas, the sugar program, and various other special activities. An appropriation in this bill of \$105,602,000 is included for fiscal year 1965. I am sure that supplementary appropriations will be provided if necessary to meet extra obligations that might be imposed on this great Service by acts of Congress passed during this legislative year.

The committee has given us valuable information concerning the grave prob-

lem facing our cattlemen because of the imports of beef and veal. These imports have increased over 430 percent from 1953 to 1962, and this tremendous increase is even greater for the year 1963. Florida cattlemen have been pleading for many months with us here in Congress to take some action to help them now. It should be pointed out that our problem in Florida is with imports from the Latin American nations more than the imports from Australia and New Zealand. Along with many of my colleagues I have introduced legislation to restrict these imports, I have appeared before the Tariff Commission seeking relief, and I have had several conferences with our able Secretary of Agriculture, trying to get action favorable to our cattlemen so they can stay in business. This committee has pointed out, I think, a very valuable fact, and that is the relationship between laws popularly known as section 22 and section 32. Section 22 provides the legal mechanism for us to control agricultural imports from areas with cheap labor and low production costs, and section 32 enables us to take 30 percent of the import taxes each year and use the funds to protect the producers of perishable agricultural commodities by buying their commodities for the school-lunch programs, for disaster relief, and for other purposes beneficial not only to the American farmer but to the American people in general. Despite the fact that over \$400 million of section 32 funds have been spent between 1936 and 1962 to remove surplus meats from the market, let me emphasize again that American cattlemen are facing disaster unless we can give them some protection from the flood of beef imports which come into this country.

Tobacco research to identify the particular aspect of cigarette smoking which is linked to cancer is a must and funds in this bill are provided to carry on this research. When the Surgeon General of the United States appeared before our Committee on Agriculture to recommend that we do more research in tobacco, he frankly stated that although there was definitely a link between cigarette smoking and cancer they could not tell exactly what there was about the cigarette smoking that causes this link. Is it the type of tobacco produced, is it the curing process of the tobacco, is it the paper of the cigarette, is it the combustion process? Answers to these questions must be found to protect the people of America and to evaluate the future of the tobacco industry which means so much to the economy of a great segment of our people. In our own Eighth District of Florida there are several thousand producers of Flue-cured tobacco and the market value of their product is some \$11 or \$12 million a year.

The various research programs of agriculture are properly supported in this appropriations bill. We in Florida are particularly grateful for the screw-worm eradication program which has been so successful in our area. We must still be on the alert for this pest and it is gratifying to note that there is proposed in this

legislation the establishment of a buffer zone of several hundred miles south of the Mexican border to prevent the reinfestation by migrant flies from Mexico at an annual cost of around five and a half million dollars.

The committee has restored the proposed budget reduction of \$2,590,000 for cooperative agricultural extension work. I applaud this action because if this amount had not been restored it would have meant that our Agricultural Extension Service would have had a budget smaller than the previous fiscal year. As we know this great Service is responsible for the magnificent work done by our county agents, and our home demonstration agents in every State of this Union. For some years in Florida I had the privilege of serving as the assistant State 4-H Club director in charge of summer camps. I feel that as we venture into new fields of agriculture we must not neglect the old agencies and services whose pioneer work has laid the foundations for our abundance of food and fiber.

A budget estimate of \$65,848,000 has been provided for watershed protection and this great program is proving its value throughout our area of the country.

I would like to pay tribute here to our REA co-ops in my part of the country and throughout all America. As we know these co-ops make possible electricity and telephone service in rural areas. Loans made to the Rural Electrification Administration for use of the co-ops is repaid within a period not to exceed 35 years at 2 percent interest.

I should also like to point out the great services of the Farmers Home Administration. With the liberalization of their lending authority in recent years this Government agency has made possible the building of many homes in our small-town areas.

As we discuss President Johnson's antipoverty program I think we should keep in mind that the Farmers Home Administration could do a much greater job than they are able to perform now if they were given more money to serve as a revolving fund. We should increase their borrowing authority and I hope that again we keep in mind these great established agencies of Government and see how we can help them expand their programs as we look into entirely new ideas in programs to combat the problems of poverty and low income especially in the rural areas of America.

I should like to pay tribute to the many employees of the U.S. Department of Agriculture and all of these related agencies. It is so easy to criticize big Government, and I deplore the tendency we have to increase Federal Government as much as anyone. However, I hope in all fairness I would be the first to say that it is the responsibility of Congress to legislate and when we enact certain programs that require more governmental employees that is our responsibility. I have found in my Eighth District of Florida and here in Washington a dedicated service on the part of these employees in the fields of agriculture and I

know that we are all indebted to them for their diligence and doing the best job they can for American agriculture, for rural areas; in fact, for all the people of America.

Finally, Mr. Chairman, it should be pointed out that there is recommended in this bill an amount of \$5,182,665,000 but many hundreds of millions of dollars of this amount should not be charged to the American farmer. Surely we should keep in mind that the school lunch program, the food for peace program, the money that is lent to agencies of Government and which will be repaid are not costs that should be borne by the American farmer. As one example of costs we charge to the American farmer, and which should not be, is a statement prepared by the Department of Agriculture and which may be seen on page 55 of the report which accompanies this bill, pointing out that the use of U.S. vessels for Public Law 480 shipments since 1955 has cost \$675,700,000, and this huge sum has been charged to the Department of Agriculture.

I believe this appropriations bill, therefore, is not an unreasonable one. I think it is practical and I think the American taxpayer will get many dollars in return for every dollar that is appropriated in this agricultural appropriations bill.

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

(Mr. COOLEY (at the request of Mr. WHITTEN) was given permission to extend his remarks at this point in the Record and include extraneous matter.)

Mr. COOLEY, Mr. Chairman, the Department of Agriculture and related agencies appropriations bill, 1965, represents another signal victory for the American people.

I salute the members of our Committee on Appropriations, who bring this bill to us. I assure you with a heavy heart that each Member of the House shares the sadness you feel in the loss of your great chairman, the Honorable Clarence Cannon, of Missouri. He was one of the great statesmen of our day and age. We share also your pride in his able successor, the Honorable GEORGE H. MAHON, of Texas.

In the consideration of the bill before us, I commend Hon. JAMIE L. WHITTEN, chairman of the Appropriations Subcommittee on Agriculture, and his associates on this subcommittee, for their wisdom and their work, in behalf of the agriculture of this Nation.

Mr. Chairman, except for expenditures to defend our Nation against our enemies, the dollars we have spent to support sciences and policies in agriculture represent the best investments the American people ever made.

These sciences and these policies and programs, supported by our Treasury, and combined with the enterprise of our farm people, have made us the best fed Nation on the face of the earth, and our people enjoy this abundance of food with an expenditure of a smaller part of their earnings than any people anywhere.

Mr. Chairman, in my remarks today, I especially want to applaud our Commit-

tee on Appropriations on four specific items in this bill before us:

First. A special \$1,500,000 allocation of funds to take the first big step to provide fundamental research into the health factors of tobacco.

Second. Allocation of the full \$250 million, as in years past, for the agricultural conservation program—ACP. The committee did not follow the Budget Bureau recommendation that ACP funds be reduced to \$150 million.

Third. Restoration of the \$2,590,000 the Budget Bureau cut from the Federal Extension Service.

Fourth. Restoration, in large part, of the funds the Budget Bureau cut from the Transportation and Facilities Research Division of the Department of Agriculture.

Mr. Chairman, research is the only positive and effective means to respond to the report "Smoking and Health" issued early in the year by the Surgeon General of the Public Health Service.

Immediately upon the publication of the "Smoking and Health" report I introduced a resolution in the House calling for research into the quality and health factors of tobacco and other ingredients and materials used in the manufacture of tobacco products. I then urged the chairman of our Appropriations Subcommittee on Agriculture, Mr. WHITTEN, of Mississippi, to include funds in the new appropriations bill to get this research underway at the earliest possible moment.

The bill before us provides \$1,500,000 for research to be conducted at the University of Kentucky "to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found." On the allocation of these funds, I quote from the Appropriations Committee report, as follows:

The committee hearings disclose that the University of Kentucky has a tobacco research laboratory built with \$4.5 million of State funds which is now available and has been offered to the Department of Agriculture by the university and State officials for such research. It is located adjacent to the new medical research center at this university and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the committee has included \$1,500,000 of section 32 funds in the bill for 1965 (fiscal year beginning July 1, 1964) to enable the Department to immediately initiate tobacco research at this location in collaboration with the State university, State agencies, the Department of Health, Education, and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

The committee report further states:

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

Mr. Chairman, while Kentucky has made a signal contribution to this research by offering immediate use of a completed tobacco research facility, it is my conviction and judgment that an extensive research program must com-

mence at the earliest possible date in North Carolina, which is the world center of the tobacco and cigarette manufacturing industry as well as the principal tobacco producing area of the world.

Such work will attain its ultimate effectiveness when undertaken in close proximity to, and coordination with, the farmers who produce the bulk of cigarette-type tobacco and with the industries which manufacture cigarettes.

I am advised by Chairman WHITTEN of the Appropriations Subcommittee that the initial research allocation in no way precludes Government money assistance to extensive research work in North Carolina.

On this occasion, I again urge that the tobacco industry and all others interested in tobacco take every necessary step immediately to bring the major research on "smoking and health" into the center of the tobacco industry.

Mr. Chairman, every Member of this body should commend our Appropriations Committee for again providing \$250 million for the agricultural conservation program. Under this program, conservation practices are carried out on over a million farms and ranches, covering approximately 400 million acres. This program is an investment by the American people in sound soil practices which assure abundance in our time and conserves our soil and water resources to promise abundance in the years to come.

It is a mystery to all of us who are familiar with agriculture and with operations of the ACP that the Budget Bureau year in and year out hacks away at the funds for this program.

For many years we have provided \$250 million annually for this conservation undertaking. The Budget Bureau this year recommended that the sum be cut back to \$150 million.

Our Appropriations Committee has rejected the Budget Bureau cutting recommendation, as it has done in the past, and has provided the full \$250 million for ACP. I am proud of the committee.

Mr. Chairman, I am especially pleased that our Committee on Appropriations has not followed the recommendations of the Budget Bureau, which proposed a rather severe cut of \$2,590,000 in funds for the Cooperative Extension Service. It is rather ironical that this cut was suggested as the Extension Service was celebrating its 50th anniversary of service to rural America. I am placing in the Record with these remarks a letter I wrote to the President on February 25, expressing in some detail my devotion to the Extension Service and my position on the Budget Bureau proposal that its funds be reduced.

I am also including with these remarks a letter I wrote to the President on February 18 protesting the Budget recommendation that further funds be denied the Transportation and Facilities Research Division, Agricultural Marketing Service, in the Department of Agriculture.

The Budget recommendation would destroy effective research on facilities and efficiency in the marketing of food, at the very time the administration is

proposing the creation of a National Commission on Food Marketing to study the food industry from the farm to the consumer.

As I understand the bill before us today, it restores \$662,000 of the cut of \$862,000 made in the budget for the work of the Transportation and Facilities Research Division. I congratulate the Appropriations Committee for its wisdom in this matter.

It is my further understanding that this restoration, as proposed by the Appropriations Committee, would provide funds for continuing the following activities which would have been eliminated by the budget proposal:

First. Developing plans for, and bringing about the construction of, new wholesale food marketing facilities in large cities.

Second. Developing new, and improving old, marketing facilities in producing areas for such operations as assembling and packing eggs, processing poultry, assembling and slaughtering livestock, and fruit and vegetable assembly and packing.

Third. Research to reduce the cost of handling cotton in warehouses.

Fourth. The research programs being conducted at East Grand Forks, Minn., and Presque Isle, Maine, to improve the work methods, equipment, and facilities for handling and storing potatoes.

Fifth. The work being done at Albany, Bainbridge, and Dawson, Ga., to solve the problems of drying, conditioning, handling, storage, and shelling of peanuts.

Sixth. The work being done at Orlando, Fla.; Fresno, Calif.; and Yakima, Wash., to develop and evaluate shipping containers and consumer packaging for many kinds of fresh fruits and vegetables.

Seventh. A part of the work being done to improve refrigerated transportation equipment for the satisfactory handling of frozen foods and to find low cost methods of transporting products from farms to consumers. The original cut on this item was only a partial reduction of the funds, not a complete elimination, as was the case in the six items listed above. The restoration places these funds at the same level as for the current year.

The \$200,000 not restored to the budget, I am advised, would eliminate entirely the research done to find ways of improving the efficiency and reducing the costs of food retailing and grocery wholesaling. This work has been very helpful in making it possible for medium and small size firms to reduce their costs and be able to continue to compete with the large corporate chains.

When this work began, the gross margin of wholesale grocers was from 10 to 12 percent of sales, but this research, conducted on the premises of wholesale grocery warehouses, has been instrumental in reducing these margins to around 6 percent.

Improvements in the equipment, methods, and layout for the packaging and handling of meat have been a major factor in increasing the sales per man-hour of labor involved from \$20 to more than \$60. The research to improve the handling of fresh fruits and vegetables in

retail stores has helped increase labor efficiency by 25 percent. All of this type work on grocery wholesaling and food retailing will have to be discontinued if the additional \$200,000 is not restored, which means that the Department will be doing nothing to reduce the costs of marketing in that part of the marketing system nearest to the consumer, which amounts to fully one-third of the total marketing bill.

Mr. Chairman, I appreciate the attention and indulgence of the House while I have discussed the important legislation now pending. In conclusion I insert here as part of my remarks the two letters I have written to the President, heretofore mentioned:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C., February 18, 1964.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I respectfully call your attention to a serious error in your budget recommendations to the Congress for fiscal 1965. The budget would destroy effective research on facilities and efficiency in the marketing of food. Such research is important and indispensable to the interests of all Americans, as consumers of food.

Under your recommendations, money would be denied for research done through the Transportation and Facilities Research Division, Agricultural Marketing Service, in the Department of Agriculture.

This recommendation is so obscured in the overall budget presentation that I am sure it did not come to your personal attention prior to your submission of the budget message. I just now have been made aware of its significance, through protests I am receiving from over the country.

I am entirely persuaded that you were uninformed of this budget item by the very fact that it is contrary to your own expressions, in this and other messages, of interest in consumers and in research.

Marketing research is, indeed, important to agriculture, but it is of far greater urgency to consumers. In this connection I call your attention to the fact that the farm value of food purchased by civilian consumers in the United States increased only from \$18.7 billion in 1947 to \$21.3 billion in 1957 to \$45.7 billion in 1963. And it is reasonable to assume that these marketing costs would have been several billions of dollars greater except for efficiencies encouraged and promoted through the research done by the Transportation and Facilities Research Division of the Agricultural Marketing Service.

The Congress, in the Agricultural Marketing Act of 1946, unanimously approved by both the House and the Senate, declared "that a sound, efficient, and privately operated system for distributing and marketing agricultural products is essential to a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity and health of the Nation." It further declared it to be the policy of Congress to promote through research, study, experimentation, and through cooperation among Federal and State agencies, farm organizations, and private industry a scientific approach to the problems of marketing, transportation, and distribution of agricultural products similar to the scientific methods which have been utilized so successfully in the production of agricultural products.

Under this legislation the Secretary of Agriculture was directed "to conduct, assist, and foster research, investigation, and experimentation to determine the best meth-

ods of processing, preparation for market, packaging, handling, transporting, storing, distributing and marketing agricultural products * * * to foster and assist in the development and establishment of more efficient marketing methods, practices, and facilities for the purpose of bringing about more efficient and orderly marketing, and reducing the price spread between the producer and the consumer * * * and to determine the needs and develop or assist in the development of plans for efficient facilities and methods of operating such facilities for the proper assembly, processing, transportation, storage, distribution, and handling of agricultural products."

These functions are being performed by the Transportation and Facilities Research Division in cooperation with marketing firms and associations and State agencies.

Denial of funds for these functions would in effect repeal a significant part of the Agricultural Marketing Act of 1946.

When I became aware of the Budget recommendation on marketing research, I requested the staff of the Committee on Agriculture to look into the effect, and I am advised the proposed reduction in funds would eliminate the following work which has been highly effective in reducing the cost of getting farm and food products from farms to consumers:

1. Developing plans for and bringing about the construction of new wholesale food marketing facilities in many large cities, including Boston, Springfield, New Bedford, Providence, New Haven, New York, Newark, Philadelphia, Pittsburgh, Detroit, Chicago San Juan and Milwaukee. In most of these cities urban renewal programs are dependent upon the completion of plans for relocating the wholesale food industry out of blighted areas. Annual savings in food handling costs resulting from this work are great. For example, if the facilities being planned in New York City, one \$36,500,000 section of which is now under construction, can be satisfactorily completed and properly used, the savings in food handling costs in 2 months will equal all the Federal funds that have been appropriated for this type of research since the program began. The current appropriation for this type of work is about \$250,000.

2. The assistance given through State Extension Services and State Departments of Agriculture in developing new and improving old marketing facilities in producing areas for such operations as assembling and packing eggs, processing poultry, assembling and slaughtering livestock, fruit and vegetable assembly and packing, and the storage of grain. With an appropriation of \$100,000 per year, plans for 200 new facilities in 30 States have been developed during the past 5 years with annual benefits in lowered marketing costs amounting to many times the expenditure for the research.

3. Research to reduce the cost of handling cotton in warehouses which is saving about \$5 million per year with a research expenditure of less than \$25,000.

4. The research programs being conducted at East Grand Forks, Minn., and Presque Isle, Maine, to improve the work methods, equipment and facilities for handling and storing potatoes.

5. The work being done in Georgia to solve problems of drying, conditioning, handling, storage, and shelling of peanuts.

6. This work being done at Orlando, Fla., Fresno, Calif., and Yakima, Wash., to develop and evaluate shipping containers and consumer packages for many kinds of fresh fruits and vegetables.

7. A portion of the work being done to improve refrigerated transportation equipment for the handling of frozen foods and to find lower cost methods of transporting products from farms to consumers.

8. The program of improving the handling methods, equipment and facilities for grocery wholesaling, which has been instrumental in reducing gross margins 50 percent for these distributors and in making it possible for them to compete successfully with corporate chains.

9. The work to improve the efficiency of handling meat in retail stores which has been an important factor in doubling the quantity of meat sales per man-hour of labor and offers promise of increasing labor efficiency by an additional 25 to 30 percent and bringing significant savings in the amount of equipment and space needed for performing the cutting, packaging and price-marking function.

10. The research to improve the handling of fresh fruits and vegetables in retail stores that has helped increase labor efficiency by 25 percent and which promises significant additional savings in the future.

11. The recently inaugurated program to reduce the cost of handling food through institutional wholesalers and public feeding establishments.

I mentioned earlier that this budget recommendation is contrary to your expressions upon research and consumer interests. I respectfully suggest also that it does not harmonize with your concern, expressed in the message on agriculture, about the concentration of control over the marketing of food in the hands of a few large firms. This reduction in funds for marketing research would eliminate the work being done by the Department of Agriculture to improve the efficiency of medium and small-size operators so that they may compete and remain in business.

Mr. President, I am aware of, and I admire and vigorously support, your broad objectives in behalf of consumers, and of small business, and in the field of research. A mistake has been made by someone advising you who does not understand the importance of the work done by the Transportation and Facilities Research Division of the Agricultural Marketing Service. I am sure you will want to correct this. I urge you to do this immediately, else the highly trained personnel of this research division will have scattered and it may be months or years before the efficiency and full value of this operation can be restored.

With high esteem and warm personal regards, I am,

Sincerely yours,

HAROLD C. COOLEY,
Chairman.

Mr. HORAN. Mr. Chairman, I yield myself such time as I may consume.

(Mr. HORAN asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. HORAN. Mr. Chairman, it is my sincere hope that I may both supplement and compliment the remarks of our chairman, the gentleman from Mississippi [Mr. WHITTEN], and others who may speak on this agricultural appropriations bill. As has been pointed out, we found ourselves confronted with a committee print containing certain provisions most difficult to understand in light of the circumstances.

One item was the administration's proposed reduction of funds for marketing research. In the justifications, the Department testified that their research in marketing has tended to reduce the margins between the producer and consumer, yet felt this work could be carried on by the industry—hence, proposed a cut in administration operations. Pursuant to making this statement, the ad-

ministration pointed to the evils of vertical integration in the food industry and proposed an investigation of food chain-stores. This cut, therefore, was difficult for me to digest. There is little doubt that much time and labor is expended in processing, packaging, and distributing foodstuffs after they leave the farm, but I do not think that investigation will do as much good as continued research on reducing the high costs involved after foodstuffs leave the farm. I am pleased that our subcommittee restored these funds.

All of us, of course, are interested in the proposed war on poverty, although it is somewhat reminiscent of other campaign slogans such as "the full dinner pail," and "a chicken in every pot"—slogans designed to attract votes in the name of prosperity. In this regard, we again found it difficult to understand the administration's proposed cut in funds for the Extension Service of some \$2½ million over last year's operation. For, if there is poverty in rural areas, one of the best instruments at hand, as far as agriculture is concerned, is the Extension Service. Needless to say, our subcommittee here, too, restored these funds.

I think you will find our report factual and interesting. Beginning on page 9, through page 15, there is a splendid discussion of the long-range view of agriculture as it affects the consumer, and I commend it to your reading. On pages 15 through 19 there is a good discussion of agricultural imports, the plague of the American producer today.

It is the conviction of the majority of the members of the subcommittee that section 22 of the Agricultural Act of August 1935, has not been properly and aggressively used by the Secretary and the Department. You will find the salient wording of section 22 on page 16 of this report. I am convinced that our Nation should hold a high place in world trade, and we have hopes for all types of trade expansion where markets exist to justify such expansion. We are also well aware of the high cost of production here at home, and aware that these costs are due to the high standard of living enjoyed by American labor and management. We would not change this since it does make America the greatest market on earth. But by the same token, having made the American market the best in the world, the American producer is entitled to know exactly how much of it it has to share with other nations. To me this does not mean tariffs although the power is there. It does not mean "dump duties," employed so readily by other nations. But it does mean quotas, and section 22 was expressly written for the situation we have today on many commodities—beef, veal, and other meats offer flagrant examples.

And so, as we consider this bill today, it is hoped that you will take the occasion to review the report which accompanies it and that you will assist us in our efforts in behalf of the American farmer.

In the middle of page 13 there is a discussion of population which serves to bring up some noteworthy statistics, a few of which I would like to discuss

briefly with you at this time. It is interesting to me to trace the movement of the center of population of this Nation since its founding. In 1790, the center of population was approximately 23 miles east of Baltimore. Through the years, that center has roughly followed the Cumberland Trail, the same trail that Daniel Boone and others used in their treks to the West. When the Agricultural Act of 1935, which this bill before you largely implements, was written, the center of population was just east of the Indiana-Illinois border. Today, it is on the outskirts of St. Louis, Mo.

There are several serving in this House today who were born when our total population was less than 70 million persons. It was 75 million when I was born. In 1930 the population was just over 123 million persons. When the Agricultural Act of 1935 was written, it was 127 million. In 1938, when the act was first amended, there were close to 130 million persons living in the United States. There were almost 149 million in 1949, when surpluses started to overflow our bins, and today, according to the Bureau of the Census, our population totals 192 million persons.

Here is an interesting paradox. In 1949 we were producing wheat, for instance, on almost 76 million acres and worrying about the prosperity and welfare of the wheat farmer. Today, despite the fact that our population has increased by over 43 million persons since 1949, we are producing wheat on only 53¼ million acres of overall effective allotments. We are still worrying about the prosperity and welfare of the wheat farmer. In 1949 we were producing cotton on almost 27½ million acres. Today, having reduced our cotton acreage by 10 million, despite the 43 million population increase since 1949 we are worrying about the prosperity and welfare of the cotton producer. On the face of it—something is wrong.

To me, this is not necessarily an indictment of what we have been doing for our farmers by way of price supports and security assurance, but it should raise some eyebrows among our economists. It should call for some agonizing introspection and reevaluation.

Basically, the program under which price supports function envisages the "ever-normal granary," a phrase attributed to and made famous by Henry Wallace when he was Secretary of Agriculture. It grew out of the old McNary-Haugen proposal to establish a corporation whereby the Government purchased enough wheat and/or other commodities on the open market to raise prices in the United States above those of the world market, and incorporated a lot of the thinking of other persons in the United States very much interested in this perplexing problem. The program as enacted planned to make price supports, based on the "parity formula," available for certain commodities—cotton, wheat, and others—to domestic producers in the United States with the provisions that when surpluses appeared, acreage allotments would be applied un-

til production was brought into balance with demand.

During World War II this program worked to the great advantage of the American farmer, inasmuch as world production was disrupted and the demands were enormous. But beginning in 1949, 1950, and 1951, the serpent's head of surpluses began to appear, and the old problem of how to balance supply and demand through the operations of Government programs was with us again. Since then, the major stumblingblock has been how to reduce surpluses and still maintain some semblance of the support price principle.

The key to Ezra Taft Benson's program was the level at which the Government should be obliged to support prices. While Ezra Taft Benson is gen-

erally regarded to have been not too successful a Secretary of Agriculture, we must remember that he did have his troubles up here on the Hill, and whatever his failures, those of us in the Congress must assume some of the blame. His "flexible price support" even now is unpopular, apparently, only when considered in conjunction with Ezra Benson.

It is obvious that the key to Secretary Freeman's approach is that of reducing acreage. Freeman likes to call it "managed abundance," and I do mean "managed." Actually, the cotton-wheat bill recently enacted is somewhat of a combination of the Benson plan and a sizable reduction in acreage allotments—it could be called the Benson-Freeman formula.

he makes it sound awfully simple, and he touched on a field of investigation that I personally have been interested in for many, many years.

Good as a new commission on food marketing might be, I feel that a Commission To Preserve Opportunities in Tomorrow's Agriculture for Today's Young Men and Women could come up with facts and suggestions which might clear some polluted air and thus be of far more help.

Agriculture, agricultural engineering, and farm management are no longer solid choices of our students, even in our land grant and agricultural colleges. And, it should not be surprising that our young people do not see much future in these fields. However, we must remember that the average age of our active farmers is increasing, and it is at least pertinent to inquire where adequate replacements are coming from. Under "managed abundance" there is real interference with proper crop planning and overall farm management. A Commission To preserve Opportunities in Tomorrow's Agriculture for Today's Young Men and Women might find out how "danged" hard it is for a young man with a small equity to attain ownership of the land he farms as a tenant. It is an odd sort of involuntary servitude.

It so happens that I recently read Dr. Edward Higbee's stimulating book, "Farms and Farming in an Urban Age"—stimulating, that is, to anyone seeking basic answers to solutions of the farm problem. Dr. Higbee, of the University of Rhode Island, points out some interesting statistics—22 percent of our farms in America produce 72 percent of our food and fiber. They, really are the originators of most of our abundance; the remaining 78 percent produce but 28 percent of these commodities. This 78 percent, consisting of small farms, find it ever increasingly difficult to exist.

The problem is simple. In order to stay in production in the United States, the American farmer must mechanize, and if he mechanizes, he must have an investment in acreage and equipment that will justify mechanization. This means larger farms and it means heavy investment in tractors and other farm equipment and facilities.

This has been apparent for many years; it has been apparent to the Subcommittee on Agricultural Appropriations for more than two decades. We believe that an all-important function of the Farmers Home Administration is to help the promising and deserving young man of good character, who desires to remain in farming, to acquire what is called an economic unit. In this behalf, 2 years ago the chairman of our subcommittee and I joined hands in getting increases in the loan levels of the Farmers Home Administration for those properties which qualified for economic assistance. As far as I am concerned, this is the only practical way in which we can help the small farmer, or the so-called family farm. It makes very little sense to loan money to a man in a losing venture only to have him go broke faster.

Early in the 1950's I began persuading the economists in the Department of Agriculture to do research on what

State	Number of wheat farms	Farms signed up	Effective allotment		Total acreage diversion	Diversion payments
			U.S. total	On signed farms		
	Number	Number	Acres	Acres	Acres	Dollars
Alabama	6,826	181	62,591	3,446	1,120	7,860
Arizona	1,138	76	39,130	4,619	933	10,634
Arkansas	14,518	115	140,659	6,664	921	7,278
California	5,893	609	382,710	98,983	18,363	111,073
Colorado	22,365	5,482	2,403,878	942,005	137,477	782,368
Connecticut	78	2	310	7	1	7
Delaware	1,513	149	27,218	4,923	574	5,159
Florida	1,230	64	16,812	1,571	418	2,749
Georgia	19,939	3,268	128,999	32,642	15,185	106,132
Idaho	28,737	5,345	1,117,216	467,203	56,993	444,263
Illinois	132,956	9,429	1,699,700	226,548	26,687	252,128
Indiana	119,152	5,939	1,309,764	125,793	17,283	151,449
Iowa	13,534	1,152	137,032	36,614	4,280	32,259
Kansas	147,792	42,351	9,920,395	4,101,176	510,907	3,534,544
Kentucky	22,928	2,217	217,036	43,646	9,120	65,712
Louisiana	1,360	32	37,726	2,475	318	3,243
Maine	30	10	233	106	32	244
Maryland	13,356	247	165,689	7,470	1,135	9,798
Massachusetts	24	0	190	0	0	0
Michigan	113,452	8,318	1,129,418	135,891	35,282	300,358
Minnesota	64,535	13,330	951,207	368,654	44,330	335,841
Mississippi	3,180	66	55,019	4,251	565	3,946
Missouri	127,497	10,649	1,578,505	245,817	39,067	299,502
Montana	23,392	8,852	3,649,992	2,031,866	235,807	1,105,972
Nebraska	78,341	22,058	2,967,203	1,100,214	130,175	897,695
Nevada	469	30	15,900	2,272	327	2,852
New Jersey	4,335	355	50,632	9,663	1,788	17,694
New Mexico	4,696	909	429,454	193,642	29,586	163,027
New York	34,179	2,561	318,972	42,832	13,797	128,900
North Carolina	81,624	3,991	400,410	31,696	16,311	110,482
North Dakota	71,436	39,130	6,803,898	4,224,733	481,263	2,556,163
Ohio	136,171	11,193	1,555,110	221,242	35,931	282,900
Oklahoma	78,410	27,156	4,593,814	2,335,238	290,924	1,621,712
Oregon	16,395	2,569	792,253	451,515	54,346	521,938
Pennsylvania	73,026	3,520	569,362	42,710	13,579	107,662
Rhode Island	12	0	187	0	0	0
South Carolina	35,282	2,762	180,681	24,926	11,194	75,099
South Dakota	43,940	13,645	2,592,413	1,251,200	152,971	836,823
Tennessee	28,903	2,104	201,349	29,901	8,678	55,177
Texas	68,334	15,438	3,811,367	1,985,414	255,272	1,353,902
Utah	10,916	1,398	281,052	92,355	13,589	70,839
Vermont	61	0	429	0	0	0
Virginia	43,398	3,702	278,872	40,882	12,242	89,254
Washington	16,667	3,827	1,861,174	879,200	100,945	928,434
West Virginia	4,550	244	30,330	3,367	696	6,110
Wisconsin	10,412	531	56,800	5,496	1,454	13,122
Wyoming	3,529	933	285,216	102,342	13,206	67,571
Total	1,730,511	275,929	53,248,307	21,973,260	2,795,072	17,479,875

All of this management from Washington adds to the complexities of the problem before us. Some of our assumptions need deep analysis that we may seek, find, and inaugurate wiser policies for the good of all of us. The programs we have implemented are expensive to administer. Programs such as the commodity loan, marketing quota, and acreage allotment require policing, and the cost of administering these three programs alone is well over \$200 million. I do not doubt that wise adjustments could trim costs measurably. But, we certainly should give consideration to far-reaching revisions to improve the welfare of our American farmer and our important food and fiber industry.

Two weeks ago Secretary of Agriculture Orville Freeman appeared before the House Agriculture Committee and asked the Congress to help diffuse the time bomb in the marketing revolution. This bomb if exploded, he said, "could carry away the family farm and with it our access to abundance at bargain prices." Please note: "our access to abundance at bargain prices." Mr. Freeman went on to recite facts on the flories of abundance from our farms. He was testifying in behalf of the establishment of a National Commission on Food Marketing, and much of his testimony was beyond the possibility of criticism. Mr. Freeman holds no greater brief for the family farm than I do, but

constitutes an "economic unit" in various types of agricultural production. I had in mind the creation of a manual of standards which could serve as "benchmarks" for the Farmers Home Administration in making loans. It was not easy, as Mr. WHITTEN and others on the subcommittee will remember, but

finally, Dr. Sherman Johnson was persuaded to take up the task. I believe the results of this research have been well worth its cost. The findings were first published in 1957; due to the immense interest in them, they were revised 2 years ago; and the research still continues.

I would like to put in the RECORD at this point a series of four tables showing the investment capital and other factors necessary for the so-called family farm to net the various annual incomes of \$2,500, \$3,500, \$4,500, and \$5,500. I think you will find these tables well worth perusing in tomorrow's RECORD.

TABLE 1.—Resources needed for specified levels of operator earnings, 8 types of farms in 15 areas

Type of farm and area	Gross sales Dollars	Investment capital Dollars	Acreage		Lahor required			Units of major enterprise
			Total	Cropland	Operator	Hired	Custom	
			Acres	Acres	Hours	Hours	Dollars	
FARMS BUDGETED FOR ANNUAL OPERATOR EARNINGS OF \$2,500¹								
Dairy:								
Northern New Jersey.....	11,397	40,414	60	42	1,732	130	183	19 cows.
Southeastern Pennsylvania.....	11,055	37,325	54	30	2,358	123	106	Do.
Eastern Wisconsin.....	10,420	44,650	120	90	2,500	350	210	25 cows.
Southeastern Minnesota.....	9,275	42,231	139	102	2,146	-----	442	15 cows, 21 feeders.
Central Utah.....	16,154	56,010	70	66	2,000	1,212	1,922	27 cows, 14 acres beets.
Willamette Valley, Oreg.....	15,525	50,321	65	54	2,223	72	63	27 cows.
South Carolina Piedmont.....	9,587	26,183	55	29	1,370	60	269	15 cows.
Beef:								
South-central Oklahoma.....	18,874	162,307	1,908	95	2,500	100	533	212 cows.
Northern Nevada.....	15,038	86,479	2,583	349	2,083	500	-----	175 cows.
Hog-beef, southern Iowa.....	10,809	43,137	206	194	1,806	-----	-----	11 sows, 21 cows. ³
Wheat, Palouse area, Washington.....	11,406	38,200	200	191	-----	-----	3,786	191 acres wheat.
Cotton-wheat, Rolling Plains area, Oklahoma.....	26,454	115,864	1,267	989	2,338	730	6,092	314 acres cotton, 422 acres wheat, 90 stockers.
Cotton, Mississippi Delta.....	9,924	28,751	128	117	711	655	1,121	26 acres cotton, 91 acres soybeans.
Potato-general, southern Idaho.....	11,000	29,811	80	62	852	90	2,035	22 acres potatoes, 20 acres wheat, 20 acres alfalfa.
Apple, central Washington.....	14,580	52,000	25	18	1,623	1,436	1,764	18 acres apples.
FARMS BUDGETED FOR ANNUAL OPERATOR EARNINGS OF \$3,500¹								
Dairy:								
Northern New Jersey.....	13,814	46,852	74	51	1,776	250	210	23 cows.
Southeastern Pennsylvania.....	13,388	42,655	65	36	2,500	253	132	Do.
Eastern Wisconsin.....	14,492	54,250	172	132	2,500	1,310	297	36 cows.
Southeastern Minnesota.....	11,895	56,783	210	154	1,981	-----	577	19 cows, 71 acres corn.
Central Utah.....	17,839	60,607	78	74	2,500	1,003	2,101	30 cows, 14 acres beets.
Willamette Valley, Oreg.....	17,825	55,702	70	62	2,500	134	72	31 cows.
South Carolina Piedmont.....	11,816	29,455	68	35	1,645	75	335	18 cows.
Beef:								
South-central Oklahoma.....	25,730	220,659	2,598	130	2,500	800	-----	289 cows.
Northern Nevada.....	17,293	97,432	2,971	401	2,233	500	-----	201 cows.
Hog-beef, southern Iowa.....	12,877	56,460	284	268	2,358	-----	-----	15 sows, 29 cows. ³
Wheat, Palouse area, Washington.....	15,600	63,245	275	261	520	-----	2,675	261 acres wheat.
Cotton-wheat, Rolling Plains area, Oklahoma.....	36,959	161,788	1,773	1,386	2,500	1,398	8,657	441 acres cotton, 591 acres wheat, 126 stockers.
Cotton, Mississippi Delta.....	13,285	35,797	172	156	952	877	1,502	35 acres cotton, 121 acres soybeans.
Potato-general, southern Idaho.....	15,626	43,026	100	89	1,080	1,160	232	31 acres potatoes, 29 acres wheat, 29 acres alfalfa.
Apple, central Washington.....	21,060	71,334	30	26	1,688	2,657	2,548	26 acres apples.
FARMS BUDGETED FOR ANNUAL OPERATOR EARNINGS OF \$4,500¹								
Dairy:								
Northern New Jersey.....	16,287	53,734	89	59	1,935	325	240	27 cows.
Southeastern Pennsylvania.....	16,293	49,591	80	45	2,500	586	159	28 cows.
Eastern Wisconsin.....	20,209	72,600	240	180	2,500	2,850	396	50 cows.
Southeastern Minnesota.....	14,046	65,082	248	182	2,207	-----	681	23 cows, 84 acres corn.
Central Utah.....	21,748	70,598	93	88	2,500	1,500	2,520	37 cows, 18 acres beets.
Willamette Valley, Oreg.....	21,850	65,119	80	76	2,500	731	89	38 cows.
South Carolina Piedmont.....	14,045	32,726	81	42	1,919	99	401	22 cows.
Beef:								
South-central Oklahoma.....	32,852	280,422	3,314	166	2,500	1,510	-----	369 cows.
Northern Nevada.....	19,367	106,977	3,327	450	2,370	500	-----	225 cows.
Hog-beef, southern Iowa.....	19,646	70,712	367	346	2,500	632	-----	23 sows, 42 cows. ³
Wheat, Palouse area, Washington.....	18,540	72,845	320	309	615	-----	3,168	309 acres wheat.
Cotton-wheat, Rolling Plains area, Oklahoma.....	49,228	225,147	2,500	1,964	2,500	2,869	11,116	469 acres cotton, 1,033 acres wheat, 164 stockers.
Cotton, Mississippi Delta.....	18,628	60,974	264	240	800	2,322	-----	54 acres cotton, 186 acres soybeans.
Potato-general, southern Idaho.....	20,252	56,797	120	116	1,080	1,525	294	40 acres potatoes, 38 acres wheat, 38 acres alfalfa.
Apple, central Washington.....	28,350	93,875	40	35	1,700	4,058	3,430	35 acres apples.
FARMS BUDGETED FOR ANNUAL OPERATOR EARNINGS OF \$5,500¹								
Dairy:								
Northern New Jersey.....	18,681	59,799	102	68	1,955	449	310	31 cows.
Southeastern Pennsylvania.....	19,797	59,163	97	54	2,500	996	192	34 cows.
Eastern Wisconsin.....	24,312	86,620	228	216	2,431	3,550	481	60 cows.
Southeastern Minnesota.....	16,196	73,379	286	210	2,500	-----	786	26 cows, 95 acres of corn.
Central Utah.....	25,388	80,236	109	104	2,500	2,063	2,950	43 cows, 21 acres beets.
Willamette Valley, Oreg.....	25,300	73,191	93	88	2,500	1,241	103	44 cows.
South Carolina Piedmont.....	16,274	35,998	94	49	2,193	104	427	26 cows.
Beef:								
South-central Oklahoma.....	41,399	353,147	4,182	209	2,500	2,500	-----	465 cows.
Northern Nevada.....	21,439	116,523	3,684	498	2,500	500	-----	249 cows.
Hog-beef, southern Iowa.....	24,912	88,683	465	439	2,500	1,470	-----	30 sows, 53 cows. ⁴
Wheat, Palouse area, Washington.....	21,480	92,435	365	358	856	-----	807	358 acres wheat.
Cotton-wheat, Rolling Plains area, Oklahoma.....	62,103	282,408	3,155	2,464	2,500	4,264	14,022	592 acres cotton, 1,303 acres wheat, 207 stockers.
Cotton, Mississippi Delta.....	21,433	67,627	301	274	900	2,659	-----	62 acres cotton, 212 acres soybeans.
Potato-general, southern Idaho.....	27,500	73,110	160	150	1,080	2,135	350	55 acres potatoes, 50 acres wheat, 50 acres alfalfa.
Apple, central Washington.....	36,450	119,015	50	45	1,700	5,702	4,410	45 acres apples.

¹ For budgeting assumptions, see appendix.

² Calves fed out on farm.

³ 15 cows—calves fed out on farm; 27 cows—calves sold as feeders.

⁴ 19 cows—calves fed out on farm; 34 cows—calves sold as feeders.

You will see that a beef producer in south-central Oklahoma requires an investment in excess of \$353,000 to assure him a net income of \$5,500 a year. You will see that a cotton-wheat farm in the rolling plains area of Oklahoma requires an investment of \$282,408 to net \$5,500 a year; an apple orchard in my home State requires an investment of \$119,000 to net \$5,500 a year. The very cheapest investment to produce the net annual income of \$5,500 is roughly \$36,000—this figure is for a dairy farm in the Piedmont area of South Carolina. Cotton, in the Mississippi Delta, requires nearly \$68,000 investment to return \$5,500.

The farmer today faces hard economic facts, and he is entitled to every break in the book.

You might be interested in making \$2,500 a year on a farm. Well, on a dairy ranch in central Utah you would need an investment of \$56,000; a hog-beef farm in southern Iowa would stand you just over \$43,000. Your investment in Mississippi for cotton would be nearly \$29,000. And so it goes.

The sad fact remains that farming is expensive, hard work, and for the small farmer under discussion here, far from rewarding—unless he derives his satisfaction from sustaining the ability of the consumer to “enjoy abundance at relatively low cost.”

The sad fact remains that your farming neighbor, if he is to be successful, is no longer a clodbusting yokel. He is a businessman of the first water. I think we must treat him as such, deal with him as such, and write our laws and issue our regulations with the thought that the agricultural producer is a mature, capable American.

Dr. Higbee reviews his book “Farms and Farming in an Urban Age,” in this year’s March issue of the Reader’s Digest in an article entitled “Farewell to the Small Farm.” Since his conclusions in that article are succinct and representative of many economists writing on the farm program today, I shall conclude my own remarks by a comment on each of the points he makes.

He asks, “What then is the solution?” And he states:

There is none that will not hurt some farmers and benefit others. We can sympathize with people who do not have capital to develop their land yet who cling to the soil “because we like farm life and we don’t know what else to do.” But they are trapped—no “farm program” can remedy their situation, and most of them know it.

Dr. Higbee continues:

The real solution is twofold. First, we must end all programs of agricultural supports, price fixings, parity incomes, production subsidies, and the soil bank. This would restore the free market to farm operations.

Dr. Higbee, and there are others with him, would go all the way. He would wipe the slate clear of most of the things we have done in attempting to make price supports feasible through flexible loan levels and production controls. One cannot escape the conclusion that his first step is pretty drastic—he would return to the open market of the law of supply and demand:

There are many who think we must subvert the law of supply and demand and drench its heat with a flood of Government programs. Yet, despite all the Government we have, the influx of beef, pork, and veal on the present American market, depressing our own livestock prices, informs us that the law of supply and demand is still very much with us. And the return of production elsewhere in the world speaks loudly that the law is far from dead. As an agency in commerce, this law functions best in the open market. Our subcommittee has a history of spurring on the dead hand of Government. In the Commodity Credit Corporation, for example, it was this subcommittee, and especially our chairman, the gentleman from Mississippi [Mr. WHITTEN], that set up the sales office to help remove the stagnation from the bins, warehouses, and elevators controlled by the CCC.

Higbee continues, and I quote:

Second, we must help marginal farmers prepare for jobs in industry; this means we must encourage industrial growth so that there will be jobs for them. Truly, the most critical problem of our time is a deficiency of city jobs, not a surplus of farm production.

Here he refers to that 35 percent of American farms—he says there are 1,300,000 of them—which gross \$2,500 to \$10,000 a year.

As a matter of fact, we are doing some of the retraining Dr. Higbee suggests, but in my opinion, a better solution for this group is to make the operations of as many of these farms as possible economically feasible. And, through the Farmers Home Administration, we are doing that in many instances. Actually, it is just in this group that I find those to justify a Commission To Preserve Opportunities in Tomorrow’s Agriculture for Today’s Young Men and Women.

Wherever possible, their farms must be made into economic units by ownership loans and adequate production funds.

Quoting again from the author of “Farms and Farming in an Urban Age”:

Meanwhile, third-class “farmers,” the 1,600,000 who average 13 times more income from off-farm sources than from “agriculture,” should be dropped from consideration as genuine farmers. Eliminating them from the official farm family is not a heartless suggestion. These people serve only as a padding in a census of agriculture. For the majority of them farming is a sideline. The few who really need jobs would be better off in industry, where someone else can supply the capital to create satisfactory opportunities.

There can be no question but that the whole so-called farm problem has been complicated by the inclusion of many who cannot, by any stretch of the imagination, be classed as “full-time,” “potential full-time,” or “commercial” farmers.

Dr. Higbee concludes, and I quote:

Ending the futile subsidy and controls program would save the American taxpayers more than \$5 billion a year. And it would accomplish two desired aims with one stroke: it would do away once and for all with the myth that price supports can be of real help to the small farmer, and it would signalize that at long last American agriculture had

come of age, that it is a vigorous and self-sustaining factor in American life.

Well, I do not worry too much about what we may be spending on the American farmer. However, if our programs be futile, as Dr. Higbee states—or if our controls stifle the American farmer—that is another matter. If the aims of planning, as advanced in the original act, are not being met, if despite controls and vast increases in our population, the “ever-normal granary” remains elusive—then, I say we had better take a new and agonizing look.

If “managed abundance” means only the consumer’s “access to abundance at bargain prices,” I, as a representative of many hardworking farmers, must call for a fresh start—with more activity in the open market and less reliance on bins and regulations.

I believe our farm economists are analyzing these factors today, and I further believe our farmers are being properly quizzical, too.

It is manifest to me that the farmer of tomorrow is entitled to more than he is getting from political largess. Every mouth he feeds, every body he clothes, every soul he shelters, should be mighty glad he lives. Let him continue to serve you as faithfully as he has done, but please, let him have access to this great American abundance, too.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HORAN. Yes. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I do want to compliment the gentleman from Washington on his very excellent treatise that he has presented. Certainly it is a fine commentary on a most difficult problem. I know because of our mutual interest that the gentleman has given a great deal of thought, not just in this past year, by the way, but through the years to this problem. Again I want to compliment him for having made the statement that he has made here to the committee, and I hope it will be possible not only for all our Members to read and study it but that it will get wide coverage in our papers and publications.

Also I want to thank the subcommittee for the usual fine work that they have done. It is a long, tedious, and in many instances I know a thankless job that they assume, but they have come up with a good report that is in keeping with their usual pattern.

Particularly I would like to comment on two or three items that are probably not of great significance, yet which in certain areas I think are important. One is, I note that you have continued and indeed increased the funds for engineering for Public Law 566, the Small Watershed Act. If there is any one item I think that offers more to preserve and conserve our natural resources than the Soil Conservation Service, and particularly Public Law 566, it is this item. Therefore, I am very grateful that the committee has given attention to this need and taken care of it.

I was also particularly impressed with that part of the report which dealt with beef imports and the use of sections 22

and 32 funds. The recommendations of the committee there are sound, I believe. They indicate indeed that very urgent action should be taken by the Department to help to alleviate the condition that is affecting not only the beef industry but the entire meat industry.

In closing I would like to ask the gentleman, if I might, a question.

On page 3 of the report there is some language that I am not just exactly sure as to the meaning. Apparently it is saying in essence that the committee is objecting to some of the present uses of Department funds with relation to agricultural activities abroad. Could any of the gentlemen on the committee illuminate this subject?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the chairman of the subcommittee.

Mr. WHITTEN. We have had assurance that these funds created abroad—I believe about 90 percent of them—are not subject to the appropriation process of the U.S. Government. Since we cannot bring that 90 percent back here and control it, it has been thought that any use of it for research purposes, for instance the hoof-and-mouth disease, which we do not want to let loose in this country, or in many other areas, or even in promoting foreign markets was a good use. Since the money cannot be spent in this country and we cannot bring it back and appropriate it here, it has been our feeling that any use which is legitimate and offers a real hope to promote markets or give the answers to research problems such as where we do want a disease brought back here, was a good use. At the same time I believe it was last year that we directed they keep our committee advised of these uses so that we would have some chance to pass judgment on that use and value.

That is a general answer, but by and large that is the way we deal with it.

Mr. HARVEY of Indiana. I find no fault with that, let me say. I think it is a fair evaluation of the problem. We do have in some countries vast quantities of money derived there from sale of surplus foods and which are tied up in the currency of those particular countries and, as the gentleman so adequately stated, which we cannot unfreeze. Any use that can be made of it which will not only properly benefit our markets in that general area but which may also be of educational benefit to the country where these funds are frozen.

I might say I happen to have a personal interest in this type of thing, because we had the privilege of having in our home for a year one of the first young men who came to this country as an exchange student for special training and guidance. He being a native of Brazil, went back to Brazil, in South America, where he is today one of the leading poultry men in that area.

I mention this not because of our part in it but because of the fact that he was almost like a son to us in our home. I have followed his efforts closely in the succeeding years and in the uprising that

we observed in Brazil not too long ago, the efforts of not only this young man but others of that type who had the advantage of training here and who have gone back and helped to establish similar examples of our free enterprise system in Brazil; our hemisphere avoided a very close call so far as Brazil falling into the Communist camp was concerned.

Mr. Chairman, I should like to say in conclusion that I do favor a proper use of these counterpart funds in the countries where they are presently more or less frozen. I know that in a discussion with the gentleman from New York, [Mr. ROONEY] recently, when the appropriation bill for the Department of State was before the House, he indicated that he thought I was advocating a permanent freezing of these funds. That is not the case, but I do know that the first and foremost use of these counterpart funds has been for paying the running costs of our Embassy in the particular country. That is fine. But in many cases the amount of the fund is so great that it would take 100 years to use those funds if that were the only purpose to which they were put.

Mr. Chairman, I compliment the subcommittee on this occasion for the interest they have taken in and the consideration they have given this matter. Although this is really not within their province, in a way, yet unless they do follow up and ask for some kind of an accounting of the use of these funds I am fearful that that will not be adequately done.

Again, I want to thank the subcommittee for their effort in this matter, and I appreciate having a clarification of the statement in the report.

Mr. HORAN. Mr. Chairman, if I may comment on that statement, I should like to say that it is physically and financially impossible for us to use the soft currencies that we have accumulated in India. It is just physically impossible for us to do that. A study has been made showing how much of their currency we have, and it is like a \$35 billion mortgage on the United States. So you can see the enormity of the problem in the amount of the currency that we hold in India.

Mr. HARVEY of Indiana. That is correct.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from New York.

(Mr. HORTON asked and was given permission to revise and extend his remarks.)

Mr. HORTON. Mr. Chairman, I should like to commend the gentleman from Washington [Mr. HORAN] for the fine and comprehensive statement he has made on this very difficult problem that faces all of us in America in dealing with the problem of agriculture. Also I would like to commend him and the other members of the subcommittee for the excellent work they have done in bringing this bill to the floor.

Mr. Chairman, I would like to comment briefly on the section of the bill before us dealing with appropriations for the Soil Conservation Service. Because

the Committee on Appropriations has recommended a restoration of funds for this program, I feel this action should be noted and commended.

In its budget estimates, the administration attempted to cut back this important work by reducing the technical personnel complement. Should such a reduction be put into effect, certain regional offices would have to be closed and there would be fewer soil conservation technicians available to aid local cooperators in carrying out conservation practices.

When I became aware of this planned reduction, I received permission to appear before the Agriculture Subcommittee of the Committee on Appropriations in order to urge that these funds be restored. In my testimony, I asked that the program of the Soil Conservation Service be protected by approving sufficient funds to assure the unhampered continuation of this important program.

The manner in which the Federal Government encourages sound soil conservation through the Department of Agriculture's Soil Conservation Service has my enthusiastic endorsement. The ultimate benefits to our Nation in conserving our most precious natural resources—the land—exceed by many times the taxpayer investment. Limited largely to technical counsel, the program of the Soil Conservation Service promotes wise land and water utilization on the basis of voluntary cooperation by those who recognize the value of conservation.

Mr. Chairman, I think the interests of conservation have been served by the action of the Appropriations Committee in recommending the restoration of funds for the Soil Conservation Service. By recommending enough money to cover the mandatory pay increases for personnel so that an absorption of this amount which would result in force reduction is not required and by recommending funds to provide proper technical help to the 28 new soil conservation districts that are expected to come into being in fiscal year 1965, the committee has performed a significant service.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Iowa.

Mr. JENSEN. Mr. Chairman, I, too, want to compliment the gentleman from Washington [Mr. HORAN], on a very fine statement, and also the gentleman from Mississippi [Mr. WHITTEN], for a job well done. I am especially impressed always, every year, by the report which accompanies the Agriculture Department appropriation bill.

That report has always been and is this year a most enlightening one. It explains why the committee did this and why they did that on almost every large item which is contained in the bill.

Mr. Chairman, I do wish to also compliment the committee and every member of the committee for the reductions which they have made. While I can readily understand, it is rather difficult to make big cuts in this bill because of the nature of the problems involved. Also I wish to compliment the committee

for the nominal increases for which the bill provides in soil conservation, watershed operations and other needed operations of this Department. These represent modest increases but are very necessary and proper.

Again, Mr. Chairman, let me say that I do appreciate the many, many long weeks and months that the committee must sit each year and listen to hundreds upon hundreds of people from every section of the country who come before this committee to testify.

Mr. Chairman, I believe that the members of this subcommittee and the full committee have done a yeoman's service to this country and to agriculture, the basic free enterprise industry of America. Let us never forget that agriculture is the basis of all our new wealth. All wealth must spring from the soil annually, and unless we look after our precious soil and the resources of the farmer then our country will not survive for long.

Mr. Chairman, I thank the gentleman from Washington for yielding.

Mr. HORAN. Mr. Chairman, I would like at this point to compliment the distinguished chairman of the Subcommittee on Agricultural Appropriations, the gentleman from Mississippi [Mr. WHITTEN], on this report. This is the longest report we have had. I would like to join with him in paying a compliment to Mr. Ross Pope who has worked so hard on this bill and on this report.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. HORAN. I yield to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. May I say that this report reflects many years of experience on the part of the gentleman from Washington and myself, the gentleman from Kentucky [Mr. NATCHER], and every other member of the committee, as well as our very fine staff member, Mr. Ross Pope. We have gone to great lengths in an attempt to bring together the pertinent matters pertaining to this bill and to agriculture generally about which people should know.

Mr. Chairman, as I said, in my extension of remarks I expect to include a part of or practically all that is contained in the report as a part of the RECORD.

May I say that the entire country is indebted to my colleague the gentleman from Washington [Mr. HORAN] for stressing the points which I sometimes tend to overlook. WALT HORAN's standing in agriculture and in Congress is well recognized and I take pleasure in saying for the RECORD at this point that he has rendered extremely valuable service to the farmers of America as well as to the consumers of this country during his service on this committee.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Washington.

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Chairman, I think it would be most unfortunate if the Congress approved the change in appropriation language which the administration has requested so as to terminate interest after the close of each fiscal year, effective June 30, 1964, on Treasury borrowing, in an amount equivalent to the realized 1964 losses of the Commodity Credit Corporation and of succeeding fiscal years, and also to the unreimbursed losses of prior fiscal years.

This precedent of waiving interest violates the charter of the Commodity Credit Corporation, but is especially ill advised because it constitutes more backdoor spending and would bypass the normal appropriations procedure. It would effectively cover up the true cost of agricultural programs and open the way for other agencies of Government to seek the same privilege of borrowing funds from the Treasury on an interest-free basis.

Furthermore, forgiveness of interest is a wide-open invitation and puts a premium on postponing the appropriation of funds to reimburse the Commodity Credit Corporation for its net realized losses.

Mr. Chairman, I oppose to the utmost this proposal and I want to point out that this proposed fiscal irresponsibility is tied in with a budget request of the President which leaves \$930.9 million—nearly \$1 billion—of the Commodity Credit losses to be restored in future years.

Mr. Chairman, the policy of putting off reimbursement of Commodity Credit Corporation losses until future years may give an appearance of austerity, economy, and thrift, but it is wrong and in my view, downright dishonest.

In this bill, the House Committee on Appropriations has gone along with the President and has only allowed for a partial reimbursement of the \$2.654 million net realized losses of the CCC. The bill only appropriates \$1.724 million, leaving the balance of \$930.9 million for some future time.

To me, as I say, this kind of accounting is not proper. I think the American people should realize the way this administration is creating a false mantle of fiscal austerity. Here is a \$1 billion coverup. I think this and the proposed waiving of interest on Treasury borrowings is reprehensible.

Mr. Chairman, this is worse, if possible, than the old system of restoring impairments and making up losses of the CCC by cancelling its notes to the Treasury. It is worse because when \$3.290 million of those cancellations took place, only one committee of the House was party to that policy, but now we find as a party to it the Committee on Appropriations, the committee which, under the Constitution, is called on to safeguard the Treasury of the United States.

Mr. Chairman, I hope the Congress will act responsibly and appropriate the full amount of the losses. This is a dangerous policy. It is a policy of

planned imprudence. It is wrong and has all the earmarks of election-year budget juggling.

Mr. Chairman, this year's agricultural appropriation bill contains a misinforming, misguided, and mistaken new policy of postponement to future years of restoration of Commodity Credit losses—\$1 billion, almost, this year—and the policy of forgiveness of interest on its deferred unpaid Treasury borrowings. This is a bonanza provision for President Johnson's bureaucratic budget-busters in the Department of Agriculture.

Mr. HORAN. I want to reiterate what my chairman has said when he made his remarks. We are aware that all of the restoration has not been made here, but we felt under the circumstances it is better to bring the bill here to see what happens. If circumstances arise, we will have to restore those funds in order to enable this corporation to function.

Mr. MARTIN of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Nebraska.

Mr. MARTIN of Nebraska. Mr. Chairman, I received an article this morning taken from the Hastings, Nebr., Daily Tribune of Saturday, May 16, 1964, the headline of which reads: "Blue Hill Residents Begin Working on Recreation Area To Include Golf Course, Picnic Area, Swimming Pool." The article goes on to say that they have received approval of the Farmers Home Administration to obtain a \$104,000 loan to help finance these facilities.

Is it customary for this agency to make loans in this area for recreational purposes?

Mr. HORAN. Not to my knowledge. I do not know whether the gentleman from Mississippi [Mr. WHITTEN] has any comment to make on that or not.

Mr. WHITTEN. We have had a new program in the last 2 years providing for this sort of thing in a limited way. Our committee, as we went along, held these two programs to last year. We did not go along with the budget increases. We insisted that it be financially sound. We have rather condemned that type of thing throughout our hearings.

I do not have in front of me the new legislation, but may I say that type of loan is eligible from the Small Business Administration. Sometimes there is a question of whether rural people should not have the same privileges as others. But with that kind of argument this committee left it at the last year's level, and did not go along with the budget estimate. The type or thing the gentleman mentioned is the first I have heard that the Home Administration has made such a loan.

Mr. HORAN. We have had these items come up to our attention before, and we have attempted to excoriate them and to point out if we have a healthy community it can build its own golf course, they do not have to come to the ARA or Farmers Home Administration, or REA. If they want to play golf at

night presumably they can get a loan from REA, since it will increase the income of whoever supplies the electricity. I think this is a misuse of Federal funds.

The first thing the Department of Agriculture has to do is to make our rural communities healthy and prosperous; then they can build their own golf courses. It is not our job to use the taxpayers' money of the 192 million people in the United States to build a golf course even in so lovely a place as Blue Hill, Nebr., and I mean that.

Mr. Chairman, I include as part of my remarks the following news item from the Hastings Daily Tribune previously referred to:

[From the Hastings (Nebr.) Daily Tribune, May 16, 1964]

BLUE HILL RESIDENTS BEGIN WORKING ON RECREATION AREA TO INCLUDE GOLF COURSE, PICNIC AREA, SWIMMING POOL

BLUE HILL.—Work has begun on the 70-acre tract planned for a recreation area along Highway 281 adjoining this town on the east.

Plans for this improvement were formulated a year ago and the Blue Hill Improvement Corp. was formed to promote the project.

HAS 200 MEMBERS

The organization has some 200 members and has complied with all stipulations set forth to get the approval of the Farmers Home Administration to obtain a \$104,000 loan to help finance the facilities.

The various contracts have been let: excavation of the clubhouse basement has been started; and Bill Kort, president of the corporation, says "go" is the word from now until completion. Kort reports that the general contract was awarded to Axel Olin of Hastings, the heating; and Darrel Stromer the mechanical contract; Krieger Electric of Hastings, the wiring; Henrichs Sheet Metal of Hastings, the heating; and Darrel Stromer Land Leveling of Junlata, the golf course earth work.

The completed project will have a nine-hole golf course; picnic area; swimming pool, and clubhouse in which will be a bathhouse.

In addition to these there is ample room for an archery range, or other sports projects that may be needed. Plans for the golf layout were by Harry Obitz, Red Cloud professional, and will be a 3,197-yard, 36-par-course.

CORPORATION OFFICERS

Corporation officers are William Kort, president; Ed McBride, vice president; Floyd Sawyer, treasurer; and Sherrell Grose, secretary; all of Blue Hill. On the board of directors are Don Classen and Merle Anderson of Ayr, Vernon McKinney of Rosemont, Ira Slater, Charles Courtright and Woodson Bentz of Blue Hill, and Bob Johnson of Bladen. Don Richeson of Blue Hill is club manager.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman was discussing restoration of funds to the Commodity Credit Corporation, as provided in this bill, and I take note of the fact the restoration is not for the full amount, it is \$950 million less.

Mr. HORAN. Yes. The chairman so stated when he opened his remarks on this bill.

Mr. FINDLEY. In that connection I wonder how the gentleman can explain the fact that the uncommitted inven-

tory of Government corn as reported on May 8 is over 200 million bushels higher than it was a year ago. This indicates a rising level of inventories. I am wondering if the USDA is fully informing this body about the need for capital funds in the Commodity Credit Corporation. Is it not very likely that due to this trend and rising level of uncommitted inventories, if it continues, they will have to come back for more money? Maybe right after election day?

Mr. HORAN. Maybe before the end of the fiscal year. We know that this is not a final report. We do not run the Commodity Credit Corporation. All we do is to pick up the checks in your name. But I do want you to know that we try to be diligent as well as vigilant in the use of these funds.

Mr. FINDLEY. I understand about 2 weeks ago the Commodity Credit Corporation sold some of its mortgage paper to New York banks in order to raise about \$100 million. I am wondering if that is the experience and general policy of the Commodity Credit Corporation or not.

Mr. HORAN. Oh, yes, they do. If they can finance outside of borrowing from the Treasury. Of course, that does not figure against the national debt and we are very happy about that.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. WHITTEN. May I say I was unaware of the facts the gentleman mentioned. But the only time in the years I have been on this committee that I have ever seen that happen, and any reason for it, is when you reach the debt ceiling. In years past under both administrations, when the Federal Government had reached the debt ceiling, this outside borrowing of the Commodity Credit Corporation, and I do not know why, is not counted against the debt ceiling. But if its capital stock is fully depleted it cannot borrow from outside any more than they can from the Treasury.

Mr. FINDLEY. This is a means of circumventing the public debt ceiling, in other words?

Mr. WHITTEN. That is right and it has been used in times past and may I say never with the approval of this subcommittee—but neither were we asked.

Mr. FINDLEY. May I ask if this type of fiscal procedure does meet with your approval as chairman of this subcommittee?

Mr. WHITTEN. As I say, we have never been asked nor have we ever approved of it. But I would say for the record, you have a conflicting directive in the laws. One says that you must support commodities and another says you may be in trouble if you do not have funds to meet the problem.

Mr. HORAN. I think this can be said, if you will let me add to this, and I think it should be, that when you fail to add to the national debt up to a point you are doing a good thing because it tends to be, as I see it, less inflationary than adding to the national debt. However, the banks who advance funds when they

claim them, then it figures against the national debt.

Mr. FINDLEY. Would you not agree with me that the Secretary of Agriculture has a wide range of discretionary authority in establishing the level of price supports and he could anticipate these fiscal problems of the Commodity Credit Corporation and lower the level of price supports and thus partially meet the problem, is that not true?

Mr. HORAN. I think he has tremendous power over the American farmer.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman.

Mr. NELSEN. Earlier in the discussion, we referred to section 32 for the purchase of agricultural commodities in the event of a slump in price occurring, and also section 22 where the President on the advice or recommendation of the Tariff Commission and the Secretary of Agriculture could impose tariff restrictions. Under the language of this report, it would appear to me that the authority already is there without the enacting of legislation that we have discussed; is that not true?

Mr. HORAN. It is already in the law and that is the reason we put it in the report. There are both fees and quantitative restrictions, which means quotas.

Mr. NELSEN. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield 10 minutes to my colleague on the committee, the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture of the Appropriations Committee once again brings to the floor of the House for your approval the annual appropriations bill for the Department of Agriculture.

We recommend the sum of \$5,182,665,000 for fiscal year 1965. This is \$1,059,632,215 less than the amount appropriated for fiscal year 1964 and \$399,594,600 less than the budget estimates for fiscal year 1965. This bill provides the necessary funds for the operation of the Agriculture Department's activities.

Agriculture takes the largest new obligatory authority reduction of any department in our Government for fiscal year 1965. Commerce has an increase of \$122,809,000; Defense has a reduction of \$56,454,000; Health, Education, and Welfare has an increase of \$1,546,707,000; Interior has an increase of \$28,925,000; Justice has an increase of \$23,576,000; Labor has an increase of \$360,052,000; Post Office has a reduction of \$103,699,000; State has a reduction of \$58,459,000; Treasury has an increase of \$519,685,000, and Agriculture has a reduction of \$1,305,850,000.

Agriculture and the American consumer are today faced with two pressing problems which must be given immediate attention. One pertains to the problem confronting the tobacco producers, processors and millions of consumers as a result of the recent report of the Surgeon General on "Smoking and Health." The other problem concerns the effect present publicity is having on the producer and consumer with regard to the use of insecticides and pesticides.

Tobacco is produced in 21 States and has been a major agricultural commodity throughout the years. It is the fifth largest income producing crop to farmers. This commodity provides some \$3.3 billion in taxes to our Federal, State and local governments and is an \$8 billion industry. Our producers receive about \$1.4 billion per year for their tobacco.

When tobacco is in trouble my home State is in trouble. Approximately 46 percent of the total farm income from agricultural commodities in Kentucky is received from tobacco. Production of tobacco throughout the United States involves over 700,000 farm families and over 100,000 factory workers. Kentucky is the second largest producer of tobacco in our country.

We are very much concerned about tobacco today not only in Kentucky but in all of the 21 States which produce this commodity. We must immediately expand the program of research into plant breeding, culture, production, and handling of tobacco. We must include studies of the factors which may be detrimental to health and ascertain as soon as possible those quality factors and other characteristics which will preserve the desirable characteristics of tobacco and eliminate any factors which may be detrimental to health.

Because of the implications to the health of the consumer from use of tobacco with insecticidal residues, there is a continuing and urgent need for safer and yet more effective methods of control of insect pests of tobacco. Additional studies must be made on the effect of methods of application of insecticides.

In testifying before the Tobacco Subcommittee of the House Committee on Agriculture on January 29, 1964, Dr. Luther L. Terry, Surgeon General of the Public Health Service of the Department of Health, Education, and Welfare, stated in part as follows:

The third research category is how to make smoking safer. There are a number of approaches which are feasible and definitely need increased support. We need to know much more about the substance in tobacco smoke which produced the health hazards. Until we know more in this area, we will be handicapped in our efforts to remove the hazard. It is difficult to design a method of removing something if you don't know what it is. For example, you know substances in tobacco smoke can account for only a small portion of its cancer-producing power. We have no real clues as to what it is in tobacco smoke that influences coronary artery disease; if indeed it does. This would seem to be a fertile field for research, such as that proposed in the resolution now before this committee. In this specific context, I am sure the committee will realize that I must speak with some caution and reservations, since I am not an agricultural or horticultural expert. I still feel, nevertheless, that I can wholeheartedly support additional research of the types which the resolution would authorize and direct.

Dr. Terry also stated:

It is well known that strains of tobacco differ quite widely in various constituents. It is well known the levels of some of these constituents influence the amount of hazard dose or potentiality hazard dose substance in tobacco smoke. I would give a great deal to know whether the types of tobacco used for pipes and cigars have anything to do with

the lesser hazards associated with these modes of tobacco use. If tobacco behaves as other vegetables, I am sure that the amount of some of its constituents will vary with the conditions of the culture, soil, climate, fertilizer, and other agricultural practices. This suggests, however, another area of research. Any vegetable material, when burned under the conditions prevailing when tobacco is smoked will produce hazardous substances. Coal, oil, paper, even spinach, all produce benzopyrene, a potent cancer-producing substance when burned.

The efficiency of the combustion process makes a marked difference in the amount of this chemical in the smoke. As a matter of fact, most of the cancer-producing compounds identified in cigarette smoke are not present in the native tobacco leaf, but are formed during the burning process. These facts suggest that it will not be enough simply to develop better strains of tobacco and better methods of cultivation; we must also develop better methods of preventing the formation of these substances during the burning of tobacco, as well as of removing by filtration or other means the hazard dose substances that are formed. Both of these areas are promising after news for further development and have the potential of making smoking safer. It is well known that cigarettes can now be produced which yield quite low amounts of tars and nicotine, either by selection of the types of tobacco, by filters, or other means. It is relatively easy to measure this quantitatively. What isn't so well known or so easy to measure is the biological significance to man of the substances which do come through. Tobacco smoke is an exceedingly complex mixture of many different substances. It is not the amount of tars and nicotine produced that counts, it is the type and amount of hazard dose substances that get into a man that is important.

In summary, gentlemen, the action which I have outlined has the common purpose of avoiding or minimizing the intake of hazard dose substances by the American people. Action on many fronts is urgently needed. The Public Health Service intends to do what it can. This important and complex problem also calls for appropriate action by other Federal agencies, by State and local agencies, by nongovernmental organizations, and by the tobacco industry.

Some good tobacco research has been done but much remains to be done. Our tobacco industry has reached the point where more basic fundamental research needs to be done in production, quality, utilization and distribution.

Perhaps the most urgent need in all types of tobacco is improvement in quality. Quality is maintained with accurate environmental control in the curing and aging processes. Thus, quality depends on the total of all factors of production, processing, and aging. Essential knowledge for producing high-quality tobacco of all types, with minimum human effort and cost, should be sought through expanded programs in all areas of tobacco research. Fundamental studies of the uptake and utilization of nutrient elements need to be expanded.

We now have available in Kentucky adequate facilities for an expanded program for tobacco research.

In 1960 the Legislature of the Commonwealth of Kentucky appropriated \$1 million for agricultural research building and this amount was increased during construction until the total cost of the building amounted to \$4.5 million. This is a large four-story building with thousands of feet of floor space made avail-

able for this purpose. With the research facility we have the hothouses and headhouse used in connection with such facilities. In the immediate vicinity is located an \$11 million medical research facility. These facilities are under the control and operation of the University of Kentucky in Lexington and are now available to accommodate an expanded agricultural-medical research program.

Mr. Chairman, time is of the essence and we must move now. To meet this emergency we must immediately use existing facilities which are available.

Our people at the University of Kentucky have the facilities and are ready under the direction of the Department of Agriculture, to join forces with the Department of Health, Education, and Welfare, private industry, or any other organization or group, anywhere in the United States, to bring about an adequate research program for tobacco which will protect the consumer of this country and preserve the large tobacco industry of this Nation.

In order to be successful, we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances which might be found. We must find the answer to this problem as quickly as possible to prevent economic ruin for our producers, substantial losses of revenue to our Government, and possible injury to the health of our people.

Mr. Chairman, we include \$1,500,000 of section 32 funds in the appropriations bill for fiscal year 1965 to enable the Department to immediately initiate tobacco research at the University of Kentucky, in Lexington, Ky., and urge the Department of Health, Education, and Welfare, and other public and private organizations, to join with us and to contribute to a concerted approach to this urgent research need.

Insecticides are the material used to kill or repel insects. They are derived mostly from minerals and in some instances obtained also from plants.

It is estimated that about 7,000 species of insects in the United States attack growing crops, stored grains, woolen clothing, wooden buildings, domestic animals, and even man himself. The damage caused is well over \$2 billion annually.

Chemicals that we use as insecticides are mainly poisonous so that we must be careful. There are many regulations established by law and administered by the Government that give great protection to the people, and if chemicals are used in the way in which they are approved for use by the Government, they will be safe.

Today we are treating 100 million acres of cropland with chemicals for weed control. Weeds must be controlled if crops are to be grown. Before we had the chemicals to use, control was solely by a machine or manual cultivation. Chemicals are a means of saving labor, making our production much more efficient.

It is possible to control weeds by cultivation and keep them under control. The labor cost, however, is prohibitive. If we can do the same thing with chemicals at an economical cost, we must do it. However, when a chemical is approved for use, it has to be shown that it is safe to the user, it is safe to the crop or livestock involved, and it will not leave residues that will be harmful to either people or animals.

We have many insects that must be controlled, such as the Japanese beetle, Mediterranean fruitfly, pink bollworm of cotton, Gypsy moth, imported fire ant, and others.

Insects build up a resistance to insecticides. There may be some physiological functions in the insects that enable them to develop resistance because, as we know, certain mosquitoes thrive on DDT now, and formerly DDT would kill them very quickly. This is one of our main problems in agriculture. We do not use chemicals to control plant diseases to any great extent. Our usual practice is to breed a plant that is resistant to the disease.

If a chemical is used according to regulations, it is safe.

If not used according to regulations, then in a great many cases the product is seized by the Food and Drug Administration and this takes place quite often.

Insecticide deposits and insecticide residues are not always synonymous terms. The word "deposit" logically should be retained to refer to the insecticide chemical as initially laid down on a plant or animal surface by the treatment, whereas the word "residue" should refer to the chemical regardless of the locale on or within a substance and with the implication of aging by time lapse or alteration. It follows that a deposit becomes a residue as soon as it has been affected by weathering, by metabolic conversions or by other processes that may cause migration or degradation. Penetrating residues of insecticides tend to disappear or decompose at a constant rate which is a function of concentration.

As emphasized by many competent scientists in this country, there is no significant evidence that suggests that the general population, who benefit considerably from the judicious use of these chemicals, is at all adversely affected by the toxic properties possessed in varying degrees by insecticide and acaricide chemicals.

New developments of resistance among insect and mite species are increasing out of proportion with the rate of development of new chemicals. Control by chemicals can remain effective if new types of chemicals are evolved and to which the insects cannot readily adapt, and with improved understanding of the mechanics of resistance so that specific chemicals may be tailored to circumvent the normal pathways of resistance.

Insects inhabiting the soil do some damage in every cultivated field throughout the world and in many fields they may completely destroy the crop.

In recent years enormous progress has been made in protecting the public from the hazards of pesticides. Existing laws,

both Federal and State, surpass the hopes of reformers and public health experts of a decade ago. In many instances additional pesticide control laws are not necessary. What is necessary is increased public awareness of the controls that already exist. The risk of harm from improper use of pesticides, the risk that animals, birds, and fish may suffer by carelessness in the use and spraying of pesticides.

Pesticides are good friends and if properly used are a tremendous boon to the farmer. Without them our bountiful agriculture would be 25 years behind the times.

Misuse of chemicals, as a general rule, is use of a larger quantity than recommended—for instance, if 2 pounds per acre is recommended and a farmer uses 7 pounds. We must have chemical sprays for use on the farm. If we attempted now without sprays to produce as we did a number of years ago it would require 26 million farmworkers to produce the same amount that 5½ million produce today.

The price of food would be higher, without any question.

The allowed tolerance in use today is low enough so that we can feel safe. In addition to our pesticide control we are, with research today in the Department of Agriculture, breeding insects so that they will pass on to their progeny a lethal factor. Another is the producing of parasites that will attack the insects, and still another is breeding plants that are resistant to insects.

In the years ahead we must be able to produce twice as much as we produce today per acre in order to keep up with our population growth. This means that through chemicals or some other means we must learn how to obtain that doubled production.

Since I have been a member of this committee I have seen releases destroy the cranberry and capon market. The press releases caused excitement and concern among our people, and were not justified.

We have provided funds in this bill for the Department which should go a long way in bringing about a better understanding and working agreement with the Department of Health, Education, and Welfare and the Department of Interior. We should have no more premature releases and our people should not only be fully protected but have a better understanding of pesticides and the part they play in food and fiber production in this country.

With a good working agreement in the departments of our Government and with the assistance of the President's Science Advisory Committee and the National Academy of Sciences we can continue to safely use pesticides and face the demands of the future with the knowledge that our farmers will be able to produce the food required by our people.

Last year we appropriated the sum of \$1.5 million for use in constructing a regional weed research laboratory. If we are unable to use insecticides and pesticides then this research facility will be useless. Weeds and insects must today

be controlled if we are to produce the food and fiber to take care of our people.

We recommend the budget estimate of \$1.5 million under section 32 funds for fiscal year 1965 for an expanded research on use of pesticides and control of insects and pests, and also recommend such amount as may be needed for the modification of plans to be used in constructing this laboratory in order to carry on this type of research at this facility.

Mr. Chairman, the bill as submitted to our committee contained several reductions which are not justified at this time and certainly not to the best interest of agriculture.

Under payments to States and Puerto Rico in our Extension Service we believe that the proposed reduction of \$2,590,000 should be refused and the same amount approved for 1964, of \$67,295,000, be approved.

A reduction of \$1,025,000 was proposed for small watershed planning in our Soil Conservation Service. We recommend that this reduction be disapproved.

We further recommend the regular authorization of \$250 million for the agricultural conservation program instead of the \$150 million proposed.

We recommend the use of \$25 million of section 32 funds in fiscal year 1965 for the following research programs:

EXPANDED RESEARCH ACTIVITIES	
Research on health-related problems of tobacco (discussed earlier in report)-----	\$1,500,000
Research on control of insects, including development and testing of insecticides and materials used in agricultural production (discussed earlier in report)-----	1,500,000
Staffing of research laboratories previously authorized and now ready for operation-----	1,200,000
Research on reductions in cost of production-----	9,400,000
Research on expanded use of agricultural commodities-----	9,400,000
Total research-----	23,000,000
CONSTRUCTION AND ALTERATION OF FACILITIES	
Alteration and improvement of utilities, Plum Island, N.Y., not to exceed-----	250,000
Construction and remodeling of facilities, Beltsville, Md., not to exceed-----	850,000
Replacement of facilities, Fort Collins, Colo., not to exceed--	450,000
Construction of peanut research laboratory in Georgia, not to exceed-----	450,000
Total construction and alteration-----	2,000,000
Total authorization-----	25,000,000

Mr. Chairman, in considering the amount carried in this bill we must keep in mind the benefits to be received not only by the farmer but by all of the people in this country.

Our committee recommends this bill to the Members of the House.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. ADDABBO].

(Mr. ADDABBO asked and was given permission to revise and extend his remarks.)

Mr. ADDABBO. Mr. Chairman, I want to take this opportunity to commend the chairman of the Subcommittee on Agriculture for his comprehensive presentation of this bill. It has been a privilege and a pleasure to serve with him and my colleagues on both sides of the aisle in the hearings on this bill. The gentleman from Mississippi has the unique ability to make the appropriations for the Department of Agriculture interesting and meaningful for all, including those from strictly urban areas such as myself.

Every Member of Congress, I know, after reading the comprehensive report on this appropriations bill, will better understand the importance and the far-reaching necessity and work of the Department of Agriculture and how this appropriation not only directly affects the farmer but also, just as directly and perhaps more so, the consumer.

BENEFITS TO CONSUMER

The agricultural problem facing the Nation in the long view is not the matter of present commodity surpluses. The real long-range problem is the consequences of serious changes now taking place in agriculture which could jeopardize the consumer's supply for food and fiber for the future. Such factors as declining farm population, decreasing income from farming, and increasing average age of farmers are significant indicators of problems ahead for the Nation's consumers.

In the last 10 years, the number of farmers has decreased from 19.9 to 13.4 million. During this same period, the investment required per farmer has increased from \$23,877 to \$51,472. The farmer's share of the consumer's food dollar has decreased from 44 percent in 1953 to 37 percent in 1963. The net income as related to investment has decreased from 13.3 to 7.8 percent in the past 10 years. Also the average age of farmers has increased from 48.3 to 50.5 years between 1950 and 1960.

The President has recently announced a program designed to give more attention to the consumer's role in the highly competitive economy of the United States. In this connection, he has appointed a new Assistant Secretary of Labor to create more widespread interest in this matter.

While this special emphasis on consumer interests is probably justified, it seems appropriate to point out that perhaps the first consumer interest should be American agriculture and the Department of Agriculture, both of which do a primary and basic job of protecting and serving the consumer. All urban consumers must look to the rural producer—who is also an important consumer—for first, the protection of his food supply from disease and pestilence; second, the protection and conservation of the Nation's soil, water and timber supplies; and third, the providing of a major market for the products of labor and industry, which market is essential to the consumer's income.

American consumers are enjoying the highest standard of living ever known to man.

Also, American consumers enjoy the greatest variety and the finest quality of food available anywhere in the world. Such food is the most wholesome and healthful in the world.

Further, per capita food expenditures in the United States are the lowest in the world in relation to consumer income. It is usual for people in most areas of the world to spend one-third to one-half or more of their income for food. United Nations figures for 1958 show the percentage of income spent for food in certain areas as follows: Italy, 46 percent; Japan, 51 percent; Ceylon, 57 percent; Nigeria, 71 percent. In the United States, food costs now take only 18 percent of the disposable income, as compared to over 50 percent in Russia.

The consumer's stake in agriculture will become increasingly vital in the future as the world's population explosion creates even larger demands for food and fiber. This alarming population expansion can be fully appreciated when it is realized that the population of the world, which reached the first billion by the year 1830, took only 100 years, 1830 to 1930, to reach 2 billion and only 30 years, 1930 to 1960, to reach 3 billion. It is expected to exceed 6 billion people by the turn of the century. The population growth in the United States is more than keeping pace with world expansion. U.S. population increased from 13 million in 1830 to 123 million in 1930 and 179 million in 1960. It is expected to reach 340 million by the year 2000.

In cooperation with officials of the Department, special analyses have been made of the benefits received by the general public from Federal funds spent

for agriculture. One such analysis showed that, of the funds expended by the Department of Agriculture for fiscal year 1960, all had benefits to the general public and over 54 percent had direct benefits to the consumer of equal importance to those for the farmer. Subsequent studies show the same to be true for the funds appropriated to the Department each year since that time.

The committee has included funds in the bill to enable the Department to undertake research immediately to meet the urgent problem with regard to the use of insecticides and pesticides. Under authority given by Congress last year, the use of section 32 funds for research on this problem in the next year has been provided for in the bill, along with other items discussed under that section of the report.

Also the bill carries a total of \$30,454,000, an increase of \$2,558,000, for meat inspection and \$16,500,000, an increase of \$1,116,000 for poultry inspection, both of which are of direct benefit to consumers. In addition a total of \$99,831,000 has been approved for the Special Milk Program and \$146,400,000—plus \$45,000,000 transfer from section 32—has been approved for the school lunch program. Both of these directly benefit the school-aged consumers of the country.

It should also be pointed out that a major portion of the funds expended by the Commodity Credit Corporation for price support and related activities go to nonfarm groups, including warehousemen, transportation companies, exporters, consumers, and others. A review of the major elements of cost for the past 5 years shows that the percentage of CCC payments to nonfarm groups has run 58 to 59 percent in 4 of the last 5 years. Figures from the Department of Agriculture are as follows:

[In thousands]

Item	Fiscal year				
	1959	1960	1961	1962	1963
Storage and handling.....	\$371,230	\$476,138	\$426,779	\$393,257	\$377,281
Transportation.....	167,553	83,025	164,183	134,051	170,114
Interest expenses (net of income).....	150,152	413,355	354,007	290,651	377,612
Administrative and nonadministrative expense.....	48,219	64,975	89,095	82,804	89,283
Special milk program.....	74,027	80,563	374	23	879
Payments to nonfarm groups.....	811,211	1,118,066	1,033,690	900,740	1,013,411
Other price support and related programs.....	598,813	756,475	714,907	1,030,599	695,556
Subtotal.....	1,410,024	1,884,541	1,748,597	1,931,339	1,708,967
Average diversion payments.....			333,223	863,061	945,886
Total realized loss.....	1,410,024	1,884,541	2,081,820	2,799,400	2,654,853
Percentage of payments to nonfarm groups to realized losses for price support and related programs (excluding diversion payments).....	58	59	59	47	59

BENEFITS TO LABOR AND INDUSTRY

The economic welfare of each segment of the Nation's economy is dependent on the economic strength of each of the others. History demonstrates that our Nation is prosperous only to the extent that our agricultural economy is strong and healthy.

Agriculture is the principal source of new wealth. It is the main provider of basic raw materials which support all segments of business and industry.

Around 65 percent of the basic raw materials used in industry come from the farm. Reliable estimates indicate that each dollar of wealth taken from the soil generates \$7 of income throughout the rest of our economy.

Agriculture is our largest industry. It employs 12 times the number of people in the steel industry, 9 times the number in the automobile industry, and twice the number in the transportation and public utility industries. In addition, it sup-

ports directly another 10 percent of our nonfarm population which supplies the farmer with his needs and processes and markets his products.

Agriculture is a major dollar earner in world markets and is playing an important role in solving our balance-of-payments problems. It is expected that agricultural exports will represent 25 percent of our total exports in fiscal year 1964 as compared to 22 percent in fiscal year 1956.

Agriculture is one of the major markets for the products of labor and industry. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in the country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry, and is five times that of the automobile industry.

Urban workers benefit directly from this rural demand for machinery, equipment, supplies, and the other items used on the Nation's farms. Significant changes in this demand, therefore, have a direct effect on business and employment in urban areas. Every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.

This important rural market must be protected by the assurance of adequate income to the producers of farm commodities and maintenance of farm purchasing power. Business prosperity and full employment in the cities is dependent on a strong and dependable agricultural market, including both large and small farms.

In addition to the other benefits it has given to the consumers, it has also been a great revenue-producing benefit—tobacco is an \$8 billion industry with the growers receiving about \$1.2 billion per year and it pays some \$3.3 billion each year in taxes to our Federal, State, and local governments. Our sugar program is a revenue-producing one—through fiscal year 1965, we will receive in excess overpayments in that program from the sugar tax more than \$565 million.

In addition to all the foregoing, it must also be remembered that industry has also received many protections from the Government, among which one of the most important is the minimum wage. So, today we must also look to the protection of the basic foundation of our economy—the protection of the farmer. It is for these reasons, Mr. Chairman, that I am supporting this appropriation and again state that this bill carries only the funds for those programs which have been previously approved by this Congress and to which we have been obligated.

Mr. HORAN. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I want to first pay my respects to the chairman of our subcommittee, the gentleman from Mississippi [Mr. WHITTEN] and to my

fellow members who have worked so diligently and so tirelessly on this bill.

Mr. Chairman, our chairman is to be congratulated for his successful efforts in adhering to a schedule which has permitted consideration of this bill by this House as originally scheduled early in this session. He conducted our hearings in the usual judicious manner, permitting all witnesses an opportunity to present their various points of view, and affording his colleagues on the subcommittee full time and opportunity to pursue their examination of witnesses.

Mr. Chairman, our report is indeed a lengthy one. We talk about cutting the budget and also presenting to you a bill today which is considerably under the bill of last year. I must say to you quite frankly that we are engaging in some budget buffoonery here. I would call the attention of the members of the committee to page 193 of the hearings where in my interrogation of Secretary of Agriculture Freeman I quoted former President Kennedy's remarks when he was a candidate back in 1960 in which he said:

I have stated it is my best judgment that our agriculture program will cost a billion and a half dollars, possibly \$2 billion less than the present program.

Mr. Chairman, that was former President Kennedy back in 1960. At that time it cost the taxpayer \$5.4 billion to run the Department of Agriculture. By 1961 it was \$5.9 billion. By 1962 it was \$6.6 billion. By 1963 it was \$7.7 billion, which incidentally is more than half the net income of all U.S. farmers in the fiscal year 1963. In the fiscal year 1964 the figure will be \$6.7 billion, based upon our best estimates, and there are indications that it may go to \$6.9 billion when we close the books on June 30.

So, Mr. Chairman, in this bill for the fiscal year 1965 we show a figure of \$5,182,665,000, plus the permanent appropriations of \$459,393,000, or a total of \$5,642,058,000.

Now we show in our report that this is a reduction of \$1,059,632,215 under last year's expenditure level. But this reduction is not a savings. It is simply the result of a change in the method of financing certain activities such as the following: A reduction due to the change in policy regarding restoration of capital impairment of the CCC. This amounts to \$975,400,000 alone. In other words, if we were to be honest with ourselves, if we were to balance the books of the Commodity Credit Corporation today through this bill, we would have to include an additional \$975 million.

Mr. Chairman, I would remind the members of the committee that just about a year ago when we followed this very same procedure, we had to come back before the end of the fiscal year and ante up another additional half billion dollars in order to make up the difference.

So, Mr. Chairman, let us not kid ourselves today that we are really in great shape and that we are reducing the cost of the agriculture program considerably over that of last year.

Then too, Mr. Chairman, there is a shift of school milk financing to section 32 funds to the tune of \$99,834,000.

In other years we appropriated directly to this program. This year we are handling it as a transfer from section 32 funds.

Then, Mr. Chairman, there are also research programs financed from section 32 to the tune of \$25 million contained in this bill.

Now, if I might move to some remarks on the feed grain bill. As a matter of fact, we do not even know what the cost of this new wheat-cotton bill will be, we passed just a short time ago.

Three years ago the Congress passed what was labeled as an "emergency feed grain program." This has turned out to be a very expensive program. It has a very direct relationship to the budget that we are now discussing. This program is paying farmers not to produce feed grains, but I think my colleagues are well aware of the fact that we are getting very meager results from the vast expenditures.

Let me review this situation. Payments under the feed grain program were \$782 million in 1961, \$844 million in 1962, \$875 million in 1963. In 1963—after 3 years and an expenditure of more than \$2.5 billion for payments, plus additional millions for administrative expenses—feed grain production was the largest on record. The USDA now estimates that the expenditure for payments under the feed grain program will rise to almost \$1.2 billion in 1964.

According to the April 24, 1964, report from the USDA.

Total feed grain stocks of 129 million tons on April 1, 1964, were nearly 6 percent more than a year earlier according to the Crop Reporting Board. An increase of 7 percent in stocks of corn along with an increase of 6 percent in oats and 1 percent in sorghum grain pushed total feed grain tonnage to the third highest level of record.

Those are the Department's own words. Based on the latest indication of farmers' intentions to plant feed grains, we could have another record corn crop, thus adding again to the surplus carryover of feed grain even though we will spend upward of \$1,200 million.

Less than 40 percent of eligible farmers are participating in this program.

I come from the heart of the corn country. I recognize that agriculture is in a depressed condition, but it is my feeling that the operation of the feed grain program has been a contributing factor to the current disastrously low prices farmers are receiving for hogs and beef cattle. This program expires at the end of 1965. By that time we could easily have spent \$5 billion attempting to control feed grain production, when, as a matter of fact, feed grain production has increased. I know that this is a legislative matter, but I think it is appropriate while we are discussing this huge agriculture budget to remind our colleagues on the House Agriculture Committee that they should let this emergency feed grain program expire, and let us get back to a market system for feed grain and one that will avoid the continued vast expenditure of Federal funds.

Now, there is no question but what in this bill there is a good share of it that

goes for city dwellers. As a matter of fact, Secretary Freeman has an ambitious program for his Department to move into the cities of the country. They put out a 49-page booklet entitled "A Consumer's Guide to the USDA." It states that the Department of Agriculture is in reality a city man's department. It will "help you shop, plan your meals, improve your diet, plant your garden, tend your lawn, enjoy your vacation," and there are chapters including food shopping, cooking, health clothing and fabrics, house and home, pest control, gardening, recreation, family financing and emergencies. The publication advises that the Department offers 100 other bulletins especially for consumers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Iowa.

Mr. GROSS. Enjoy all those things on credit cards?

Mr. MICHEL. That seems to be the mode of the day; yes. I would remind the Members of the House that in this bill, of course, are considerable sums for the school lunch program, the school milk program, the food stamp plan for urban centers, meat inspection, principally for the urban dwellers, poultry inspection, Rural Areas Development.

For example, in answer to my question of Secretary Freeman we find funds previously allocated for 46 golf courses, 3 ski resorts, 57 fishing ponds.

So the Department of Agriculture, make no mistake about it, is in the recreation business up to its ears.

Flood control—there is a sizable amount here for that.

Watershed protection which protects many villages and cities.

Conservation which, of course, is a bank for the entire country.

And then research, there is some \$190 million in this bill for research alone.

Mr. Chairman, I would like to say a little something about soybean research. We raise a lot of soybeans in Illinois. But, Mr. Chairman, production research for soybeans should be increased to enable us to continue to compete in world markets with soybeans and soybean products. The slowing pace of domestic and foreign utilization of this crop is the warning note for us to heed.

Mr. Chairman, according to the February 3, 1964, issue of Foreign Agriculture, a weekly magazine of the Department of Agriculture, Japan is expected to purchase about 300,000 metric tons of soybeans from China—mainland—during 1964. These expected imports for 1964 are 80,000 tons above last year's imports from China. The Chinese prices are somewhat lower than U.S. prices. Some trade authorities suggest that if the present trend continues Japan could be buying as much as 500,000 tons a year of Chinese soybeans within the next few years.

Mr. Chairman, soybean yields have reached a plateau. There was less than 3 bushels increase between the 1949 average U.S. soybean yield per acre and the record set in 1961. Soybeans and soybean products have met buyer price resistance in foreign markets. Foreign production of other oilseed crops is

therefore encouraged. The danger signals are discernible.

It is imperative that we be alert to these signs for the top dollar earner in U.S. agricultural exports in 1962-63, soybeans. They are grown in 30 States and have become the fourth ranking U.S. cash crop. However, testimony before the subcommittee made it apparent that our Nation's fourth most valuable crop has had the lowest research investment in relation to its value to our farmers. Increased production research will bring higher yields and more world markets.

[From IFAP News, March 1964]

CHINESE SOYBEANS TO JAPAN

Japan is expected to purchase about 300,000 metric tons of soybeans from China (mainland) during 1964.

Most of the buying will be done under a trade agreement between the two countries. This agreement calls for the Japanese to buy 250,000 tons during the year. Another 50,000 tons is expected to be purchased from China outside the agreement.

These expected imports for 1964 are 80,000 tons above last year's imports from China. Japanese processors indicate they upped their purchases for 1964 because of greater availability of Chinese soybeans this year and because of the higher oil content this year of the Chinese soybeans in comparison with U.S. soybeans. In addition, the Chinese prices are somewhat lower than U.S. prices.

Some trade authorities suggest that if the present trend continues, Japan could be buying as much as 500,000 tons a year of Chinese soybeans within the next few years.

The prices to be paid under the trade agreement are the equivalent of \$106.68 f.o.b. per ton for January and February shipments and for March shipments \$107.38 a ton. The c. & f. price for January and February shipments is estimated at \$113.68. In comparison, the price for U.S. No. 2 soybeans is estimated to be about \$10.17 a ton above the Chinese beans.

[From USDA Foreign Agriculture, Feb. 3, 1964]

JAPANESE AGREE ON PURCHASES OF CHINESE SOYBEANS

Japanese traders recently concluded a contract for the purchase of 250,000 metric tons (9.2 million bushels) of Communist China soybeans during 1964. This is in accordance with the trade plan drawn up in Peiping last September under the 5-year trade agreement of November 1962 (Foreign Agriculture, Nov. 4, 1963).

Planned imports by month are as follows, in metric tons:

January	15,000
February	20,000
March	25,000
April-May	60,000
June-July	45,000
August-September	30,000
November-December (new crop)	55,000
Total	250,000

The price for January and February shipments of 35,000 tons has been set at £38 10s. (\$106.68) f.o.b. and for the March shipment of 25,000 tons at £38 7s. (\$107.38) f.o.b. The c. & f. price for January and February shipments is calculated at \$113.68. U.S. No. 2 soybeans as of mid-January were being offered at \$123.85 per ton c. & f. or \$10.17 per ton above Chinese beans.

The planned imports for 1964 are 100,000 above last year's total of 150,000. This increase is reportedly due to greater availabilities from mainland China and to the desire of Japanese processors to use Chinese beans for oil extraction because of their higher oil content this year and their lower prices, compared with U.S. beans.

Each year a certain quantity of Chinese beans has been purchased outside the long-term agreement—70,000 tons in 1963 and 165,000 in 1962 (before the agreement). It is estimated that in 1964 an additional 50,000 tons will be purchased, thus bringing total purchases for this year to 300,000 tons (11 million bushels). Some trade sources predict that imports could reach 500,000 tons (18.4 million bushels) annually within the next few years.

[From Soybean Digest, May 1964]

STRAYER CALLS WEED CONTROL NO. 1 PROBLEM

"The No. 1 problem in soybean production in the United States today is weed control," George M. Strayer, American Soybean Association executive vice president, told the oilseed, peanut, and sugar crops research advisory committee of the U.S. Department of Agriculture in Washington, D.C.

"Whether it be north or south, east or west, control of grasses and weeds in the production of the soybean crop presents more problems, reduces more yields and increases production costs more than any other one item," said Strayer. "It has been reliably estimated that weeds cost soybean farmers a minimum of \$150 million annually. There are few completely acceptable and no totally reliable chemicals for controlling weeds in soybeans. Farmers spend millions of dollars and millions of hours of labor trying to control grasses and weeds in the soybean crop by cultural, chemical, or mechanical methods. Yet the weed control problem becomes more acute and costly each year.

"Yet in the solution of this No. 1 problem in soybean production in the United States today the Agricultural Research Service has the equivalent of one scientist devoting full time to the solution of weed control problems in the production of the soybean crop. This is like adding one drop of water to the ocean—it contributes to the total, but it certainly does not raise the level very much. Weed control problems are not solved overnight, and certainly some place in the budget of the U.S. Department of Agriculture there must now be available sufficient funds to institute adequate work to assist in the weed control problems which we know are going to become more persistent and more troublesome through the next decade.

"Fundamental basic research in the physiology and nutrition of the soybean crop is the No. 2 research need of the U.S. soybean producer. The soybean crop produces comparatively better than most other crops on soils of low fertility levels, but it fails to respond satisfactorily to improved fertility and environment.

"There is some factor or combination of factors now placing a limit on soybean yields. We must know more about the physiology of this relative newcomer from the Orient, we must learn to understand it, determine what these factors are which are limiting yields. This means fundamental research in the physiology and nutrition of the soybean plant. The American Soybean Association has repeatedly urged, as have other soybean industry organizations, that research in this very basic area be expanded and speeded up. Your committee has repeatedly pointed out the need for such research, giving it one of the top priorities in your recommendations.

"VARIETAL RESEARCH

"Ranked third in our list of research areas on soybeans which need attention is expansion of the soybean varietal breeding work. In most areas of the United States we now have fairly satisfactory soybean varieties, based on our present-day knowledge of the physiology of the soybean plant, but the most logical approach to control of Phytophthora root rot, the soybean cyst nematode, and a host of other disease and insect pests seems to be through the production, in an accelerated breeding program, of new varieties or strains of present varieties which

are either resistant to or tolerant of these diseases and insects. This need will become much more intensified in coming years, as we continue to increase soybean production.

"This work has not kept pace with the growth of the production of the soybean crop, and the funds available for it are totally inadequate when viewed in terms of the size of the 700-million-bushel crop—estimated to bring \$1.8 billion to U.S. farmers this year. Development of disease resistant or insect resistant or tolerant varieties cannot be done overnight—this is the type of work that takes years to produce results.

"With the highest of compliments to the work which has been done in soybean varietal development, one of the greatest needs of the soybean industry today is for intensified breeding work carried on at stations located in the different production areas posing different problems, aimed at keeping the United States ahead of the world in soybean production during coming decades. This we propose as the third most important field of research work which needs encouragement, stimulation and expansion.

"The soybean is a legume crop. Symbiotic nitrogen fixing bacteria find soybean roots a favorable host when applied with the seed or found in the soil. Because of the high protein content the production of a crop of soybeans requires large amounts of nitrogen. For example, 40 bushels of soybeans require 140 pounds of a viable nitrogen in the seed alone, plus the amount required to produce the vegetative portions of the plant. For some reason direct applications of nitrogen fertilizer do not bring the same plant response as that produced by proper inoculation. In addition, the cost when produced by symbiotic bacteria is almost nil, while the cost of chemical nitrogen sources is so great that the response does not make it economic under most circumstances. There is no cheaper source of nitrogen in the world than that fixed by selected bacterial strains. When properly utilized the nitrogen fixing bacteria not only supply sufficient nitrogen for the soybean crop but also leave residual supplies for use of following crops.

"Just how do symbiotic bacteria produce nitrogen? How can more effective strains be produced? Exactly what is the role of the host plant? How can it be made even more responsive? Research to determine how the production of symbiotic nitrogen can be improved is greatly needed. Knowledge in this area has not been expanded in the past 20 years. Strangely this is one of the forgotten lands so far as research work at the Federal level is concerned. We are using the same strains of bacteria in the same way as we were 20 years ago, and we know little or nothing more about them than we did then. Practically no research is being carried on in this field, yet it is essential to efficient soybean production in the United States.

"Nodulation depends completely on the interaction of two distinctly different species—the soybean plant and the nodulating bacteria. Wider knowledge of the genetics of both species might well result in great improvement in the nitrogen fixation process.

"Tied in with this is the necessity of far greater knowledge of the effects of seed disinfectants, applied to soybeans as a means of controlling seedborne diseases, on nodulating bacteria, whether applied to that seed or already present in the soil. There also is no knowledge on the effects of weed control chemicals on nodulating bacteria, and there may be some serious implications in this relationship.

"Because there is no significant work being done in this area—because no USDA manpower is devoted to studies in any phase of this entire relationship between plant and bacteria, and because nitrogen produced by symbiotic bacteria is the cheapest source

available to American agriculture today, and at the same time the most effective in increasing soybean growth and yields—we consider basic research work in this field to be highly essential."

JUDD'S STATEMENT

Said R. W. Judd, managing director of the National Soybean Crop Improvement Council, who also appeared before the committee: "Production research investigations by the Agricultural Research Service, USDA and by State experiment stations are conducted to improve crop quality and production efficiency. Crops which have been grown in this country for a century or more and crops having dedicated sponsors in Congress and at our universities have received more adequate research support than the young giant, soybeans. A comparison of the scientist manpower invested in production research reveals the extremity of variation among crops. The 1961 crop values and scientist man-years employed by ARS, USDA, and universities provide the following pertinent information:

Scientist man-years employed per \$100 million of crop value 1961

Soybeans.....	2.46
Corn and grain sorghum.....	3.17
Wheat and rye.....	5.19
Cotton.....	5.22
Tobacco.....	5.57
Oats and buckwheat.....	6.82
Rice.....	6.93
Barley.....	11.66
Potatoes.....	15.43
Sugar beets and sugarcane.....	28.49

It is not my intent to imply that any crop is receiving excessive support in funds allocated for the employment of production research scientists. However, it is apparent that our Nation's fourth most valuable crop, soybeans, has had the lowest research investment in relation to its value to our farmers.

"There are 20.2 professional scientist man-years engaged today in soybean production investigations by the Agricultural Research Service while our universities have an estimated 25.0. Soybean acreage and production has increased at a rapid pace without a comparable increase in research investment by ARS and State experiment stations. Your committee has recognized this and strongly recommended production research be expanded.

"A comparison of yield increases for various U.S. crops during the last decade shows the effect of a retarded soybean production research program. Yields were computed for a 5-year average to minimize any extreme fluctuation which might occur in any single year.

	Average yield, 1949-53 (per acre)	Average yield, 1959-63 (per acre)	Yield increase in decade (percent)
Grainsorghum.....	19.9 bushels...	40.9 bushels...	106
Cotton.....	285 pounds...	460 pounds...	62
Corn.....	39.2 bushels...	59.9 bushels...	53
Rice.....	2,349 pounds...	3,536 pounds...	51
Wheat.....	16.5 bushels...	24.5 bushels...	48
Tobacco.....	1,265 pounds...	1,753 pounds...	39
Peanuts.....	905 pounds...	1,245 pounds...	38
Potatoes.....	147.4 hundred-weight...	191.4 hundred-weight...	30
Oats.....	33.4 bushels...	46.6 bushels...	27
Hay.....	1.41 tons...	1.74 tons...	23
Sugarcane.....	21.3 tons...	25.5 tons...	20
Barley.....	26.9 bushels...	31.6 bushels...	17
Soybeans.....	20.7 bushels...	24.3 bushels...	17
Sugarbeets.....	15.2 tons...	17.4 tons...	14
Flaxseed.....	8.9 bushels...	9.3 bushels...	4

"You will note that in the 15 crops listed, soybeans, sugarbeets, and flax rate the lowest in yield increases. This committee is responsible for recommendations for these three crops. Your reports have repeatedly

contained requests for increased production research. Someone has made a decision in ARS that soybeans have not sufficient merit to justify more research funds. Direct appeals to the congressional subcommittees on agricultural appropriations have been the only means of securing additional funds to expand soybean production research over the past several years.

During its weeklong meeting in Washington in January, the oilseed, peanut, and sugar crops committee reviewed and evaluated USDA research on oilseeds, peanuts, and sugar.

SOYBEAN PRICE SUPPORT LEVEL SAME AS IN 1963

Average support price for 1964-crop soybeans will be \$2.25 per bushel, the U.S. Department of Agriculture announced April 10. Compared to 1963, the price support level for 1964 is unchanged. It represents 74.3 percent of the April parity price of \$3.03 for all soybeans.

The 1964 program is substantially the same as that authorized in 1963.

The support price announced is expected to encourage production of soybeans at levels high enough to supply domestic and foreign demand and to help maintain prices and income to growers.

Farm value of the 1963 crop presently is estimated at about \$1.9 billion, compared to \$1.6 billion in 1962, and around \$1 billion in the late 1950's. Expanded use of soybeans has provided producers, particularly in the major feed grain producing areas, a desirable alternative to feed crops for which the production potential exceeds current needs. If production had remained at levels of 1960 and earlier years, increased utilization would have been retarded.

In determining the support price for soybeans, several factors were considered, USDA said. Among these were the supply of the commodity in relation to the demand, the ability of Commodity Credit Corp. to dispose of stocks acquired under price support, and the support levels for other commodities.

Eligible producers can receive price support on their 1964-crop soybeans through warehouse- and farm-stored loans and purchases. The term "producer" includes cooperative associations of producers meeting eligibility requirements.

Price support will be available through the offices of county ASC committees. Farm-stored loans will not be available in those areas where the State ASC committee determines soybeans cannot be stored safely on the farm.

Applications for price support will be available through Jan. 31, 1965.

Schedule of county support rates, with premiums and discounts for classes and grades and differences in quality, will be available later.

Price support for cottonseed in 1964 will be at a national average price-support level of \$44 per ton, basis grade 100, the U.S. Department of Agriculture announced. This is the same level as for 1963.

[From Soybean Digest, May 1964]

RATE OF INCREASE SLOWS ON U.S. SOYBEAN EXPORTS

Exports of food fats and oils (including the oil equivalent of soybeans) may reach 4.8 billion pounds in 1963-64 compared with 4.3 billion last year, according to USDA's Economic Research Service, April 3. Exports during the first 4 months of the marketing year (October-January) totaled 1.7 billion pounds compared with 1.3 billion pounds in the same period of 1962-63.

Soybean exports (based on inspection data) from October 1, 1963, through March 20, 1964, totaled 104 million bushels—about 2 million above the same period of the 1962-63 season. Exports for the entire 1963-64 marketing year are expected to total around 190 million bushels, up about 10 million from last year's record.

Most of the increase in 1963-64 soybean exports is expected to go to Europe. Western Europe's fats and oils stocks are low and oilseed production has been reduced. Olive oil supplies in Mediterranean Basin countries are at record levels.

The rate of increase in foreign demand for U.S. soybeans has slowed some this year (during 1962-63 soybean exports increased 27 million bushels over 1961-62) primarily for the following reasons:

1. Relatively high U.S. soybean prices and low soybean oil prices in Europe appear to be holding down European crusher demand because of the narrowing processing margin.

2. Increased supplies of competitive feedstuffs in Western Europe along with relatively high soybean meal prices are tending to limit the demand for U.S. soybeans even though the European livestock economy is expanding.

protein deficiencies in the diets of the people in these areas of the world. One of the fundamental purposes of this survey was to learn the dietary habits, levels, and status of the people in these countries. Representatives of the soybean processing industry made the survey which covered the following countries: Burma, Egypt, Greece, Hong Kong, India, Iran, West Pakistan, Philippine Islands, Portugal, Spain, and Turkey.

The results of this survey showed that protein malnutrition, suffered by a major portion of the people in these countries as a result of inadequate food supplies, particularly a serious lack of protein foods, could be relieved by utilization of inexpensive oilseed protein products.

Bread, a principal food in these countries, if properly fortified with soy flour or grits, offers the greatest opportunity for increasing protein in the diet. Soy-supplemented chapattis, pakoris, samosas, buns, and various other local breads were readily acceptable because of improved palatability, appearance, and storage quality. These breads frequently contained two to seven times the amount of soy flour or grits customarily used in the United States. Macaroni products, including noodles, and various native dishes, supplemented with these soy products, offer another means of improving dietary protein intake. These foods, as well as beverages and soups based on soy protein, were evaluated by local food specialists and found to be acceptable in all countries. In most instances, lack of availability was the only factor preventing current use of soy products as a source of supplemental protein in the diet.

Beverages and infant formulas, based on full-fat or defatted soy flour and nutritionally equivalent to cow's milk, were found to be desirable for improving the general health of infants and children as well as expectant and nursing mothers in most of the countries. Products which have been developed and tested for this purpose under the auspices of the Soybean Council of America are presently available so that an 8-ounce serving costs about 1 cent.

DISTRIBUTION CHANNELS

Relief agencies, military rationing, local government mass feeding programs, and school lunch programs are immediately available as channels of distribution.

Based on information collected by the members of the survey team, market development for edible soybean products would logically proceed as follows: (1) samples would be provided for large-scale evaluation, (2) methods of using protein products to improve the nutritional value of foods would be demonstrated to consumers, (3) technical assistance would be furnished to local authorities, (4) relief agencies would be encouraged to purchase and use U.S. soy products to meet protein nutrition problems, (5) locally acceptable products would be developed and sold to meet the demand created by relief agency distribution and other market development efforts, and (6) as a result, developing countries would gradually increase their purchases of U.S. soy protein products or would increase their purchases of soybeans on the open market to process locally into products which would be used in the manufacture of and/or included in native foods for domestic consumption.

Present acceptance and available means of distribution indicate that a total of 25,000 tons of edible soy protein products could be adequately utilized per month in the 11 countries surveyed. It is within the present capacity of the soy processing industry to produce all the current market demands plus an additional 6,000 tons of soy flour and 10,500 tons of soy grits per month. Within 6

Cottonseed and soybean oils—Dollar and food-for-peace exports, 1963-64 forecast compared with 1961-62 and 1962-63 (million pounds)

Export financing	1961-62 ¹			1962-63 ²			Forecast 1963-64		
	Soybean oil	Cottonseed oil	Total	Soybean oil	Cottonseed oil	Total	Soybean oil	Cottonseed oil	Total
Dollars ³	622	182	804	520	207	727	450	300	750
Food for peace (Public Law 480):									
Title I.....	467	204	671	531	132	663	750	200	950
Title IV.....	21		21	15		15			
Title II.....	14	5	19	43	19	62			
Title III.....	184	81	265	68	29	497			
Total, Public Law 480.....	686	290	976	657	180	837	750	200	950
Grand total.....	1,308	472	1,780	1,177	387	1,564	1,200	500	1,700

¹ Partly estimated.

² Partly estimated. Includes 8,300,000 pounds of soybean salad oil under title I shipped to Guinea and 1,500,000 pounds of soybean salad oil to Bolivia under title IV not reported by Census.

³ Includes some AID.

⁴ Excludes an estimated 44,000,000 pounds of title III oil products for domestic donation.

3. A fairly mild winter in Europe apparently has reduced the requirements for prepared mixed feeds.

Exports of edible vegetable oils in the 1963-64 marketing year are now forecast at 1.7 billion pounds, roughly 10 percent more than in 1962-63 but 100 million pounds below the January estimate. The reduction in the present estimate is due to increased butter and butter oil exports under foreign donations and some slowdown in initiating title I and IV programs of Public Law 480. Exports of edible oils under the food-for-peace program may total around 950 million pounds, approximately 56 percent of total shipments, compared with 837 million pounds or 53 percent of the total in 1962-63.

EDIBLE OIL OUTLOOK

Exports of edible oils during October-January 1963-64 (the period for which latest census data available) totaled 420 million pounds, including little, if any, foreign donations. During these 4 months a year earlier, exports totaled 374 million pounds which included 34 million pounds for foreign donations. Soybean oil exports during October-January 1963-64 were 269 million pounds compared with 263 million the year before. Cottonseed oil exports at 150 million pounds compared with 111 million in October-January 1962-63.

Edible oil exports during February-September 1964 are expected to exceed last year's 1,177 million pounds by nearly 10 percent, mainly due to a heavy movement under title I of Public Law 480.

Through March 20, 1964, purchase authorizations had been issued for about 370 million pounds of cottonseed and soybean oils under titles I and IV for export during the current marketing year. The remaining 580 million pounds of the forecast would consist of substantial programs with Pakistan, Yugoslavia, Morocco, and Turkey in addition to smaller programs with United Arab Republic, Israel, Bolivia, Peru, Ecuador, and other countries.

Exports of cottonseed and soybean oils under titles II and III are expected to be down for the second consecutive year, since butter oil has largely replaced the edible vegetable oils in the donations program.

Butter oil shipments under titles II and III are currently estimated at about 220 million pounds (butter equivalent), somewhat above earlier forecasts compared with 65 million in 1962-63.

Cottonseed and soybean oil exports for dollars in 1963-64 are expected to increase slightly. Northern Europe, Spain, and Iran are the leading dollar markets for these commodities. Exports to Spain, the major taker, in 1963-64 are expected to total around 125 million pounds, nearly 60 percent less than in 1962-63. This is mainly due to increased olive oil production in the Mediterranean countries.

FAVORABLE FACTORS

The main favorable foreign factors in the 1963-64 outlook for U.S. exports of fats and oils are:

1. World rape and sunflower seed and other crops are smaller.
2. Argentine exportable supplies of edible oils are down.
3. Copra output is likely to continue small through mid-1964.
4. World whale oil production probably will be reduced again this year.
5. Stocks of fats and oils in Rotterdam and in some important European-consuming countries are smaller than last year.
6. The drop in world output of butter is resulting in higher butter prices which may tend to increase use of margarine.
7. There have been recent reports of drought conditions in Brazil and Ecuador. In the United States, large stocks and relatively low prices for edible vegetable oils also favor increased exports.

[From Soybean Digest; May 1964]

EXPANDING OVERSEAS MARKETS FOR U.S. SOY PROTEIN PRODUCTS

(By G. M. Diser and J. W. Hayward)

During the period February 1 to March 31, 1962, the Soybean Council of America, Inc., in cooperation with the Foreign Agricultural Service of the U.S. Department of Agriculture, conducted a survey in 11 developing countries to determine the potential utilization of soy products as an aid in alleviating

months presently existing plants could manufacture an additional 25,000 tons per month without sacrificing any of the present market requirements. The increased production would consume an additional 20 to 22 million bushels of soybeans annually.

More recently, greater official recognition has been given to the need for a market development program on the dietary utilization of soy protein products. The Agency for Industrial Development is becoming more cognizant of the need for protein in nutrition. For example, Alliance for Progress sponsored a workshop in Lima, Peru, from April 29 through May 10, 1963, with participating agencies including the Government of Peru, the U.S. AID mission and personnel from the Latin American countries. The purpose of this workshop was to train administrators and managers of child feeding centers in connection with "Operation Ninos." A conference on the use of American foodstuffs to further the Alliance for Progress program was held in Quito, Ecuador, on May 12, 1963.

It is readily apparent that a new concept is being formulated as to the type of foreign aid to be rendered in the future. This concept will undoubtedly include the furnishing of protein from all sources to feed the protein-hungry world.

A joint Intergovernmental committee has been formed to follow up on the utilization of soy protein in foreign aid programs. Pilot projects are being developed on the use of soy protein in various areas. Shipments of soy products have been made to Egypt, Greece, West Pakistan and other countries for large-scale evaluation in response to requests developed through the efforts of the members of the survey team. Institutes have been established in West Pakistan and experiments are being conducted on soy protein products, particularly in demonstrating their value as nutritional supplements for children. The objective in this country is to get these products introduced on a commercial basis.

USAGE IN COLOMBIA

Soy products are being promoted for bakery uses in Colombia through the Nutritional Institute and similar institutions. Isolated soy protein and soy flour are being studied as a means of improving the nutritional value of "panela," a sugar-based food product widely used in the diet of infants and children in Colombia. In fact, a satisfactory product combining soy flour and panela has been developed by the Colombian Institute of Technological Research and submitted for biological evaluation. The Soybean Council of America is cooperating with the Colombian armed forces in the evaluation of soy protein products.

A large-scale study is presently underway in Peru in which the council is cooperating with the Armed Forces to compare the nutritive value of soy flour, fish flour, and other protein sources as represented by the native supplements.

The soybean industry, through the council, has donated sufficient soy grits for a research project to be conducted by the Agricultural Research Service, USDA, in cooperation with the University of Hong Kong. In this instance the soy grits will serve to provide a known amount of supplemental protein in cereal-containing foods in the diet of children in that area. The objective of this research is "to study the effect on growth and nutritional status of children of increasing their dietary intake of selected nutrients and of replacing a significant part of the rice in the diet with wheat."

A very recent and most important development in this area of expanding markets is evidenced by the request from USDA for of-

fers from the industry to sell 160,000 pounds of defatted soy grits to the Commodity Credit Corporation. These grits will be donated for distribution overseas by voluntary relief agencies through a market development program to be administered jointly by AID and the Foreign Agricultural Service, USDA. Evaluation of acceptance of this product in pilot child feeding projects, including school lunch programs, hospitals and orphanage centers, will be carried out in Bolivia, Nigeria, Turkey, and the Philippine Islands. Each of these four countries will receive 40,000 pounds of grits for this study.

The offices of the Soybean Council plan to continue their efforts to bring about revision of the official restrictions presently existing in many countries against the use of soy protein in meat and bread products and other foods.

The council will continue to provide information and technical data on the properties of soy flour and soy protein to governmental and various official agencies. Demonstrations and seminars are scheduled in cooperation with schools, hospitals, women's clubs, home economists' groups and other organizations at the consumer level in Belgium, Luxembourg, Denmark and the other Scandinavian countries, France, England, and other areas. These projects will include discussions on soy protein products and their nutritional and functional advantages in foods and bakery products. Food fairs will also be held in certain of the countries served by the council to disseminate such information at both the consumer and industry level. The use of soy flour in bread, baby foods, typical indigeneous dishes and various specialty products will be demonstrated by representatives of the council.

Efforts will be vigorously continued in attempting to bring about reduction of duties and other taxes on the importation of soy protein products in the United Kingdom, Spain and other countries where tariff barriers have been imposed.

KEEP CLOSE CONTACTS

Close contacts are being maintained with governmental and educational institutions in Italy attempting to get soy approved as a food ingredient. The council office in Rome is working very closely with the largest manufacturers of pasta. Attempts are also being made to improve the level of protein in Italian bread through the addition of soy flour.

Licensing of industries for the manufacture and utilization of soy protein products is being promoted in Israel.

U.S. defense agencies are authorized to purchase protein products for use by armed forces of friendly nations. UNICEF is very active in promoting the utilization of soy in the protein-deficient areas of the world. Church groups and other volunteer relief agencies are taking an active interest in soy as a potential source of supplemental protein for use in their feeding programs.

These are only a few examples of the type of work being carried on cooperatively by Foreign Agriculture Service and the Soybean Council of America in attempting to develop the utilization of soy protein in the various countries.

GREATEST PROBLEM HUNGER

As long as population growth continues to exceed levels of food production, hunger can be expected to be the world's greatest problem. The most serious need in the human diet throughout the world is for balanced nutrition with adequate levels of good quality protein. Unfortunately, many of the distribution programs implemented to date have resulted in the shipment of surplus grains overseas with little or no regard for deficiencies in quantity and quality of pro-

tein in the food supplies of the various areas.

Protein products from the soybean, providing an abundance of excellent quality protein at a greatly reduced cost per unit, could properly supplement the cereals which make up a large share of the diet and thus aid in alleviating protein malnutrition in the protein-deficient areas of the world. These products can be used directly in the human diet as a source of readily available protein in those areas where ability, facilities, and land area are not available for the utilization of animals to convert feedstuffs into food.

A tremendous potential exists for the utilization of U.S. soy protein products in protein-deficient countries. However, this market cannot be effectively expanded without a concurrent improvement in the stability of the administrative and economic status of the respective governments, together with a widespread educational program covering nutrition, sanitation, and hygiene among those consumers whose need for a higher level of protein in their diet is greatest.

While samples of soy protein products have already been supplied through the Council to several of the developing countries for evaluation, it will be some time in the future before a report of the results of these studies can be expected. Consequently, any program for employing these products in improving the nutritional balance of the diets in various areas of the world would be significantly expedited and greatly implemented if data resulting from the research and development studies recently recommended to USDA officials could be made available to those administering the program and providing the technical assistance so necessary for the optimum utilization of these protein products from the soybean.

WHY SOYBEAN PRODUCTION RESEARCH NEEDS GREATER EMPHASIS

SOYBEANS ARE IMPORTANT

Top dollar earner in U.S. agricultural exports 1962-63 * * * helped narrow dollar gap.

Fourth ranking U.S. cash crop * * * value of \$1.8 billion in 1963.

Grown in 30 States.

31.8 million acres estimated for harvest in 1964. This compares with 17 million 10 years ago. Much of acreage increase has come from crops in surplus.

Primary source of vegetable protein for livestock and poultry rations.

Are not a surplus commodity.

SOYBEANS FACE PROBLEMS

Yields remain low, having reached a plateau.

This will make it difficult for soybeans to compete with corn.

Because of low yields, relatively high price levels are required to give acceptable net return to growers, compared to other grains.

As a result, soybeans and soybean products face serious price competition in foreign and domestic markets.

Foreign production of competitive oilseeds is being encouraged. In the United States, soybean meal is relatively expensive and many feeders are turning to substitutes such as urea.

The basic problem: How to continue past progress; stay competitive; and expand markets, acreage, production and net income to farmers * * * and at the same time draw acreage away from surplus crops.

The solution would seem to be higher soybean yields per acre. Higher yields depend on production research. According to the House Committee on Appropriations, soybeans rank fifth * * * behind cotton, wheat, corn and tobacco * * * in Federal funds devoted to production research;

[In thousands]

Crop	U.S. Department of Agriculture	Experiment station	Total Federal
Cotton-----	4,600.0	837	5,437.0
Corn-----	1,578.0	479	2,057.0
Wheat-----	1,776.0	249	2,025.0
Tobacco-----	1,073.0	295	1,368.0
Soybeans-----	685.5	125	810.5

Of the five crops, only soybeans are not in surplus. Also, the proportion of total funds used for soybean production research is sharply below its relative contribution to farm income.

In view of the facts presented in this brief, we respectfully urge that greater emphasis be given to soybean production research.

With respect to the Rural Electrification Administration, the committee allowed the full budget request for the electrification program—\$365 million—and it increased funds for the telephone program from \$63 million to \$70 million. This latter increase was made for the purpose of expediting telephone service to rural persons. The loan authorization for the electric program is \$60 million less than was authorized last year. It was the committee's opinion, based on the Administrator's estimate of a \$300 million program for fiscal year 1965, that the budget request would be more than adequate. Thus, \$90 million of the \$365 million total has been placed in contingency and will be returned to the Treasury, if unused, at the close of the fiscal year. It has been estimated that the entire \$150 million placed in the contingency authorization last year will be returned. If such holds true then the electric program for fiscal year 1964 will have amounted to \$275 million—or \$90 million less than our committee authorized for fiscal 1965.

Both the House and Senate Appropriations Committees, as well as the conference committee, last year included language in their reports setting up new procedures to be followed by the Administrator in processing G. & T. loans. The Administrator has revised his G. & T. policy in line with these reports and published his new procedures in the Federal Register late in February and early in March of this year.

The Appropriations Committees, as the result of last year's directives, have been charged by some with legislating by committee report. These charges are a direct criticism upon the authority of our committee to prescribe conditions as to the use of money which it recommends for the REA program. In my opinion, it is a basic function of our committee to direct how funds it authorizes are to be used, and to do otherwise would place us on many occasions in the position of "rubberstamping" the Executive. This is particularly true with respect to the REA which receives its funds in the form of a loan authorization. The committee does not have an opportunity to consider REA's budget on a line-item basis—as it does with other power agencies—and is unable to study or consider agency recommendations and approve or disapprove of specific projects prior to the advance of funds.

REA, in administering a very broad basic act, without proper congressional control, has time and again interpreted its authority contrary to what many believe to be congressional intent.

It has virtually substituted "agency interpretation" as a means of bypassing Congress. The Appropriations Committee report language provides the only means on a regular annual basis by which congressional guidance can be given to this agency.

Some members of our committee objected to establishing the item procedure when I suggested it 2 years ago as a means of exerting better congressional control over REA. My proposal at that time required the REA budget to be presented to us on a project basis insofar as generation and transmission loans of more than \$2 million were concerned. My purpose was to provide some way of piercing REA's secrecy policy in connection with its processing of the larger G. & T. loans and to provide a forum where all interested citizens could present their views before such a loan was finally approved.

Objections to this proposal were mainly twofold: First, a fear that the Appropriations Committee would be making decisions that Congress had delegated to the Administrator; and second, that the committee would be required to build up a large staff of experts to help it make informed decisions on these applications.

To meet these objections, the gentleman from West Virginia [Mr. SLACK] joined with me in the introduction of identical bills which would, among other things, set up hearing procedure in the office of the Secretary of Agriculture for G. & T. loans. This would keep decision-making in the Department but at the same time provide a means by which interested persons could be heard. These bills, H.R. 6852 and H.R. 7213, would require the Secretary of Agriculture to hold public hearings on all generation and transmission loan applications. Such hearings, held by examiners appointed pursuant to section 11 of the Administrative Procedure Act, would conform to the procedural requirements of section 7 of that act, and any determination made by the Secretary of Agriculture would be subject to court review. This legislation has been before the House Agriculture Committee since June 6, 1963, and I sincerely hope the committee will find an opportunity to consider it during the present session of Congress.

Language contained in this year's report is relatively minor in relation to that of last year. This year's language makes clear that last year's directives apply only to the G. & T. program and not to the REA distribution program. It further points out that the REA G. & T. program should not be used where feasibility "is based solely on the cheaper power rate resulting from the lower interest rate paid by REA cooperatives than is available to private investor companies unless essential to get area coverage at reasonable rates." Administrator Clapp, in the hearings before our subcommittee, underlined the significance of this requirement when he said:

I think that any survey of G. & T. loans * * * would probably show that, in the great majority of cases, the interest rate differential is what produces the savings that are computed.

I believe if the Administrator makes a real effort to comply with this language, some of the pressure to increase interest rates will be relieved. This could prove a big step toward helping the cooperative that serves marginal territory to maintain the 2-percent money it needs for its existence.

Significantly, this language in the committee report ties back to the intent of Congress when in 1944 it amended the 1936 act to provide 2-percent money. One of the major purposes of this 2-percent interest was to obtain area coverage.

Area coverage is the concept of extending electrification to all rural people rather than to only those in more densely settled sections. It was outlined in detail in the REA Administrator's report as far back as 1949, and has remained virtually unchanged over the years. Our subcommittee chairman has been a prime mover of this concept which has not only been of major importance to this committee over the years, but has been the subject of much discussion with the various Administrators.

It is a directive from the Federal Government to borrowers as to how Federal loan funds will be used. Its objective is to encourage borrowers to extend service to all persons in rural areas who were not receiving electric service in any form. In recognition of the low interest rate, it embodied the principle of not requiring contributions from such persons in aid of construction.

Area coverage should not be confused with problems of territorial integrity which involves disputes between power suppliers and cooperatives. The committee language does not refer to the question of territorial integrity which is a matter of State, not Federal, jurisdiction. I point this out so there can be no misunderstanding on the Administrator's part as to what the committee refers. By advising him in advance then there can be no misinterpretation on his part as to the scope of the committee's language.

One of my major criticisms of REA has been the use of its lending power to perform functions which are matters within the jurisdiction of our States. For example:

REA, from the very beginning, has used its G. & T. loan authority to control wholesale power rates within many States. This is a State matter and does not fall within the power or purview of the REA Administrator. He is a banker, not a regulator.

REA is now extending this same G. & T. authority to force the allocation of territory within the States. How a State fixes territories is matter for decision by its own legislature or its properly constituted regulatory body, and the Federal Government should keep hands off, even by implication.

As a result of REA using the G. & T. loan as a threat in the States, this agency has now run head on into a Federal regulator—the Federal Power Com-

mission. The collision has created a critical problem for many REA borrowers—a problem that might never have occurred had REA not overextended itself through misuse of the G. & T. loan authority.

ALASKA

A matter of greatest importance which I wish to discuss today is the damage suffered by REA borrowers in Alaska and what we can do about it in this bill. The terrible earthquake that devastated Alaska on Good Friday, March 27, left a path of destruction in its wake that is impossible for the people of that sparsely populated State to recover from without real substantial outside assistance. And by assistance, I mean grants, not mere loans.

When one grasps the magnitude of this disaster in terms of the sparseness of Alaska's ready resources, the need will be obvious. The economic heart of Anchorage, Alaska's largest city of 49,000 was practically destroyed. Seward, Valdez, Cordova and the Kenai Peninsula suffered devastation. Total damage is now estimated at \$300 million by the Office of Emergency Planning. Little of the property involved was covered by earthquake insurance. Further, nearly a hundred lives were lost. Remember, all of this took place in a State with a population of only 246,000.

Since the quake and the attendant tidal waves hit the coastal areas, great damage was done to the fishing industry. This is one of that State's primary sources of ready income. Both salmon and king crab fishing and processing were very badly hit. Remember, over 35 percent of Alaska's pink salmon industry centers on Seward, Kodiak, Cordova, and Valdez. Fishing is the State's biggest source of income—over \$90 million a year—and if the brave, hard-working, courageous people of Alaska are to be given a chance to recover, this industry, along with these major ports, must be put on their feet with speed.

Electricity is vital to the economic recovery of these ports and the revival of fish processing. In many of these communities, electric facilities were badly damaged. REA-financed cooperatives furnish power to much of this stricken area. One such cooperative has suffered damage of at least \$5 million, while total damage was possibly as high as \$7 million. The restoration of normal electric service in the area of havoc is vital to the recovery of the State. Although this Congress has been very helpful in aiding Alaskans in other aspects of recovery, nothing has been done to keep the REA borrowers who must provide a substantial part of the muscle needed for rebuilding the economy.

The significance of this damage can be appreciated better when it is remembered that these five cooperatives were financed by REA loans totaling about \$46 million. These borrowers still owe to REA about \$38 million on these loans. To put these power systems back in order will take another \$5 to \$7 million.

Obviously, these cooperatives need "grants" not "loans" for rehabilitation purposes. They cannot assume the ad-

ditional burdens of further loans to restore normal service.

When we consider the rural electrification section later in the day, I propose to amend the bill to provide that \$5,300,000 of this year's authorization shall be available to rural electrification borrowers in Alaska for the repair, rehabilitation, or reconstruction of all their facilities and property damaged, destroyed, or dislocated as the result of the March 1964 earthquakes, and that any amounts so made available and used shall not be repayable by the borrowers. This amendment will not increase the total funds in this bill. It will merely earmark a portion of the REA authorization for aid to Alaska.

This is a matter of great urgency, and I hope Congress will take positive action on it today.

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be glad to yield to my friend from Michigan.

Mr. CHAMBERLAIN. I know that from my conversations with my colleague and other members of the committee, the committee is well aware of the threat posed by the cereal leaf beetle which has recently been introduced into areas in lower Michigan, Ohio, and Indiana. Upon examining the bill and the report, I find no mention of any provisions made here for a crash research program for the eradication of this threat. Could the gentleman tell us what disposition was made of this request for \$200,000 to the committee to have this research program instituted to get rid of this beetle?

Mr. MICHEL. The gentleman will recognize that there have been a number of requests for crash programs in a variety of areas. The committee thought—and I believe the chairman will bear me out—in some of these areas we could not conceivably have earmarked specifically all of these items, but I will say to the gentleman we have, as he well knows, some Federal money in that cereal leaf beetle eradication problem up there in Michigan. It is our intention, with the flexibility that we have given the folks in the research section, Dr. Shaw and his associates, that they will press forward with everything they have to eradicate this. I well know, as a Member from the State of Illinois, that if that cereal leaf beetle should move down through Indiana and into Illinois, and the far West, we would have a terrible situation which could conceivably cost the American taxpayers and the American people hundreds of millions of dollars in the future.

Mr. CHAMBERLAIN. But the gentleman has not answered my question. What is the source of the funds to be expended on this research program?

Mr. MICHEL. The Chairman is on his feet, if he would like to address himself to that question.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me?

Mr. MICHEL. I yield to the chairman.

Mr. WHITTEN. May I say, as I tried to point out earlier, that our committee

provided quite a large amount of additional funds for research; in fact, \$18,800,000 additional funds, which the gentleman will find in section 32.

Mr. CHAMBERLAIN. Mr. Chairman, I should like to say that the gentleman is to be commended.

Mr. WHITTEN. We tried to keep from tying down dollar amounts for each one of these problems. What we tried to do is not to give them a fixed sum of \$200,000 for the specific problem. We tried to tell them to handle the problem, and if it takes twice that amount, they have the funds with which to do it. The money is in here.

But money and results are two different things. We have not tried, in other words, to give them \$200,000 as such for this project, but we have provided them more money than that if they can find ways properly to use it.

And in the report they have instructions to move forward just as fast as they can. But they have plenty of money with which to do it, if it does take more than that amount.

Mr. CHAMBERLAIN. Mr. Chairman, I would like to ask the Chairman this: Does he feel that the request of \$200,000 for this purpose is a reasonable request?

Mr. WHITTEN. May I say that that is something that is so hard for a person to judge. It depends upon qualified personnel, on who is able to move, or how fast he can move. It is far too much if you cannot get the right kind of people. But it is too little if you can get the people and you can move fast. I do not know how to estimate it in dollars and cents. That is the reason we have not tried to do that.

Mr. CHAMBERLAIN. I appreciate the gentleman's problem. But if the personnel are there and they are ready to move forward, and they can make a showing of progress in this area, then the gentleman can assure us that the \$200,000 that they feel is necessary will be available?

Mr. WHITTEN. Certainly. I do not think there is any question but what it is available.

Mr. CHAMBERLAIN. I think the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

Mr. GROSS. This bill is supposed to be \$1,059 million less than was appropriated for the fiscal year 1964. Is the gentleman saying that most of the funds allegedly saved have simply been deferred, and will be appropriated later this year? Is that what the gentleman is saying?

Mr. MICHEL. Mr. Chairman, I think that is a pretty good assessment of the situation. It would assure us that the CCC, for whatever the assurance is worth, will have enough money available and enough latitude to buy and sell for the next fiscal year. But my feeling is that this is maybe so much hocus-pocus and that before the end of the fiscal year we will be back here correcting the situation.

Mr. GROSS. So that when the President sent his budget message to Congress, calling for a \$1 billion cut in agricultural appropriations, that might be called about as phony as a \$3 bill, something of that kind?

Mr. MICHEL. Well, a \$3 bill is certainly phony.

I pointed out that as to the budget of \$150 million as an authorization for ACP the Congress traditionally has gone along with a level of \$250 million. But, knowing that it was a popular program and that the subcommittee would support it, and the committee would sustain the subcommittee in putting it back, of course it makes L.B.J. look better by asking for \$100 million less and puts the onus on the Congress for upping the figure. That has happened in a number of appropriation bills throughout the year. One example after another can be cited.

Mr. GROSS. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FINNEGAN].

(Mr. FINNEGAN asked and was given permission to revise and extend his remarks.)

Mr. FINNEGAN. Mr. Chairman, I rise in support of the Agriculture appropriations bill and particularly the section which allows the completion of the marketing research study of the wholesale food markets in the city of Chicago under the Transportation and Facilities Division of the Department. As a Representative of a completely urban area, I usually find little of direct benefit to my constituency when we are considering agriculture or farm legislation; and so I am especially pleased to see this item included.

I want to congratulate and thank the gentleman from Mississippi [Mr. WHITTEN], chairman of the subcommittee, and all of its members for recognizing the very necessary need for this appropriation.

For some time the city of Chicago has been greatly concerned about the inefficiency of wholesale food marketing in the greater metropolitan area and in 1959, under the leadership of our great mayor, Richard J. Daley, a preliminary survey was launched. The finding showed that existing facilities were poorly located, inefficient, and out of date, and that a detailed study by experts was urgently needed.

The Department of Agriculture through its Transportation and Facilities Division had undertaken similar research studies for other metropolitan areas such as New York and Philadelphia with great success, and in January of 1963 a wholesale food marketing study was initiated for our area.

As I understand it, about 750 wholesalers are involved in distributing the \$3.2 billion worth of food handled in our city each year. The complexity of the problems of distributing food in Chicago rank next to those of New York's. Our operations affect the whole Middle West and even other parts of the country because of Chicago's predominance in railroad transportation.

The New York survey estimated that if the facilities were constructed and used as planned, "the saving would amount to about 2.5 percent of the wholesale value or about \$2 per person annually in the metropolitan area of New York City." The market study also indicated that "Savings and benefits are comparable in other cities where studies have been made and improved facilities constructed."

We in Chicago, of course, visualize the same results for our city and with the research study now past the halfway mark we were deeply interested and were relying on in its completion and the findings put into effect.

These markets are not concentrated in my district but directly affect my constituency as well as the other members from Chicago and the State of Illinois. As the only Chicagoan on the Appropriations Committee, I am pleased to present our position. Under other and earlier times and circumstances we would have had the assistance, guidance and great help of our lately departed dean, Tom O'Brien, a good friend of so many of this body, whose memory will remain fresh with us for a long time.

Mr. KLUCZYNSKI. Mr. Chairman, will the gentleman yield?

Mr. FINNEGAN. I yield to the gentleman from Illinois.

(Mr. KLUCZYNSKI asked and was given permission to revise and extend his remarks.)

Mr. KLUCZYNSKI. Mr. Chairman, I commend my colleague from Illinois for the splendid statement which he has made. I also wish to commend the chairman of this fine committee for the splendid job which has been done, the gentleman from Mississippi [Mr. WHITTEN] and the other members of that committee.

Mr. Chairman, I am happy to find that we of an entire urban area of the great city of Chicago will participate in this bill. Seldom can the large cities show a direct benefit from legislation mainly devoted to improving the lot of the farmer and agriculture in general.

With all other members of the Illinois delegation from this side of the aisle I want to congratulate the subcommittee chairman, the gentleman from Mississippi [Mr. WHITTEN], and the other committee members for their thorough and complete hearings which led ultimately to their acknowledgment of our need for the irreplaceable aid of the Transportation and Facilities Research Division whose survey of our wholesale food markets mean so much to us.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FINNEGAN. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Illinois [Mr. FINNEGAN]. I believe he has done a great service for the city of Chicago in being able to retain this very important installation. I do hope that it will be accepted by the full Committee on the State of the Union.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of this appropria-

tion bill which provides funds for the Department of Agriculture for fiscal year 1965. I wish to commend the members of the committee for the excellent job they did in reporting a bill which enables the Department to carry on their work for the benefit of our citizens. However, I am most pleased at the committee's decision to provide the necessary funds to enable the Transportation and Facilities Research Division of the Department of Agriculture to continue their excellent program to improve marketing facilities for food. It is a sound decision which will benefit all of our citizens.

We in the Chicago metropolitan area are especially pleased with the restoration of necessary funds to continue a study of wholesale food handling facilities in Chicago, which was initiated in January of 1963. When you consider that \$3.2 billion worth of food is handled by approximately 750 wholesalers in our city, the need for improving food handling, processing, packaging, storage, and transportation of products to the consumer should never be ignored.

The city of Chicago, under the great leadership of our fine mayor, Richard J. Daley, has been on an accelerated move toward modernization. The vast improvements made in the structural appearance of our city, our living conditions, and the growth of our economy has enabled Chicago to take its rightful place as one of the world's greatest cities. This progress, however, is in its infancy for there are many other areas which require updating, so that we can continue our progress to benefit not only the Midwest but the Nation as a whole.

Food handling is a most important area and Chicago's city officials and wholesale operators recognized the need for improvement in the complex functions of this industry. It was 1959 that a prestudy of our problem began. The urgent need for a detailed study of the existing conditions and recommendations for improvement was established. In January of 1963, the Department of Agriculture approved this study for a 3-year period. The funds allocated today will enable this study to be completed, which directly benefits 7 million people in the Chicago area and two counties in Indiana. But more important it also benefits the people from Maine to California and from Minnesota to Florida, where similar projects are underway. This research can result in saving nearly \$1 billion per year in food marketing costs, and the Nation's farmers and consumers will be the benefactors. This is the kind of objective legislating that we need. It shows that we, in this House, are alert to our Nation's needs and we are providing for the progress to make our Nation move forward. I urge that we approve this bill as reported by the House Appropriations Committee.

Mr. MURPHY of Illinois. Mr. Chairman, I rise in support of H.R. 11202, the Agricultural Appropriation Act of 1965, and especially concerning the Transportation and Facilities Research Division, which relates to the marketing research

study of the wholesale markets in the city of Chicago.

The inclusion of this study would allow continued research on market facility planning and wholesale and retail operations for the South Water Produce Market in the city of Chicago.

As a former member of the city council of Chicago for 24 years, and a member of the executive committee of the Chicago Planning Commission for 12 years, I am thoroughly cognizant of the major problems confronting the South Water Produce Market. A study of this character would be very beneficial to the planning of the future operation of this great market.

The elimination of the Transportation and Facilities Research Division would have left no other agency, either governmental or private, that is capable of providing a service of this character.

The future of the South Water Street Market is very important not only to producers but also to the consumers of the city of Chicago. It is important that this study be completed for the survival of the market services to the city of Chicago.

Mr. O'HARA of Illinois. Mr. Chairman, I join with my colleagues from Chicago in expression of appreciation to the great subcommittee of the Committee on Appropriations and its able and distinguished chairman, Mr. WHITTEN. The termination of the marketing research study of the wholesale and retail markets of Chicago for lack of money would have been nothing short of a national tragedy with frightful repercussions. I have always supported farm legislation because although mine is entirely an urban district, its economy is bound to be adversely affected when the going on the farm is bad, and beneficially affected when the agricultural economy is good. I am happy that in the bill now before us is proof positive that the mutuality of interest of the urban districts and the agricultural districts is receiving a larger measure of acceptance than has been the case in the past. It is good for the cities, good for the farms, and good for our country. It is in line with the thinking and the planning of President Johnson and Mayor Daley, working together for a greater, a finer, a richer, and happy America, a land from which poverty will have been driven and in which dissention and misunderstanding between Americans who live in towns and Americans who live on farms forever will have been banned.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FINNEGAN. I yield to the gentleman from Illinois.

Mr. MICHEL. I too want to thank the gentleman for bringing this to the attention of the members of the Committee and making it a part of the legislative history. Certainly the budget did reflect a cut of \$862,000 here and the committee went along and restored \$662,000 of that, specifically for the three areas of market facilities studies, work methods and equipment, and transportation and packaging.

Mr. Chairman, I believe it is a well-known fact that this is a popular program. The members support it. I am

glad to see that the gentleman brought it out here on the floor of the House this afternoon. I certainly support it and point back again to my original remarks and say again that some of the programs contained in this agricultural bill in large measure are going to urban centers and city dwellers.

Mr. WHITTEN. Mr. Chairman, I too wish to thank the gentleman for his statement and to agree that this work has proved very efficient in many areas.

Our subcommittee last year was glad to initiate this program, as the gentleman will recall, at the request of the delegation from Chicago. I want to say again the support that American agriculture has had by his delegation has helped because, after all, we are all in this thing together and prosperity cannot be for one section without the other.

Mr. HORAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. CLANCY].

(Mr. CLANCY asked and was given permission to revise and extend his remarks.)

Mr. CLANCY. Mr. Chairman, I rise in opposition to H.R. 11202 which would appropriate more than \$5 billion for operations of the Department of Agriculture in the coming fiscal year.

Now, I am not by any means an agricultural expert, but it does not take any specialized training in the field to recognize that 30 years of excessive production control and other Government intervention in agriculture, plus the expenditure of billions of dollars of taxpayers' money, have not solved the farmer's problems.

I am particularly disturbed by the increased appropriation for the Rural Electrification Administration contained in this bill. After branching out in directions only remotely related to its original statutory authorization, the REA has substantially fulfilled the purpose for which it was created during the depths of the depression.

When the agency was created, 25 percent of our Nation's population lived on farms. Today, only 8 percent of the population lives on farms, and the total number of farms has declined by 50 percent. Yet, instead of diminishing correspondingly, REA's activities have expanded. We have reached the point where REA-financed systems now constitute a tax-supported and tax-exempt power complex, in direct competition with private utilities.

In reality, the rural electrification program is not today an agricultural program at all. Instead, the REA's program is oriented primarily toward the rural nonfarm sector and toward suburban areas, both residential and industrial, within metropolitan complexes.

Despite long-term loans in excess of \$4.6 billion at the artificial interest rate of 2 percent and numerous other special subsidies and advantages, REA borrowers are not yet earning a return adequate to repay the Treasury the full cost of its own borrowings or to assume a proportionate share of local, State, and Federal taxes. It is important not to overlook the fact that the cost of the REA program includes tax and interest revenues

lost, in addition to the total dollars directly appropriated.

You will recall that last year when we were considering appropriations for the Agriculture Department an amendment was offered by my good friend, the gentleman from New York [Mr. BECKER] to cut the funds requested for REA. In opposition to his amendment a spokesman for the committee urged us to stand by the committee by supporting the full amount requested and give the committee and administration an opportunity to work out the objections that had been raised to the operations of the REA.

The amendment was rejected; more than 11 months have elapsed, and the abuses resulting from REA's competitive practices are still rife.

Because the purpose for which the agency was created has largely been fulfilled—inasmuch as 98 percent of all U.S. farms receive central station electric service—and because its current activities are in direct conflict to our basic free enterprise system, I think this program, which is so often shrouded in secrecy, should be phased out. Then the taxpayers will no longer have to subsidize REA's invasion of private industry, private power, private financing, and free enterprise.

I have received a petition signed by many of my constituents, expressing their opposition to this continued direct competition with free enterprise and, as they so correctly point out in their petition, every Government agency that is in direct competition with any free enterprise, and that does not have to pay taxes, is a burden on every taxpayer in our country.

I would also like to express my concern over the competition resulting from the numerous inducements provided by the Federal Government to encourage American producers to expand their overseas activities, which together with the failure of our Government to adequately curtail imports, is threatening the livelihood of American farmers. These imports are a contributing factor to the tremendous surpluses we have amassed and must be curtailed before any further damage is done to our domestic industry.

The illegal handling of commodities shipped abroad under Government-financed programs, as illustrated by the diversion last year of American grain to East Germany, is another development that has deeply concerned me. I am hopeful that the steps being taken to prevent such diversions and similar manipulations in the future will be successful.

The sum requested in this bill could be drastically cut if we would gradually return control of the Nation's farms to the farmers who own them.

A farm policy that treats farmers big and small, rich and poor, as if they had the same problems and the same requirements for Government assistance is not based on a realistic appraisal of the situation. A support price that is high enough to cover the production costs of a small-scale, inefficient farmer provides

a rich opportunity for risk-free profit for the large scale, efficient farmer who spends much less on production costs and can, as a result make money by growing a crop that nobody needs.

The basic issue in the field of agriculture is the issue faced in many other fields. What is going to be the role and responsibility of the Federal Government? Is it going to take over control and management of our farms and regulate farm prices with more and more Federal bureaucracy? Or will we move in the direction of reducing the role of Government in agriculture and allow the market system to determine the value of commodities and returns to our farmers?

The longer an adjustment is postponed, the more difficult it will be to extricate agriculture from its present difficulties. We must begin the transition to greater reliance on the market and less reliance on restraint, regulation, and manipulation. We can begin now by voting against appropriations proposed at the level in this bill.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. McFALL].

Mr. McFALL. Mr. Chairman, I wish to compliment the subcommittee for adding funds for expanded research in diseases affecting agricultural crops, which continue to take a heavy toll on the sugarbeet crops in the various areas of my State of California today. This is particularly true in the case of the yellow viruses and nematodes. Depending upon local conditions, those acres affected suffer severe losses in production.

We are aware of and thankful for the research on these matters which is now in progress at our research station at Salinas, Calif., as well as several projects now being carried on at the University of California. Local interests are contributing what limited funds they have available to these activities.

We believe that speedier solutions will come only as a result of expanded research on these and related problems, both in the USDA and the University of California, with due regard to keeping duplication of work at a minimum and to the ultimate objective of developing resistant seed varieties.

I know the chairman has discussed this matter previously in answer to a question from another Member, but I should like to ask the chairman if he believes there will be sufficient funds to provide for this research?

Mr. WHITTEN. I think there is a sufficient amount of funds for that research. May I say, as I tried to point out in my earlier opening statement, that a manpower ceiling has been imposed. They will not be permitted to have the manpower, but it may be in order for the Department to contract some of this work.

I would suggest to the gentleman, as I know he has, to take this matter up with the Department because they are the ones to pass on the qualifications and the number of people who do this kind of work.

Mr. HORAN. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. HALL].

Mr. HALL. Mr. Chairman, I appreciate the gentleman yielding to me. I am concerned about the alleged budget-saving cut in this appropriation bill that mostly applies to the conservation practices, to the extension services, to the soil and water conservation districts, and the watershed planning areas of the Department of Agriculture. I think these are good practices. They are, and do encourage conservation of our God-given resources for posterity.

It is well known it requires \$25,000 per district to staff a new district. It would require \$200,000 additional funds in the 1965 Appropriation Act to provide a technical staff for the new districts being organized in Missouri alone. If such funds are not provided, these new districts will either be without technical assistance or technical assistance will have to be withdrawn from the existing 60 districts in Missouri to assign to the 8 new districts.

I would assume generally, Mr. Chairman, the same thing applies to the agricultural conservation practices and particularly to the extension agents on whom we have come to rely through the University of Missouri, the Department of Agriculture, and its counterpart at the Federal level in the various counties.

Then I am also concerned about the funds to continue the full complement of watershed planning technicians assigned in this State.

From watershed funds appropriated for the fiscal year 1964, \$82,000 is allotted to Missouri to provide for a watershed planning staff. This staff consists of a six-man team including a party leader, a hydraulic engineer, a planning engineer, a geologist, an economist, and an aid.

In the 1965 budget estimates there is a provision for a 20-percent reduction in funds for watershed planning. This would result in a \$16,000 reduction in funds for watershed planning in Missouri. These matching funds are hard to come by. It would require reducing one, or maybe two, of these highly trained and experienced watershed planning technicians.

This is one of our most important efforts. There is great need for stability and planning. We must not vacillate and unduly "put upon" the States.

Applications for watershed planning assistance have been received from 44 local sponsoring organizations in Missouri of which many are from the Seventh District in southwest Missouri generally known as the Ozarks with its many rocks and rills that has real problems of soil and water retention.

Watershed planning has been approved for 13 of these organizations and 8 of their work plans have been approved for operations. The remaining 31 watershed sponsors are waiting for planning assistance. Goodness knows, we are doing everything possible to help ourselves. There is an urgent need to continue the present watershed planning staff in Missouri as a bare minimum, and I am sure in many other States.

Mr. Chairman, because soil and water conservation is a vital issue in southwest Missouri we are particularly interested in the Soil Conservation Service and anything that affects it.

Missouri is the only State in which soil and water conservation districts do not cover at least half of the counties. But this is changing rapidly, and my district, the Seventh Congressional District—in the vanguard of this forward step—is a good example of what is happening. As of now we have seven soil and water conservation districts. On July 1 of this year two more will be organized and a third is scheduled before the end of the year. Meanwhile, organizational activities are underway in three more counties. When these are completed about two-thirds of the Seventh District will be covered.

We are interested in the Soil Conservation Service because in water for irrigation, in the improvement of pastures, ranges and grasses, and in improvement of timber, all of which constitute basics in our economic condition, it is the specialists of the Soil Conservation Service on whom we depend for technical guidance.

In one county last year the farmers, through their soil conservation district, completed construction of water impoundment structures on four lakes of 8 acres each. They needed this water storage to irrigate their farms. Without the technical assistance of the Soil Conservation Service this would have been a costly project, and quite probably unaccomplished.

Woodlands development in our section of the country is a tremendous asset in commercial use and esthetic enhancement of our great Ozark highlands. Here again, Soil Conservation Service conservationists and woodland specialists provided technical information that aided residents of the area to make decisions vital to their welfare.

I should like to underscore the fact that the workload in existing districts is increasing. In fact, a backlog is steadily building up. Now we are creating new workloads in districts that are organizing this year in my congressional district. All this adds up to a great need for more technical assistance from the Soil Conservation Service.

The National Association of Soil and Water Conservation District recommends an increase in the Soil Conservation Service appropriation for conservation operations in the sum of \$10 million to meet present needs. I wholeheartedly support this recommendation, Mr. Chairman, and I likewise support the Association's recommendation for \$7 million additional for watershed planning and operations.

These increases will help us keep pace with the technical assistance required in our growing number of districts and watershed projects, and the demands in my area for help in pond construction, pasture improvement and other activities in which we definitely need more Soil Conservation Service technical help. There was such a demand recently for pasture development that the Soil Conservation Service had to assign a range

specialist to assist district cooperators in my area.

I hope the bill is favorably recommended and that the committee will urge the Department of Agriculture to follow along and emphasize these four principal lines of: First, extension services; second, agricultural conservation practices; third, soil and water conservation; fourth, watershed development and practices.

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. ICHORD. Mr. Chairman, contained in the Department of Agriculture 1965 appropriation bill are funds for various programs so vitally necessary to both the agriculture industry and the American consumer, including such programs as research, disease and pest control, extension, marketing services, sundry inspection services, and other assistance programs. One is certainly deserving of utmost attention of Congress; namely, the Soil Conservation Service. This agency performs an invaluable and essential service to many, including those engaged in agriculture. Help from the Soil Conservation Service has enabled a great many farmers to apply conservation practices that they otherwise would have found difficult to do. Sound soil and water conservation practices are fundamental to keeping our streams flowing clear throughout the year. Unless technical assistance and cost-sharing programs to soil conservation and watershed protection districts are continued, our future water supplies and land-use planning are in jeopardy.

The Soil Conservation Service is a major participant in our steadily moving ahead with the work to protect and improve farmland and watersheds. There are a great many very important values involved in the nationwide effort as thousands and thousands of farmers voluntarily work together toward the constructive purpose of improved use of land and water resources in America and for a better system of land and water management.

Of special interest to me is title I provisions of \$207,454,000 for the Soil Conservation Service, of which \$770,000 is set aside for the formulation of new soil and water conservation districts. Local conditions resulted in a delay in organizing districts in Missouri. The committee's consideration is recommending funds in this respect is indeed farsightedness and will enhance agricultural activity and the economy. The State of Missouri is now moving ahead very rapidly in organizing soil and water conservation districts toward the goal of having the entire State organized. Plans are being made on a wide scale to use the resources of participation in the program to combat the economic depression in some area development counties. By means of the soil and water conservation programs farmers and landowners are determined to keep their soil and water resources productive. Only through conservation accomplishments can this objective be attained. Conservation and development of natural resources is beneficial to the overall econ-

omy—the community, county, State, and the Nation as a whole.

The Soil Conservation Service has made many advances in its 29 years of existence, but much remains to be done. I extoll the value and need for watershed, soil and flood prevention programs in the Nation and especially in my district in Missouri, and, therefore, urge the passage of H.R. 11202, the 1965 agricultural appropriations bill.

Mr. LANGEN. Mr. Chairman, I wish to recommend to every Member of the House the committee report which accompanies H.R. 11202, presently before us for consideration. The chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], the ranking minority member, the gentleman from Washington [Mr. HORAN], and each of the other members of the subcommittee, are most deserving of every compliment and recognition in having produced one of the best committee reports that I have had occasion to review and study since coming to Congress. The report and bill are noteworthy, not only because of the extent to which agricultural needs are provided for by appropriation, but just as significantly, for the explicit informative analogy that the report sets forth concerning the many varied phases of agricultural problems today.

There have been many times during the course of this Nation's history when agriculture has been deserving, and in a position where it was in need of the most diligent and constructive attention of the Congress. A like and equally urgent situation now faces our national economy, together with consumers and producers of food and fiber.

Most of the pertinent and salient parts of the bill and the report have already been called to the attention of the House. It becomes my purpose to briefly endeavor to place some additional emphasis on a few of the points that are, in my judgment, particularly significant.

In order to discuss them with realistic understanding, it is well for us to make note of and further expand on the paragraph on page 9 of the report, entitled "American Agriculture—A Long-Range Consumer Concern."

The statistics indicate that farm population is decreasing, while the investment required per farm is increasing, and at the same time the farmer's share of the consumer's dollar is rapidly decreasing, together with his net income. This has created greatly reduced income potential for farm operators that in 1963 reverted back to 1939 levels with indications of further declines in 1964. Such economic decline for the people who produce our society's most essential commodities of food and fiber at a time when every other segment of this Nation's economy is enjoying a substantial economic increase and period of prosperity stands before us today as a major threat to the future economic well-being of the entire Nation.

This is well stated on page 12 of the report in the second paragraph, which concludes with the reminder that every major business recession in this country has been preceded by the loss of income and purchasing power at the farm level.

The item in the report entitled "The Consumer's Stake in Agriculture Is Increasing," sets forth the most desirable and envied position of the consumer in America today when compared with the rest of the world, in that the food per capita expenditures in the United States are the lowest in the world when related to consumer income. The predicted population increases, to reach 340 million by the year 2000, are indicative of the great need for this country to conserve its food production resources, maintain its efficiency, and encourage the even further development of individual productive know-how that is so prevalent throughout our agricultural community.

Let me reemphasize the paragraph on page 13 of the report which states that "unless our present system of agriculture can survive, it is conceivable that the time could come when a significant portion of the 92 percent of nonfarm population will again have to return to the soil to obtain their food supply. This is the situation in certain Soviet-controlled countries and other areas of the world."

I am sure that no one would entertain any desire that such experience be a part of our future.

These are but a few of the very pertinent circumstances that the report sets out so explicitly which emphasize the need for diligent study of this report by all Government officials as we attempt to cope with and ponder the solution to existing problems.

I want to specifically direct attention to the item on page 15 of the report, entitled "Urgent Need for Control of Excessive Agricultural Imports," for it has become increasingly evident that a major portion of the problem that confronts us today has been aggravated and encouraged by the imports of unneeded agricultural products that are already in surplus. I can enthusiastically support and consider it essential that the suggested special investigation of cattle imports be instigated at once. I have already recommended to the Departments of Agriculture and State, the Tariff Commission, and the Geneva negotiators that a comprehensive investigation be made of our entire policy as it relates to the distribution and exchange of agricultural products in international trade. The recent experience with beef imports and its effect on the American market which has caused farmers throughout the Nation to suffer great income declines and losses in the last 2 or 3 years is surely a very convincing case in point.

Not only have farmers suffered dire consequences, but it is now proving to be a very expensive situation for Government in requiring the purchase of large quantities of beef and meat products in very feeble and unsuccessful attempts to bolster the market. It seems almost inconceivable that such a situation could be permitted to develop, in view of existing law which reflects the wisdom of the Congress in establishing the necessary safeguards against these hazards when it enacted section 22 of the Agricultural Act in August of 1935.

Again I quote from the report:

It is impossible to maintain a balance between supply and demand through buying up of surpluses, using section 32 funds or otherwise, when unlimited amounts can enter this country from abroad in direct competition with American production.

It is even more surprising and difficult to understand some of the present activities of our Government under these circumstances which even further amplify the problem, and which, in my judgment, amount to a complete disregard for the future well-being of the American farmer and the American consumer.

I call to your special attention the fact that oversea production is encouraged by the United States under the AID program, which is set forth very clearly and distinctly on page 17 of the report. The fact that through the AID program we provide as much as 50 percent of the traveling expenses in order to explore the feasibility of private investments abroad, some of which have been the production of beef cattle, and then provide loans with which to set them up in business, with further investment guarantees, certainly indicates unfair competitive advantages that are not available to the American producers. In addition, tax advantages have been suggested.

But even this is not the greatest folly presently being promoted which can have no other result than further hardship, more government restrictions, and expense to the taxpayer, that has very recently been recommended to the Congress. I refer to the legislation sent to the Congress, supposedly designed to alleviate economic problems in Appalachia. One of the recommendations relates directly to agriculture and proposes that an accelerated pasture improvement and development program be instigated, involving 9½ million acres of land, at a cost of \$22 million for fiscal 1965, with comparable or even expanded expenditures for the next 5 years.

Having reviewed the problems that now confront the beef industry, it defies imagination to visualize how anyone closely associated with existing conditions could possibly make the following statement, which appears in the report of the President's Commission:

Its development and use for beef production over the next few years would help to meet the Nation's rising demand for beef. Sufficient potential pastureland and a growing local market (the region presently imports beef) are available to sustain a substantial and profitable expansion of the cow-calf industry throughout the Nation * * *. We believe that the potential in beef is so outstanding that the major original effort in agriculture should be concentrated there.

Such a statement, following the Department of Agriculture's recent announcement that a purchase program was necessary in order to attempt to bolster beef prices, and with thousands of complaints from all over the Nation relating to the present dire circumstances of the beef production industry, represents the very height of irresponsible recommendations. It is no wonder that farmers are becoming concerned about

"What is Government going to do to us?"

The complete lack of regard for the American farmer and these conditions is further emphasized by a letter addressed to the Honorable Franklin D. Roosevelt, Jr., Chairman of the Appalachian Regional Commission, which reads as follows:

HON. FRANKLIN D. ROOSEVELT, JR.
Chairman, President's Appalachian Regional Commission.

DEAR MR. ROOSEVELT: We, the undersigned members of the Cabinet and heads of Federal agencies, have reviewed the report of the President's Appalachian Regional Commission of which you are Chairman. As you know, our respective departments and agencies have participated in the preparation of the report. Each of us has been represented on the Commission itself, and our staffs have provided technical support in the drafting effort.

We want to express our support for the action program outlined in the report. We shared the concern of the late President John F. Kennedy when he called for an action program to restore the economic vitality of Appalachia. We join with President Lyndon B. Johnson in his decision to employ, to the maximum extent possible, the resources of the Federal Government in a concerted effort to assist the people of Appalachia.

If the joint Federal-State program called for in the report can be fully implemented, the basis will have been provided for a sound economic development program in the Appalachian region. We know we speak for all the Federal Government when we pledge our full participation in that program and its implementation.

Sincerely yours,

This letter is signed by six members of the President's Cabinet; namely, Celebrezze, Health, Education, and Welfare; Dillon, Treasury; McNamara, Defense; Udall, Interior; Hodges, Commerce; and Freeman, Agriculture. In addition, it is signed by Wagner, Chairman of the Tennessee Valley Authority; and Seaborg, Chairman of the Atomic Energy Commission, as well as Foley, Administrator of Small Business; Webb, Administrator of Aeronautics and Space Administration; and Batt, Administrator of the Area Redevelopment Administration.

I would recommend that each of these very prominent Government officials direct their attention to this committee report and a number of statistical reports recently published by the Department of Agriculture, which identify the seriousness of the entire agricultural problem, more specifically, beef imports.

The failures of ARA and APW programs are also prominent on the scene of agriculture, in that they, first of all, have failed to improve conditions in Appalachia, so that recommendations are now necessary that can only provide further hardships for farm families and communities who have made such a great contribution to the best fed nation in the world. They have built sugarbeet processing plants in new, unproven areas at Government expense, necessitating a refusal to permit other proven farm areas to even make use of the beet-producing possibilities that we know exist, at no cost to the taxpayer.

These actions are comparable to the production of crops on irrigated lands which have aggravated surpluses and depressed farm prices. These projects have been financed by Government dollars, without interest, to the detriment of agricultural areas and farmers who have had sufficient productive capacities at no Government expense. This has created the need for more restrictions and production limitations to be placed on innocent farmers in other sections of the country.

While these are but a few of the many undesirable circumstances that confront the future of agriculture, I have pointed them out because they identify the extent to which these problems are actually Government-oriented, with seemingly little hope of improvement.

These problems are the right and just concern of every American citizen, whether he considers himself as a producer, consumer, or taxpayer. They represent problems that this House ought to be seriously concerned with today, as we are called upon to approve a commendable appropriation bill; for while this bill shows a reduction in present expenditures, which, by the way, cannot fully be ascertained until such time as experience with newly enacted programs has been documented, they alert us to the fact that greatly increased expenditures are almost certain to be the needs of tomorrow.

Government programs which now demand huge expenditures impose on farm people undesirable restrictions and regulations, and have all been enacted at times when farm income persisted at levels that were lower than and out of proportion with the rest of the Nation's economy. Therefore, if these conditions are permitted to prevail, it becomes easily predictable that further Government control and expenditures are obviously realities of the future. The final result could be a Government strait-jacket for farmers that would completely ruin his freedom and productive ingenuity.

So often, we hear and are reminded that the American farmer is the cause of these needed Government programs. We have just seen typical examples of how these problems have become acute by factors over which the American farmer had absolutely no control, and are rather the results of a complete failure on the part of Government to follow the directives of Congress or to recognize their responsibility to the American farmer and this Nation's economic well-being. Unless Congress takes the proper steps to correct these conditions, it will quite obviously become necessary to substantially increase undesirable appropriations in future years. As we have seen by this analysis, many of today's problems can be corrected by Government actions that would require no added expenditures, and, in reality, provide an opportunity to reduce the costs, and so be a great contribution toward a balanced budget.

It is, therefore, imperative that every Member of Congress and respective com-

mittees direct the same diligent attention and analysis that has been so explicitly registered by the Appropriations Subcommittee on Agriculture. They have truly rendered a great service to the entire Nation, if we now take heed of the analysis and warnings that they have set before us. The American farmer has earned and is justly deserving of at least this minimum consideration for an enviable record over the years.

Mr. LIBONATI. Mr. Chairman, the appropriation for the Department of Agriculture and related agencies for 1965 as reported in H.R. 11202 total \$5,182,665,000, an amount less than the 1964 appropriation in the sum of \$1,059,632,215.

One of the important items is an appropriation of \$1,500,000 for a study research of tobacco at the University of Kentucky Tobacco Research Laboratory—adjacent to the Medical Research Center. The purpose of the study is to remove such ingredients that are detrimental to public health of the user.

Another item for additional research is the pesticide residue problem including insecticides together with the effects of sprays, and so forth, used in agricultural production. The effect upon fish of certain agricultural pesticides as well as the chemical insolubility of certain substances comprising the pesticide formula resulting in stream pollution will be studied. An appropriation of \$1½ million has been recommended in the bill. The use of fertilizers, insecticides and pesticides insures higher quality foods and an abundance of crop return. Otherwise the production of food crops would decline—an the ravages of insects and pests if unabated would result in a shortage of essential foods. A strong agricultural economy insures a strong national economy. Industry and agriculture are dependent on one another to maintain the financial stability of the Nation.

The committee is to be congratulated in its refusal to follow the recommendation of the Bureau of the Budget to eliminate marketing research which has been of controlling importance to the interest of the consumers. These stations located at Chicago, Boston, Philadelphia, New York, Pittsburgh, Detroit and many other cities conduct marketing studies to improve marketing facilities an activity extremely valuable to the consumers of the Nation. The appropriation of \$662,000 to protect the consumer by slicing an equivalent amount from the appropriation for the Agency for International Development, whose purpose is to train our competitors in technical assistance, and so forth, in world agricultural markets.

The general activities in its various divisions and classifications receive \$1,393,687,000, the credit agencies \$55,885,000; corporations, including Public Law 480 and other assistance programs, \$3,733,093,000 and Farm Credit Administration \$2,876,000.

It is with a deep sense of appreciation that we commend Chairman JAMIE L. WHITTEN and the work of his committee in giving special emphasis to consumer interest and the problems that confront

industry and agriculture necessitating wide and broad programs of research in order to arrive at a basic solution. H.R. 11202 represents a fine contribution to strengthening the agricultural economy and the national economy and secures for the consumer a real protection of their interests both in food quality and cost levels. It constitutes much to the stability of farm interests at every level and continues our interest in international world markets and competitive problems. As an important legislative act it stands alone as a masterful treatment of a most sensitive area of our national activity which controls the very life of our total economy.

Mr. BOW. Mr. Chairman, this seems an appropriate day to remind ourselves that agriculture is still the basic industry of the United States, and that it is basically a healthy industry, despite all of the problems that usually occupy our time when we discuss it.

For this reason, I was delighted to find an optimistic and forward-looking article about Ohio's agriculture in the current issue of the Central Economic Letter, a publication of the Central National Bank of Cleveland.

The article is the work of Dr. Roy M. Kottman, dean of the College of Agriculture at Ohio State University, director of the Ohio State Agricultural Experiment Station and of the Ohio State Extension Service, and an outstanding leader in his field.

I include Dr. Kottman's article with my remarks, as follows:

OHIO'S SURPRISING AGRICULTURE—A GROWTH INDUSTRY

(By Roy M. Kottman, dean, College of Agriculture and Home Economics, the Ohio State University)

Ohio is one of the richest agricultural areas in the entire world, and its future never looked brighter. In fact, agriculture in Ohio is one of the State's most significant growth industries. This comes as a startling new fact to even many citizens of Ohio.

Just as startling to many is the renewed realization that agriculture today is one of the basic industries. For this industry includes not only the farm products themselves but also the wide variety of processing, manufacturing, and distribution activities that grow out of this farm production.

What is often lost sight of is the fact that farming, like any other creator of new wealth, produces \$3 to \$5 of related economic activity "along Main Street" for every \$1 of new wealth produced on the farms themselves.

Ohio's agriculture is now operating at an alltime peak. Compared with the level of even 20 years ago, the State's farmers are now producing: three-fourths of a billion more pounds of milk each year; 140 million more pounds of beef; more than twice as much corn; \$100 million worth more of soybeans; a million more bushels of wheat (on a half-million fewer acres).

In total, Ohio now has 140,000 farms and more than a billion dollars of cash receipts each year. Just as importantly, there are 125,000 business concerns in Ohio that are in some way related to agriculture. So taken altogether, the State of Ohio now has an agricultural industry of \$5 billion annually.

Much of this \$5 billion industry is contained in off-the-farm activity—the feed mill and the laboratory connected with it, the industrial plants that manufacture farm machinery and equipment, the laboratories of our universities, and the agricultural experiment stations, and so on.

But Ohio is one of the top States in actual farm production. For example, it ranks sixth in corn, sheep, and hog production; seventh in soybeans, oats, and milk; and ninth in wheat production. We're also second in the production of tomatoes, third in maple products, fourth in red clover seed and honey, and fifth in popcorn, and eighth in turkey output.

This farm production in Ohio today directly involves 140,000 farmers. The number of off-farm agricultural business establishments in Ohio comes to 125,000. Together, they account for about 20 percent of the total employment in Ohio * * * 750,000 of the 3,900,000 persons employed in the State.

One should bear in mind one further fact: new wealth on our farms leads to more economic growth in the farm communities. For instance, \$3,000 to \$5,000 in additional business accrues from the introduction of any of the following:

Four cows (10,000-pound producers); 10 brood sows; 21 calf-producing beef cows; 50 fed steers; 72 sheep, or 600 laying hens.

Of course, the reverse is also true. Whenever a community loses these increments of production it loses \$3,000 to \$5,000 in business.

As for the future of agriculture in Ohio, it's extremely important that we move strongly ahead with agricultural research and education. The most pressing reason for this is the population explosion now occurring in Ohio, the entire United States, and the world. Ohio probably will have a population of about 12 million by 1970 and perhaps as much as 15 million by 1980. Forecasts indicate that by 1980 this country will have a population of about 240 million people, as contrasted with the 190 million we have now. Worldwide, the current population of 3.1 billion will swell to 6.3 billion by the year 2000 * * * an addition every 3 years of the current total population of the United States.

Now, what do these population figures mean for Ohio in terms of food requirements alone? Let's consider only the additional food that will be consumed in Ohio in 1980 by the additional people who will be living in the State by that year * * * those people who are not living there now. Using present rates of per capita consumption, let's consider first the potential in the poultry industry only.

Ohio now has about 12 million laying hens and they produce about 210 million dozen eggs annually. Ohioans now consume about 280 million dozen eggs each year. The additional eggs that will be needed in Ohio to take care of additions to the population by 1980 total out to 135 million dozen eggs.

If we in Ohio produce this additional 135 million dozen eggs, we will use about 15 million bushels of corn to feed the additional 8 million laying hens that will be required. This will mean \$43 million in new wealth for Ohio's economy each year.

What about turkeys? We produce about 3.8 million last year. The additional requirement needed to feed Ohio's population in 1980 is about 2.5 million more birds. This will mean another 2.5 million bushels of corn. And, in all, Ohio will receive at least \$12 million in new wealth.

Ohio had about 13.5 million broilers on feed (on an annual basis) in 1963. We are currently shipping into Ohio about 225 million pounds of broiler meat annually. If we were to produce the broiler meat needed by the addition to our 1980 population, we would have supplied a market for 170 million pounds of broiler meat and made possible the production in Ohio of 47 million broilers each year * * * generating \$25 million of new wealth and using nearly 4.5 million bushels of corn.

All of the above developments, will of course create many new jobs * * * for feed

manufacturers, the processing industry, utilities, building material firms, equipment manufacturers, insurance companies, and so on. The point is that somebody, somewhere, somehow is going to provide all those additional broilers, turkeys, eggs, and the like. We can have this new business for Ohio—for Ohio's people.

Corn, milk, and beef production, important aspects of Ohio's agriculture, will see unparalleled growth potential.

Thus, Ohio agriculture has an unparalleled opportunity ahead of it. But, are we going to have the know-how to compete for this market? Are we going to make the investment now that will insure our being competitive in the future? If we all work together * * * business and industry, Government and education * * * we can generate new wealth to the tune of hundreds of millions of dollars in Ohio during these next 20 years.

Mr. FOUNTAIN. Mr. Chairman, I want to associate myself with the remarks of the distinguished chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], in opposition to the Pilcher amendment calling for an additional appropriation of more than \$1 million for a peanut research laboratory.

Mr. WHITTEN and his Agricultural Appropriations Subcommittee have gone into this problem carefully. They know the facts. They say the request has not been justified. With this conclusion, I must agree. I have a great affection for every member of the Georgia delegation, including our distinguished and able colleague, the gentleman from Georgia [Mr. FORRESTER]. I am terribly sorry he is sick. I do hope he will soon be back with us. He is a great Congressman.

However, I cannot support the Pilcher amendment, as much as I would like to help our good friend, the gentleman from Georgia [Mr. FORRESTER], who has fought so hard for so long for a research laboratory at Dawson, Ga. District loyalty is a great thing. If I believed, as he does, that this additional research facility was needed, and if his district were mine, I would probably be doing the same thing—even while sick in bed.

I represent a congressional district which grows more than half of the peanuts—Virginia type—grown in my home State of North Carolina. My peanut people are as opposed to this amendment, as are those from the district of my able colleague from Virginia [Mr. ABBITT]. Two of the largest peanut-producing areas in the Nation are opposed to this appropriation. They say it is unnecessary, that it would be an unwise, even a wasteful, expenditure—that the funds, if needed to any extent, should go to improve research already being carried on neutral grounds in New Orleans.

The North Carolina Peanut Growers Association, composed of all peanut growers in my State, have on several occasions expressed opposition to this proposal. I know of no change in their position.

More persuasive, however, at this time than any other arguments, is the fact that the President, through the Department of Agriculture and the Budget Bureau, has not requested the funds sought

by the Pilcher amendment. In fact, he has not requested the more than \$400,000 included in this bill for shelling research.

After our President has enunciated a "Thrifty and Frugality" policy which encourage the elimination of all but essentials, and since he has not requested these funds, and when the Appropriations Committee has likewise concluded that they are not needed—how can I, a noncommittee member conclude otherwise?

I, therefore, urge the committee to defeat the amendment of the gentleman from Georgia [Mr. PILCHER] in the interest of the taxpayers of America.

Mr. CHAMBERLAIN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois [Mr. FINDLEY], which would delete funds for the Department of Agriculture Market News Service. I am satisfied that this is one area in which the Federal Government would do well to stay clear of. Certainly the existence of a leased wire service financed by taxpayers carrying news written, edited, and distributed by the Department of Agriculture is enough on its face to raise grave misgivings about its desirability since it clearly presents a very real possibility for news managed in accordance with the views of particular officials of the Federal Government. It is not without reason that programs of the U.S. Information Agency are not permitted to be heard and shown within this country. The reason is simple. It is feared, and properly so, that without this prohibition the possibility would exist for the American public to be propagandized by its Government. The issue at stake here is basically the same for there is no reason to assume that the same possibility does not exist in the case of the USDA News Service. The extent to which the Government has intervened in the agricultural life of the Nation itself suggests the need to keep the news sources available in this area completely free from interference. Consequently I wish to associate myself with the views of those who stand here today in opposition to this Government news service and in support of the amendment to delete it from the budget of the Department of Agriculture.

Mr. REUSS. Mr. Chairman, conservationists will welcome the inclusion in the agriculture appropriation bill of the proviso that no portion of the funds for the agricultural conservation program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as "wetland types 3, 4, and 5" in U.S. Department of the Interior, Fish and Wildlife Service Circular 39, "Wet Lands of the United States, 1956."

Until 2 years ago, the Department of Agriculture was busy subsidizing farmers to drain millions of acres of wetlands, much of which had a high value as a waterfowl habitat. Meanwhile, our continental population of ducks and geese was constantly dwindling, as their resting and nesting grounds disappeared. The ability of the Department of Agriculture to blot up wetlands considerably exceeded that of the Department of the

Interior to purchase a supply of the remaining wetlands for waterfowl refuges.

Since the addition of the quoted proviso to the Agriculture Appropriations Act 2 years ago, subsidized raids on our wetlands have sharply decreased. I include the report to me of February 17, 1964, of Acting Director A. V. Tunison of the Department of the Interior, Fish and Wildlife Service, Bureau of Sport Fisheries and Wildlife, setting forth the accomplishments:

FEBRUARY 17, 1964.

HON. HENRY S. REUSS,
House of Representatives,
Washington, D.C.

DEAR MR. REUSS: This letter provides a statement of our current views concerning the proviso included in the Agricultural Appropriation Acts for fiscal years 1963 and 1964, which prevented Federal cost-sharing and technical assistance under the 1962 and 1963 agricultural conservation programs for drainage of wetlands classified as types 3, 4, and 5 in our Circular 39, "Wetlands of the United States."

The Bureau of Sport Fisheries and Wildlife favored inclusion of this proviso in the 1963 and 1964 Agricultural Appropriation Acts, and would favor a similar proviso in future annual appropriation acts as a practical means of helping to preserve wetlands valuable as wildlife habitat.

Wetlands of types 3, 4, and 5 are important habitat types for upland game and fur animals as well as being of primary importance to waterfowl. Collectively they amount to nearly 9 million acres or roughly 10 percent of the remaining natural wetlands in the 48 contiguous States.

Responsibility within the Department of Agriculture for determination of wetlands to be affected by the proviso under the 1963 program was assigned to the Soil Conservation Service. In preparation for this aspect of the 1963 program that Service provided its field personnel with guidelines to aid them in identifying wetland types. In some instances, when requested to do so, the Bureau of Sport Fisheries and Wildlife assisted the Soil Conservation Service fieldmen in the development of these guidelines. Administration of the proviso at field level, insofar as we know, was carried out by the county ASC committees in most States without undue objection from local farmers. The 1964 agricultural conservation program is currently getting underway in similar fashion. Restrictive provisions for drainage eligibility in State and county program dockets have reduced the number of cases to be considered under the proviso.

In the prairie pothole States of Minnesota and the Dakotas we believe that the proviso has had special usefulness in supplementing the program of drainage referral inspections being carried out under provisions of Public Law 87-732. The provisions of that law, as you know, authorize inspection of drainage referrals in all counties in the three pothole States. In practice, the Bureau has been forced by limitations of time, funds and manpower to concentrate its inspections and acquisition activities in the 89 counties of primary interest from the standpoint of preserving valuable waterfowl habitat. Thus, although only limited inspection in other counties has been feasible, the valuable types 3, 4, and 5 wetlands they contain have been protected at least temporarily from drainage with Federal assistance. A similar beneficial effect is anticipated under the 1964 agricultural conservation program.

Finally, it is our belief that the proviso has been and will continue to be of substantial benefit in encouraging preservation of privately owned wetlands in the three pothole States and throughout the country. As

pointed out on page 12 of our Circular No. 140, "Your Stake in Wet lands," "Efforts of conservation agencies to purchase and manage wet lands cannot alone do the job of preserving them: most wet lands must remain in private ownership as a trust. The Bureau of Sport Fisheries and Wildlife, in programs coordinated with other wildlife agencies, seeks to preserve by public ownership or control a nucleus of some of the best remaining wet lands. It also seeks to encourage preservation of those wetlands still in private ownership."

At this time, therefore, there is good reason to believe that the results of the proviso in preserving wetlands have been in keeping with the objectives of the Bureau of Sport Fisheries and Wildlife.

Sincerely yours,

A. V. TUNISON,
Acting Director.

Mr. Chairman, the proviso, by definition, does not cover wetlands types 1 and 2, which are the smaller wet spots rather than the larger wet lands. While Public Law 87-732, also passed in 1962, attempts to deny subsidies for these types of wetlands in the so-called prairie pothole regions of Minnesota, North Dakota, and South Dakota, its effectiveness in North and South Dakota has so far been blocked by the refusal of the Governors of those States to allow the wetlands purchase program of the Fish and Wildlife Service to operate. I hope that efforts now being made to implement Public Law 87-732 will be successful. Meanwhile, we can be grateful that the agriculture appropriation bill once again outlaws subsidies for types 3, 4, and 5.

Mr. KASTENMEIER. Mr. Chairman, the language in the committee report on H.R. 11202 relating to Department of Agriculture's work for AID has caused some confusion and much concern.

Last week I had a member of my staff prepare a memorandum to clarify some of the ambiguities in the report as well as to state concisely the report's effect, the nature of the work which USDA performs for AID, and the position of both the Department and the agency on the committee's suggestion that this work be terminated.

I would like to include this memorandum at this point in my remarks for the benefit of those members who have not had the opportunity to explore this aspect of the report in detail.

USDA AND RELATED AGENCIES APPROPRIATIONS BILL; PROVISIONS IN THE COMMITTEE'S REPORT DIRECTING USDA TO TERMINATE IMPORTANT WORK DONE FOR AID AND RECOMMENDING A CORRESPONDING REDUCTION IN THE AID APPROPRIATION

A. THE COMMITTEE'S RECOMMENDATIONS

USDA does certain work for AID on a reimbursed basis; funds are appropriated to AID for technical assistance items, and AID transfers some portion of these to USDA to cover the work done. Manpower allotments are assigned to USDA from the AID manpower ceiling to meet USDA's added requirements.

The committee recommends that \$8,871,000 be added to the USDA budget for domestic programs not asked for by the administration. It further suggests that this restoration be "financed" by a corresponding reduction in the work done for AID. The following summarizes the committee's action in this respect.

Page 3, paragraphs 2 and 3: "The Department is directed to provide a budget balan-

cing offset to these restored items by eliminating an equivalent amount of work for the Agency for International Development, for which a transfer of nearly \$12 million is proposed for fiscal year 1965.

"In the opinion of the committee, it is far better to use taxpayers money to improve American agriculture and protect the American consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development."

Page 5, paragraph 5: "Discontinuance of Agency for International Development as the work done by transfer of funds from the previously directed will make 448 man-years of employment ceiling available to cover the 428 man-years required to cover the activities restored for fiscal year 1965 as discussed above. Most of this is for research, soil conservation operations, marketing research, and statistical reporting service as outlined above."

B. COMMITTEE FINDING

1. That work done for AID by USDA reduces USDA resources for domestic programs.

2. That work done for AID by USDA puts recipient countries in competition with U.S. producers in United States and world markets.

3. That even if the recipient countries do not compete seriously with U.S. producers in United States and world markets, anything which tends to make them more self-sufficient also reduces U.S. export markets in those countries.

4. That assuming economic development and self-sufficiency are good long-run aims, AID-USDA assistance still provides an incentive for U.S. capital to enter recipient countries, finance export crop production, and export commodities back to the U.S. market to the detriment of U.S. producers.

C. THE EFFECT OF THE COMMITTEE'S RECOMMENDATIONS

1. \$8,871,000 is added directly to the bill. The nature of the items restored is set out on page 3 of the report.

2. The committee suggests a corresponding reduction in the 1965 AID appropriation. The Foreign Operations subcommittee has not given final consideration to the AID items which the present report suggests be deleted.

3. The report states the committee's understanding that termination of work for AID will leave the Department with 448 man-years of employment ceiling to cover the restored domestic items. This understanding is not universally shared; it is the administration's opinion that these man-years would revert to AID.

4. The Agriculture Subcommittee staff has interpreted the report to mean that USDA is directed to eliminate work for AID, even if AID has funds for the work and engages USDA to do it. This directive would be inconsistent with part III, chapter 2, section 621 of the Foreign Assistance Act of 1961, as amended, which requires the administrator to utilize USDA services under the circumstances present here.

D. THE NATURE OF THE WORK FOR AID WHICH THE REPORT RECOMMENDS BE ELIMINATED

1. About two-thirds of the funds in question go to support training in this country of foreign agricultural personnel. The remaining one-third supports technical assistance by USDA in AID-recipient countries.

Roughly one-half of the total amount appropriated is for foreign trainee subsistence payments. Thus, only the remaining one-half of the total amount in any way represents the cost of USDA employee services.

2. Manual orders and other directives governing both work abroad and training in this country are explicit in disfavoring assistance which would generate competition

with American agriculture in United States and oversea markets.

3. The thrust of the work done for AID is to develop diversified and stable agricultural economies in recipient countries. Stability and rising annual income in these countries has been demonstrably accompanied by a corresponding rise in both capital formation and imports of agricultural commodities from the United States.

E. OPINION OF THE AFFECTED AGENCIES

1. AID feels the work is essential and it would have to seek comparable services outside the Department unless absolutely restricted from doing so. But it doubts that many of USDA's services can be procured elsewhere and estimates that those which can be will cost far more if procured in this way.

2. USDA indicates that this work does not unduly interfere with its domestic programs. All work done for AID is attributable to funds and man-years units allocated from the AID accounts.

Mr. Chairman, in its report on H.R. 11202 the Appropriations Committee makes a wide-ranging probe into many of the key issues in agriculture today. I think the committee is to be commended for its continuing deep concern over the mounting disadvantages faced by the American farmer. And I was glad to see the committee stress a point which cannot be made too often—that the well being of the American farmer is the keystone of a healthy American industrial economy.

However, I cannot agree with the suggestion in the committee's report that the Department of Agriculture terminate the vital and fruitful work it does on a reimbursed basis for the Agency for International Development. This suggestion was made on the strength of an analysis of the world food resources which is quite plainly at variance with the realities of worldwide trends in population and agriculture; it would almost certainly be detrimental to the interests of U.S. agriculture if put into effect.

The committee's reports says:

In the opinion of the committee, it is far better to use taxpayers money to improve American agriculture and protect the American consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development.

In saying this the committee assumes that technical assistance to developing agricultural countries is bound to result in a threat to the American farmer—either through loss of traditional markets to the developing country or loss of markets in the developing countries themselves as they become more self-sufficient.

What the committee fails to account for, or even mention, is the cruel and ominous fact that for the foreseeable future there will be a growing world deficit of the basic U.S. export commodities. This deficit—these unmet nutritional needs—will provide an ever-growing market for the agricultural output of the Northern Hemisphere. But these exports alone, even when coupled by extensive concessional grants under Public Law 480 and similar programs, will not solve the problem. Exports must be combined with and preceded by growing crop yields in the developing countries

themselves, because commercial exports can increase only where there is foreign exchange to pay for them. Foreign exchange will not be accumulated unless there is a sufficient degree of economic development to stimulate its accumulation.

In virtually all of the countries receiving assistance under the program the committee seeks to end, economic development depends largely on intensification of agricultural output. Without this, nutritional needs will not be met and the capacity to engage in trade for American foodstuffs will not exist.

The USDA-AID technical assistance program is a modest effort in the direction of economic development, but it is a critical one. Without it we can only expect to see an even wider gap between the food supply and food needs of the Southern Hemisphere.

If we foster that gap, we will reap a bitter harvest of human misery with severe and dangerous consequences for the free world. We will not see, as the committee hopes, a meaningful growth of U.S. commercial exports to those countries. Without the degree of economic self-sufficiency which is necessary to sustain an adequate level of commercial trade, these countries will be more than ever dependent on concessional shipments from the Northern Hemisphere. American agriculture will, in turn, have to rely on massive Government purchases of these commodities, and the great potential of Public Law 480 as a stimulant to the development of oversea cash markets will have been wasted.

The prospect of a growing world food deficit is not pleasant. Still, it must be restated at this point because the committee's report takes no notice of what is one of the disturbing trends in the world today—a reality which makes the proposed termination of the USDA-AID technical assistance a dangerous and inexplicable course to follow.

The facts are these: In 1850 the world population was doubling at the rate of once every 80 years. By 1930 it was doubling once every 45 years. By 1975 it is estimated that this rate will close to once every 35 years, so that between 1975 and 2010 the world population will rise from 4 to 8 billion.

We can speculate that unseen factors will arrest this rate of growth somewhat. We can safely assume that new sources of nutrition will be fully developed to accommodate some portion of the mounting needs. Still, it is clear from what we now know that the need for conventional foods is going to be enormous for as long as we predict.

North American agriculture will meet much of that growing demand, but it will not meet it all. Even today our capacity to meet the present world food needs is strikingly inadequate.

Taken together, the United States and Canada have a projected wheat surplus over domestic needs of about 20 million metric tons in 1966. If this entire surplus is distributed and consumed where

it is most needed, there will still be a world wheat deficit of 34.1 million metric tons in 1966, measured by FAO regional nutrition standards.

A comparable situation exists in the world requirements of nutrients provided by nonfat dry milk. The diet-deficient regions are expected to be short by almost 2 million metric tons in 1966. The rest of the world will have a corresponding surplus of only 473,000 metric tons, leaving a net deficit of about 1.5 million metric tons.

These statistics, taken from Department of Agriculture publications, are only illustrative of the world food shortage problem. It cannot be met by American agriculture alone. It cannot be even approached by American agriculture in a world of underdeveloped, unstable, and dependent agricultural economies. Yet, the committee's suggestion would court this situation, and thereby defeat its own design of protecting and fostering markets for the American farmer. I trust the committee will not incorporate this suggestion into its report on the AID appropriation bill, and that the Department of Agriculture will not feel constrained to deny its unique services to the Agency when they are sought again for fiscal year 1965.

One final comment is in order on the effect of the committee's suggestion that the Department's work for AID be terminated. A reading of the Foreign Assistance Act of 1961, the 1963 amendments to it, and the accompanying debate make it quite clear that this language in the committee report is in direct conflict with a prior act of Congress.

The relevant provision is section 621 of the 1961 act, as amended most recently in 1963. That section reads in part:

In providing technical assistance under this Act, the head of any such agency or such officer shall utilize, to the fullest extent practicable, goods and professional and other services from private enterprise on a con-

tract basis. In such fields as education, health, housing, or agriculture, the facilities and resources of other Federal agencies shall be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs.

The Senate debate on the 1963 amendment to this section is unusually precise in spelling out just what the section means. I think any Member reading this debate would have to reach the conclusion that the AID Administrator is bound to seek the services of the Department for the work in question here. The only thing which would relieve him of this obligation would be a finding that the AID-related program would unduly interfere with the Department's domestic programs.

I have explored the possibility of a conflict between the Department's domestic manpower needs and the work done for AID, and I think it is fair to say that no appreciable conflict exists. The accompanying chart shows that the number of man-years attributable to professional employees is just under one-half that allocated for AID-related work. Although the professional manpower involved is not negligible, much of this involvement is on a short-term or part-time basis, both in the United States and abroad. It is the position of the Department that this commitment does not unduly interfere with domestic programs, and I would suggest that this judgment of the situation is the governing determination. If that judgment is made, the requirement of section 621 stands, and the Administrator is obliged to rely on the Department's resources. A directive to the Department to deny these resources would be no less inconsistent with the Foreign Assistance Act than a comparable instruction to the Administrator not to seek them.

Fiscal year 1965 estimated man-years of AID funded personnel under USDA responsibility (Administrative, technical consultation and support, training, and special projects)

Service	Total	U.S. based		Based overseas	
		Professional	Clerical and secretarial	U.S. professionals	Local employees—subprofessional laborers, and clerical
Agricultural research.....	215	32	12	60	111
Extension.....	17	6	8	3	-----
Farmer cooperative.....	2	1	1	-----	-----
Soil conservation.....	25	8	2	13	2
Economic research.....	43	10	3	12	16
Statistical reporting.....	10	6	4	-----	-----
Agricultural marketing.....	2	1	1	-----	-----
Foreign agricultural.....	17	-----	17	-----	-----
International agricultural development.....	77	33	41	2	1
Rural Electrification Administration.....	2	1	1	-----	-----
Farmers Home Administration.....	12	9	3	-----	-----
Forest.....	16	10	6	-----	-----
Other (information, library, management).....	10	3	7	-----	-----
Total.....	448	120	106	92	130

Mr. Chairman, I would like to insert into the RECORD at this point a letter I received today from Mr. James Patton, president of the National Farmer's Un-

ion, and an editorial appearing in the Des Moines Daily Register on May 13. I think they indicate that there is strong and intelligent support for the vital work

the Department does in connection with the Agency for International Development's technical assistance programs.

NATIONAL FARMER'S UNION,
May 19, 1964.

Hon. ROBERT W. KASTENMEIER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN KASTENMEIER: Farmers Union has taken the position that the Agency for International Development should be encouraged to draw upon the U.S. Department of Agriculture and its affiliated institutions to help these countries develop their agricultural capabilities to better meet the food requirements of their peoples.

Report No. 1387 on agricultural appropriations causes us concern in this respect.

As you and every citizen knows, vast populations in the less developed countries suffer daily from malnutrition and starvation. In many countries, more than half of the people experience this suffering, which increases susceptibility to disease, shortens life, thwarts human desire, and blunts the will of the people to do things for themselves.

The problem stems from ancient farming methods, poor seed, insufficient power, limited equipment and little farm know-how. These conditions result from a lack of education in rural areas plus agricultural production for export only with little or no attention to developing local marketing facilities, supplying rural credit, or agricultural research support. Without these basic needs, agriculture in these countries holds little promise for improvement. The problem is so broad and so basic that it can no longer be ignored by the world's developed nations. The United States cannot and, so far, has not turned a deaf ear to these urgent needs of less developed countries because we recognize that these situations, combined with exploding populations, breed disorder and discontent.

The Agency for International Development has been tackling the problem with the limited technical resources it could muster for the past several years. It has met with limited success. Until very recently it has not been authorized to draw upon the broad technical resources of the United States. In agriculture, scientific and technical knowledge is concentrated in a limited group consisting of the U.S. Department of Agriculture, the land-grant colleges, farm organizations, certain private foundations and business organizations.

Farmers Union is pleased with the committee's interest in expanding domestic agricultural programs. But to carry out such expansion at the expense of our foreign assistance is both shortsighted and illogical.

I respectfully solicit your assistance in defeating the obvious intent of those sections of the recent report No. 1387 on agricultural appropriations which would discourage the U.S. Department of Agriculture from assisting other nations of the free world improve and develop their agriculture.

Sincerely,

JAMES G. PATTON.

AN ABSURD FARM POLICY

The U.S. House Appropriations Committee cut \$406 million from President Johnson's budget for the Department of Agriculture, which already was reduced \$1 billion below a year ago because of lower price support expenditures. This looks good on the surface. But the committee's cuts are largely in foreign aid and are directly in conflict with the national interest as well as the special interest of farmers.

The committee slashed \$365 million from the budget request for Public Law 480, which is the food for peace program of selling surplus farm products on concessional terms to

poor countries and providing food donations to relieve famine.

It also directed the Agriculture Department to reduce its work for the Agency for International Development (AID) by \$9 million. This cut was ordered to "provide a budget balancing offset" to \$9 million the committee added to appropriations for agricultural research and extension work in this country.

The committee said, "It is far better to use taxpayers' money to improve American agriculture and protect the American consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development."

The committee went on to say that no USDA funds should be used to "promote or assist in promoting oversea production of any agricultural commodity for export" which is affected by U.S. price supports or other activity by the Federal Government.

It would be difficult to write a statement more heedless of the basic foreign policy of the United States, or one that was blinder to the true interest of American farmers. It sounds like something that might have been written in the early 1900's—before the world wars, before the Communist revolutions, before the anticolonial revolution and at a time when U.S. farm research and educational activity was just getting started.

Can these members of the House Appropriations Committee believe it is in the national interest and the farmer's interest to reduce the use of American food surpluses as assistance to developing countries, while at the same time pouring fuel on the fire of American agricultural increases?

This is what their action adds up to. They are pumping more new technology into surplus-producing U.S. agriculture and cutting down on the supply of this to the countries with primitive agriculture.

If the United States is to help the underdeveloped countries improve their levels of living and establish self-sustaining, progressive economic systems, it must help them improve agriculture. And this usually means helping poor countries produce more wheat, corn, rice, or other products which are under U.S. price support.

The need for more food in the world is so great that these countries can greatly increase their production without hurting the commercial export markets of the United States. The reason countries like India and Pakistan do not import more food is not that they are producing too much or that they get handout food from the United States. It is that they don't have the purchasing power to buy more.

The United States wants such countries to become more productive so they can maintain stable governments—and so they can become better markets for U.S. goods, including farm products.

The House Appropriations Committee might well argue that the Food for Peace program and the foreign technical assistance program should be entirely outside the Department of Agriculture. It might well say that these should not come under the agriculture budget. But it did not say this, it cut into these programs in the USDA budget without suggesting a replacement.

One of the worst misallocations of resources in this country is the overemphasis on agricultural research and development. Scientific brainpower, one of our scarcest resources, is being used wastefully in the Department of Agriculture and the land grant agricultural colleges. Much of it could be more useful to the Nation in helping countries such as India develop faster.

This is not a question of eliminating agricultural education in the United States. It is a question of how much is advisable, considering the other possible uses of the brains. It is a question of how much public

money should go for this purpose when private business has been stepping up its investments in agricultural research and development.

Yet each Congress continues to increase Federal outlays for domestic agricultural expansion while at the same time passing laws to reduce production and support prices.

This utter folly has been compounded to the point of absurdity by the House Appropriations Committee action.

The Democrats cannot blame the Republicans this time for a bonehead play, for the administration party has absolute control of the House of Representatives and the committees.

Mr. OLSON of Minnesota. Mr. Chairman, the program proposed by the administration for foreign agricultural assistance does not interfere with our domestic agricultural programs but rather aids domestic agriculture.

Recent studies indicate that improving the economies of a nation through economic assistance makes it a better customer for our exports. It has been shown that for every increase in dollar income, about half of it goes for the purchase of food and fiber.

Since 1954, agricultural exports to low-income countries has increased 4.9 percent a year. This does not include transactions under Public Law 480 programs.

The rising populations and levels of consumption in the new countries are creating a food gap. This gap between food production and food needs must be closed. It can be closed by increasing the new nations' capacity to produce food and by increasing their ability to import from us.

Our wealth of information and agricultural know-how can contribute significantly to both these developments. We have tremendous resources which can be utilized in this respect.

Actually a very small part of the Department of Agriculture's activities are devoted to foreign assistance work financed by the Agency for International Development.

Almost half of the payments to the Department by AID represents payments to foreign trainees who study here in the United States. This represents a very small portion of the manpower of the Department of Agriculture. Thus, the elimination of this work would not significantly increase the work the Department could do on domestic programs.

The International Agricultural Development Service—IADS—of USDA provides a comprehensive approach to our efforts in foreign agricultural development. This Service accounts for only 76 man-years of the Department's total and is entirely financed by AID.

IADS is now developing procedures to provide a more comprehensive approach to agricultural development in foreign countries.

General activities in which the Department takes part include:

First. Reorganization of functions within the ministry of agriculture.

Second. Establishment of supervised credit programs for small farmers.

Third. Development and modernization of internal marketing systems.

Fourth. Development of purchasing and marketing cooperatives.

Fifth. Diversification to help meet domestic food requirements.

Sixth. Planning agricultural programs to facilitate economic development.

By coordinating the use of the Department's manpower and resources, IADS insures that only those projects are undertaken which are needed to complement and supplement the work of AID, the land-grant colleges, and other public and private organizations.

I believe the Department should continue to share our knowledge of agriculture with the friendly nations of the world. Such work as fighting insects and disease, fighting forest fires, establishing research facilities, setting up agricultural credit, and training agricultural extension workers contributes greatly to the development of these countries and does nothing to adversely affect American agriculture.

It might be useful to illustrate some of the work being done by USDA and AID in the developing countries. In Latin America, for example, several programs are underway or being planned.

PARAGUAY

An agreement is being negotiated with USAID/Paraguay under which the Department would provide six specialists—two on internal agricultural marketing, one on farm credit, one on farmer cooperatives, one on land tenure problems, and one on forest utilization. These new efforts will contribute significantly to Paraguay's 5-year agricultural program.

EL SALVADOR

Three USDA technicians are currently providing advice and assistance in El Salvador under an AID agreement. They are concentrating their efforts on internal agricultural marketing, land tenure improvement, diversification, and internal food production research and agricultural extension. These new endeavors will help give El Salvador a better balanced agricultural program.

NICARAGUA

Much forest land in Nicaragua is available for settlement. A USDA/land-grant college team, just returned from assessing Nicaragua's agriculture, has recommended that the Department send an agricultural economist, an agronomist and a land use economist to assist with the transformation of this land to family size holdings. The technicians would assist with development of land use patterns, agricultural planning and the reorientation of agricultural production from export to domestic food crops.

BRAZIL

The Department is now negotiating an agreement with USAID/Brazil to provide technical assistance in the fields of internal agricultural marketing, cooperatives, agricultural economics and supervised agricultural credit—fields that have received relatively little attention in the past. AID has asked for 13 technicians to carry out this work.

GUATEMALA

An agricultural marketing team of four USDA and one AID specialists has been in Guatemala for the past 3 months

assisting the Guatemalan Government in the development of an internal marketing system, local marketing facilities and a statistical reporting service.

COLOMBIA

As a result of an earlier survey, the Department is now recruiting three of its supervised credit specialists to assist Colombian officials develop a new credit program for small farmers. A more general agreement is being negotiated with AID for the Department to provide 8 or 10 specialists in fields of marketing cooperatives and land use and land settlement planning.

Requests for technical assistance, in certain cases, may be provided by only one USDA agency. The Agricultural Research Service, for example, frequently is asked to conduct specific kinds of research in less developed areas of the world. Such ARS projects now underway include the control of the tsetse fly in Africa, locust control in the Near East and Africa, improvement of grain legumes in Near East/south Asia countries, and the elimination of foot and mouth disease in South America. The Economic Research Service is investigating factors that change agricultural production in developing countries. And the Soil Conservation Service is establishing a combination research-demonstration station in Algeria to promote soil and water conservation. Of the 13 AID projects now being conducted by USDA agencies, 10 are in ARS, 2 are conducted by SCS, and the other by ERS.

In addition to departmental and agency projects, individual USDA specialists are frequently requested by AID for specific work. At the present time, 18 USDA technicians are provided such emergency services abroad for AID as advising on pine beetle eradication in Honduras, coffee leaf hopper control in Costa Rica, and selection of rural electrification equipment for Tunisia. Specialists for these details were provided by the Economic Research Service, Federal Extension Service, Farmer Cooperative Service, Farmers Home Administration, Forest Service, Agricultural Research Service, and Soil Conservation Service.

The Department of Agriculture believes it is advantageous to be a part of the agricultural development programs in the new nations. In this way they can help develop operations that are of mutual benefit to U.S. agriculture and the recipient country. This is why the International Agricultural Development Service of USDA was created. This organization is in a position to protect the interests of American agriculture.

Mr. FISHER. Mr. Chairman, the committee report links our foreign aid program with the problem of agricultural imports into this country, such as beef, which are competing with American agricultural products. I believe this is an unwarranted assumption. The foreign aid program does not finance agricultural production abroad which is competitive with American agriculture. On the contrary, the foreign aid program is specifically prohibited by the Foreign Aid

Act from lending money to productive enterprises which will compete with U.S. enterprise on the U.S. market.

Section 620(d) of the Foreign Assistance Act of 1961 prohibits loans to productive enterprises which will compete with U.S. enterprises in the U.S. market unless the country agrees to limit the enterprise exports to the United States to 20 percent of the annual production of the facility for the life of the loan. Manual Order No. 1016.1 of the Agency for International Development, which implements this provision in the statute, states as follows:

In the event a positive finding is made that an aided enterprise will compete with U.S. enterprise, an agreement to establish procedures to prevent exportation for use or consumption in the U.S. market of more than 20 percent of the annual production of the aided enterprise during the life of the loan must be reached. This agreement may be incorporated in the loan agreement or take the form of a separate agreement.

Under the terms of this manual order, AID does not loan money for agricultural production enterprises in other countries unless the terms of the statute are adhered to. This is positive assurance that the foreign aid program in its loan activities does not encourage agricultural production in other countries which will compete in the U.S. market with U.S. agricultural production.

The same is true with respect to training and technical assistance provided by the Agency for International Development in the field of agriculture. Here, too, emphasis is placed on agricultural production which is noncompetitive with American agriculture in world markets. In the case of key American exports, such as wheat, cotton, and tobacco, AID missions are specifically prohibited under the terms of Manual Order No. 1016.2 from giving assistance to other countries for the production of such commodities. It is the responsibility of each AID mission proposing a project for assistance to increase food production to insure that this assistance will be used for domestic consumption, in these cases, and to deny aid where such assistance would lead to increasing exports.

The committee report is also critical of the private enterprise activities of AID in the field of agriculture. This is somewhat surprising, in view of the great support for the private enterprise activities of the foreign aid program manifested by Congress over the years. The facts are that there is no connection between AID private enterprise activities and the concern shown over increasing exports of meat from other countries. In fact, the committee hearings themselves clearly reveal the facts of the issue: On page 700 of part III of the Appropriations Committee hearings on the Department of Agriculture appropriations for 1965 there appears a statement about foreign beef exports. This statement reveals that in 1963, 66 percent of all beef and veal imports into the United States by product weight were from Australia and New Zealand with which we have no foreign aid programs whatsoever and no investment guarantees whatsoever. Of the others, Mexico,

which actually dropped 34 percent in its 1963 exports from the 1957-59 average, does not have an agreement with the United States for investment guarantees. This means that there are no guarantees available for U.S. businessmen in Mexico of any kind, including agricultural production.

In Argentina, which had 7.7 percent of the 63 total of beef and veal exports to the United States, there is an investment guarantee program, but no investment guarantees have been issued for livestock production.

In the case of our private enterprise program, in fact, just as with our loan program, AID is very careful not to guarantee investments for enterprise which would compete with U.S. agriculture, either in the United States or in world markets.

The hearings of the committee also contain a particularly significant statement on foreign economic growth and U.S. agricultural trade which I commend to the attention of everyone interested in this critical subject. What this statement shows very clearly is that American foreign aid in the field of agriculture is playing a vital role in not only developing other countries, but in making them better customers for American farm products. Traditionally the best export markets for agricultural production have been the highly developed countries. Japan is a good example of the way in which less-developed countries, as they develop, can become better customers for American farm products. Japan is now one of our biggest dollar markets for agricultural goods.

As the statement in the hearings says:

Looking to the future, the commercial share of U.S. total agricultural exports to the low income countries can be expected to increase further with economic growth.

I think it is clear from these and other facts that it would be shortsighted to cut the foreign aid program, or to cripple its work in the field of agriculture. Our agricultural exports are dependent upon economic growth in other countries, and this can be stimulated only by assisting them to agriculture production sufficient to feed their increasing populations, as well as to gain export earnings through products noncompetitive with U.S. agriculture in the world market. The farmers of America have just as much at stake in the foreign aid program, and in the agricultural training and technical assistance and loans made available through the foreign aid program as does the American factory worker. Because just as economic growth stimulates American manufactured goods, so does it stimulate American farm exports. Congress has shown great wisdom in enacting trade legislation which has resulted in the gradual liberalization of restrictions on trade throughout the world.

This liberalization of trade in the field of agriculture, together with increased emphasis on the exports of U.S. agricultural production, is the key to a more abundant future for the American farmer.

Of course, the committee has not written its views on these points into the law before us. I have no disagreement with the bill as it is now written. As it is not incorporated into law, it should not be considered as a bar to further cooperation between the Department and AID.

Mr. ROSENTHAL. Mr. Chairman, I join in the committee's concern over the farmers' declining share in America's prosperity. Many of the committee's comments on this problem are interesting, provocative, and instructive.

But also I share the concern expressed by other Members over the suggestion in the committee report that the Department terminate its work for AID. This is not a major program in terms of its cost, but it is a vital cog in our efforts to extend and maintain the perimeter of the free world. It is also an essential element in any farsighted plan designed to foster and expand our markets abroad.

The committee's conclusion that our export markets can be assured only by clamping down on economic development overseas runs counter to everything we have learned during the postwar "revolution of rising expectations." This is amply and clearly demonstrated in a speech made by John Schnittker, a Department of Agriculture economist, before the American Feed Manufacturers Association in Chicago on May 12. Because it bears so directly on the assumptions made in the committee's report, I am inserting it in the RECORD at this point:

WORLD TRADE: A CHALLENGE TO THE FEED INDUSTRY

(Address by John A. Schnittker, staff economist, before American Feed Manufacturers Association, Inc., Chicago, Ill., May 12, 1964)

You have asked me to discuss world trade and the challenge it presents to feed industry management.

Let me begin by pointing out that the challenge is very real, and that it stems in large part from the fact that we live in an era of collapsed time. I mean by this that changes which in other eras occurred over the span of a generation or more now take place in a year or two, and that changes of a magnitude that formerly perhaps took a century to effect, now occur in a decade or less. When Capt. Charles Yeager broke the sound barrier in his X-1 rocket-powered research plane in 1947, it was a momentous achievement. Never before had any human flown at a speed of 750 miles per hour. But 2 weeks ago Maj. Bob Rushworth piloted an X-15 rocket ship to a speed of 3,903 miles per hour—about 5 times the speed of sound. And even this is slow compared with the astronauts who travel through space at 18,000 miles an hour—nearly 25 times the speed of sound.

The harnessing of nuclear energy, medical breakthroughs of the highest importance, the development of the computer, these and a dozen other spectacular advances have all been compressed into less than one generation, and the pace of change, the pace of achievement, constantly increases.

Great changes are also taking place in agriculture—changes which in their ultimate effect on human achievement, happiness, health, and well-being may be of even larger significance than those I have just mentioned.

The productivity of the American farmworker has more than doubled since 1950. Think what this means. The advance in agricultural productivity per man-hour since 1950 has been greater than all the advances achieved in all the previous history of this country since it was first settled—more progress in productivity in a little over a decade than in the preceding 2½ centuries. No wonder we call it an agricultural technological explosion.

The same technological agricultural explosion that we have had in this country is now breaking loose in Europe and may soon break out in other parts of the world. What this is going to mean in terms of future farm prices, in terms of future level of living, and in terms of future trade policies constitutes part of the challenge to your industry, and it is part of the problem the negotiators face at Geneva.

In assessing the challenge before us we need to begin by looking briefly at some of the broad changes that have come about in grain production and trade during this generation.

World output of grain—I'm talking now about all grains—increased 47 percent from 1934-38 to 1960-61. In North America and Oceania, total grain production more than doubled.

The increase has been greater in the developed regions of the world and slower in the less-developed regions—greater in the free world (59 percent) than in the Communist bloc (29 percent).

On a per capita basis the situation has been even more divergent. Per capita output of grain increased by 44 percent in North America, by 19 percent in Western Europe, and by 8 percent in Africa. But it actually declined by 2 percent in Asia, and by 16 percent in Latin America.

This is extremely important because it reveals North America—and especially the United States—as more and more the grain basket of the world.

Since the dawn of history people have depended primarily on grain for their life's sustenance—and they do today—and they will tomorrow.

Worldwide, the direct consumption of grains provides more than 50 percent of man's supply of calories—and, of course, indirect consumption of grain in the form of meat, milk, and eggs accounts for a large part of the remaining calories. In countries like Communist China, the share of food energy derived from the consumption of grain products, roots, and tubers reaches as high as 80 percent. Even in the United States where we eat so much meat, milk, eggs, fruits, and vegetables, about one-fourth of the food energy is still derived directly from grains, roots, and tubers.

The food economy, in short, is truly a grain economy, and it will continue to be a grain economy as far into the future as we are now able to see. The decline of direct consumption of grain in favor of indirect consumption through meat, milk, and eggs actually increases the demand for grain. Thus, the expansion of the world's grain economy is guaranteed by the very process of economic growth.

This is evidenced by our own recent feed grain history.

A short 7 years ago—back in the 1956-57 fiscal year—the United States exported 6.4 million metric tons of feed grains, or about one-third of the world total. This current year we are exporting two and one-half times as much—15.5 million metric tons—well over 50 percent of the world total.

Back in 1956-57, the total value of our feed grain exports was \$367 million. The total value of this year's exports is estimated at \$808 million—over twice as much.

But what is even more significant is what has happened to commercial exports, or exports for dollars. In 1956-57, only \$140 million worth—or 38 percent of our feed grain exports were for dollars. This year we are exporting \$689 million worth, 85 percent of our total feed grain exports, for dollars.

Obviously something drastic has happened. Why have feed grains now become our second farm export, exceeded only by wheat and flour. And why is it that, whereas 7 years ago we were exporting commercially less than \$400,000 worth of feed grains every day, we are now exporting nearly \$2 million worth plus another \$300,000 worth under Government assistance programs—everyday, 7 days a week, 365 days a year?

These are good questions. They are good questions because in the answers you will find your response to the basic challenge to your industry which we are considering here this morning.

What is it, in short, that is different between the situation that existed 7 years ago and the existing situation now? Two things stand out.

1. The economic development of the already developed countries—or to put it another way, the booming prosperity of the countries of Western Europe and of Japan.

2. Vigorous and effective market development efforts to promote feed grains—efforts carried out with industry-government cooperation.

Economic growth has stimulated demand for livestock products—and this, in turn, has increased demand for feed. Since the increased demand could not be met entirely by domestic production, would trade in feed spurred. This is the sequence of events in broad outline.

That economic development is accompanied by an improvement in per capita diet—more of the proteins contained in meat and other livestock products—is plainly evident. Look at the countries of the world according to their stage of economic development. You will find the demand for feed grains greatest by far in the most developed country, the United States, followed by other strongly developed countries, such as Western Europe and Japan, and followed at a distance by countries on the verge of takeoff into large-scale development. On the other hand, countries which still have only primitive economics have very limited demand for feed grains and almost none at all for feed grain imports.

Here is clearly demonstrated the operation of economic cause and effect. First, economic growth gives foreign consumers the income to buy a better diet. This is translated into a direct demand for meat, milk, poultry, and eggs. This stimulates an expansion of herds and flocks. Bigger herds and flocks require more grain, and the market expands for both homegrown and imported feeds.

The trend toward protein foods in foreign developed countries has by no means run its course. We see this when we compare United States and Common Market consumption rates. In 1961, per capita consumption of red meats and poultry in the United States totaled 199 pounds. In the Common Market, however, the per capita figure was only 113 pounds. Just to catch up with current U.S. consumption rates, Common Market consumers would need to eat about 86 more pounds of meat and poultry. But here's the "hooker"—U.S. consumption rates also continue to move upward. So "catching up," on a longtime basis could mean an increase of substantially more than 86 pounds for Common Market consumers.

But what about the less-developed countries? Would they be bigger consumers of animal proteins and better customers for feed grains, if they could only "graduate"

upward? Of course they would. With economic growth, they would be better customers for many things. They would be more effective members of the world community.

Let us mark this down as an axiom: Economic growth is the way to a nation's ability to trade. Over the past two decades, imports of agricultural and other goods have shot up fastest in countries with the most rapid rate of industrial and general economic growth. A recent study by the Department indicates that for every 10-percent increase in a country's income per person, imports are likely to increase 10.6 percent.

In other words, world trade expands at a slightly faster rate than world income.

But world trade in farm commodities tends to rise more rapidly with increases in income than total trade, which includes industrial goods. A 10-percent increase in income is likely to result in a 14-percent increase in imports of farm commodities.

Farm products commercially imported, those bought for dollars, go up fastest of all. For every 10-percent increase in a country's income per person, U.S. commercial shipments of farm products, under certain conditions, are likely to rise about 16.5 percent.

Mind you, I'm talking about rate of increase not actual dollar expansion. Obviously a person who has \$10 more total income will not spend an additional \$10.60 or \$14 or \$16.50 in trade. We're talking about a percentage increase.

This makes good economic sense. When income rises people who are not totally satisfied with their diets are likely to spend a large part of the increase on food—more food and better food. Recent studies of food purchases in India have shown that if the average family income is raised \$1, more than 50 cents of it is spent for food and fiber.

The United States as a nation and you as members and representatives of an exporting industry have a stake in the economic success of other nations. Our economic growth as a nation and the foreign trade of your industry will be accelerated by economic development abroad.

Poverty, hunger, and disease are as old as man himself. But we all know that a new idea is sweeping the world today—a bright new hope and a vision of a better life.

We know that people everywhere want for themselves the same things that you and I want and that most of us already have—food for strength and vigor, medicine and medical care to restore the sick to health, preventive measures to wipe out disease, jobs that will give them not only survival but dignity, education for their children to prepare them for a useful future—in short, a decent life measured by 20th-century standards.

We have a very real stake in helping the world's people achieve this decent life. We have a moral responsibility—but in addition we have an economic self-interest.

Let me illustrate. In the less-developed countries of Africa, per capita income in 1959-60 was estimated to be only \$107. How much farm products can we sell commercially to a person in Africa with an annual income of \$107? We know the answer. In 1959-60 it was 16 cents' worth.

In the less-developed countries of Asia, where per capita income was \$110, our commercial sales of farm products that year were 20 cents per person.

Now look at the developed nations. In Japan, per capita income was estimated at \$315. We sold commercially \$4.19 worth of farm products per person.

In the Common Market countries of Europe (France, Italy, West Germany, the Netherlands, Belgium, and Luxembourg), per capita income was \$783 and our commercial sales of farm products were \$5.41.

In the European free trade area (the United Kingdom, the Scandinavian coun-

tries, Austria, Portugal, and Switzerland), income was \$973—commercial sales \$6.94.

In Canada, per capita income was \$1,589—dollar sales of farm products per person, \$23.13.

Not only do we sell much more to nations with higher incomes, the proportion of sales is also far greater.

In Japan, where income was about 3 times as large as in Africa, commercial sales of farm products were about 25 times as great.

In the Common Market countries, where income was about 7 times as large, sales were almost 35 times as great.

In the European free trade area, where income was about 9 times as great, sales of farm products were almost 45 times as large.

And in Canada, where per capita income was 15 times that of the less-developed countries of Africa, commercial sales of farm products per person were almost 150 times as great.

What could indicate more clearly our stake in world economic growth? There are large potential markets for our farm products in the emerging countries of Latin America, Asia, and Africa. But first we must help these countries grow.

This is why the United States has been, and is, providing loans and grants of dollars, technical assistance, food-for-peace shipments, Peace Corps operations, and support for the FAO, the United Nations, the Alliance for Progress, the Colombo plan, and other international approaches. Other economically developed countries are also providing assistance, though none on the scale of the United States.

And this is why President Johnson has been appealing to all groups of the American people to back up our national effort to guide the revolution of rising expectations that is going on in the world into peaceful and effective channels.

While economic development appears to have been the most important factor in the doubling of world feed grain exports in less than a decade, it does not in itself explain the rise in the U.S. share of these exports. We all know from experience that demand for a product can exist—and the product can be available—but that sales can still be disappointing.

Another factor was present and played an important role in raising the U.S. share of world feed grain exports from one-third a few years ago to well over one-half today. That factor was market development.

Extra sales effort has been supplied by the cooperative work of the U.S. Feed Grains Council and the Department of Agriculture. It is an effective partnership.

The council is working with enthusiasm and intelligence through its offices in Rome, Rotterdam, London, Madrid, Hamburg, Athens, Bogotá, and Tokyo. All the known techniques of market development are being employed: Feeding trials and demonstrations, technical assistance on feed and feeding including translation and dissemination of printed material, market surveys and other marketing assistance, portable feeding exhibits, promotions at trade fairs and trade centers, exchanges of industry and government officials, sponsoring of seminars, and in selected countries direct consumer promotion of livestock products.

As you know, we have given considerable attention to the Italian dollar market in feed grain promotion. It is interesting to note that feed grain sales to Italy in fiscal 1963—over a million tons—were five times as large as they had been just 2 years earlier.

There is a similar story in Japan where U.S. exports have risen from 738,000 metric tons in 1958-59 to 1.4 million metric tons in 1962-63.

The Japanese are going in for more poultry and hog production. Consequently the demand for formula feeds is expanding rapidly. This is favorable to U.S. feed grain exports. Almost all the feed grains used in mixed feeds in Japan are imported. The total production of formula feeds in Japan last year is estimated at 5.8 million metric tons—up more than a million tons from 1962. This year mixed feed production is estimated at 6½ million metric tons and it could easily reach 7 million.

The U.S. agricultural market development program is making important contributions to exports, not only of feed grains but also of a wide variety of other products. More than 40 trade and agricultural organizations are cooperating with the Department of Agriculture in this important work, putting in many millions of dollars annually to augment public funds and supplying the techniques, skills, and experience represented in supervisory personnel.

As you have no doubt sensed, we take an optimistic view of the future feed grains picture. Nations are emerging. Standards of living are rising. Nations already developed are climbing to new heights.

Economic development abroad and vigorous market development projects look like a winning combination. Our present projections indicate that U.S. exports of feed grains may rise from 15.5 million tons this year to 18.5 million tons in 1967-68.

Looking farther ahead, however, we see some new factors in the picture. One is the time element I mentioned earlier. Western Europe is our biggest and best market for feed grains. But Western Europe is on the brink of a technological agricultural explosion similar to ours of the past 25 years.

As the Common Market countries continue to surge ahead economically, their need and demand for feed grains is bound to rise. But who will meet the demand? This is one of the questions being debated at Geneva where the Kennedy round of negotiations under the General Agreement on Tariffs and Trade opened just 8 days ago. Over 70 nations—nations that account for most of the products that move in world trade—are taking part. The objective, as you know, is to increase opportunities for trade on a mutually beneficial basis. To do this will not be easy.

The farmers of the Common Market grain producing countries see in the increasing demand for feed grains and other crops an opportunity for prosperity if they reduce the inflow of competitive feed grain imports. Such farmers are pressing for high domestic grain prices with variable import levies which would keep the cost of imported grains always above their domestic prices.

We, on the other hand, believe it not only in our interest but in the best interests of the Common Market as a whole that a reasonable access to the EEC feed grain market should be provided to exporting nations and that this access should grow as the market expands. We contend that trade barriers need to come down and that foreign governments need to let our products come in on an equitable basis.

I use the word "need" with deliberate intent. The truth is, we have such a highly efficient agriculture that Europe, as an industrial area, will have to think carefully about the effects of passing up our more efficiently produced and lower priced supplies. Food costs help determine the level of wages, the level of wages helps to determine the cost of a manufactured product, the cost of a manufactured product determines one's ability to sell it competitively in the world market. And inflation is already a serious problem in the European competitive situation. This is the economic sequence that confronts Europe. It represents an important part of our bargaining strength in the world marketplace.

These are the highlights of the challenge to feed industry management and government in foreign trade, as I see them. I have no doubt about our ability to meet the challenge.

I believe that where markets are active and we have access to such markets, real sales opportunities exist.

I believe that an expanded and aggressive oversea development program for feed grains, conducted in cooperation with producer and trade groups and stressing sales promotion, quality, marketing services, and production at competitive prices cannot fail to be effective.

I believe the economic development of the world in the next decade or two will be utterly astounding, and that it will produce progress hitherto undreamed of.

I believe, in short, that we in the United States along with the free world in general are going to take full advantage of the era of collapsed time to bring about an age of plenty—worldwide.

Mr. EDWARDS. Mr. Chairman, while I join those Members who question the committee's recommendation concerning the Department's technical assistance responsibilities, I would like to comment briefly on a related part of the report.

On page 3, but principally on page 17, the committee states its opinion that AID programs to stimulate American investment in recipient countries are working to the detriment of U.S. agriculture.

It is my understanding that the Agency for International Development is kept aware of the problems faced by the American farmer and has accordingly tailored its assistance programs to prevent any unfavorable impact on our producers of agricultural commodities. Evidence of this concern is apparent in the policies and procedures followed in administering the incentives programs to promote private investment in the less developed nations.

First. Cooley loans: First, let us examine the Cooley loan program. Under this program, up to 25 percent of the foreign currencies received by the U.S. Government for sales of surplus agricultural commodities may be lent to private businessmen for investments in less developed countries.

Cooley loans may not be made for production of any commodities which would be marketed in competition with U.S. agricultural commodities. AID thus would turn down a loan to a firm which wished to grow rice in Thailand and sell it on the world market in competition with American-grown rice.

At the same time, Cooley loans may be made to foreign businessmen, if and only if, their investment will be used to expand the market for U.S. agricultural products. Recently, a \$150,000 local currency loan was made to establish the Shinhan Flour Mill in Korea. This investment will actually benefit the American farmer since the company plans to purchase U.S. wheat for its flour.

Second. Dollar loans: AID may also make dollar loans to U.S. investors in the less developed nations, but the project involved must not compete with U.S. enterprises. No dollar loans have been made for private investments in agricultural projects.

Third. Investment surveys: This pro-

gram authorizes the Agency to underwrite 50 percent of a businessman's cost of surveying an investment opportunity. If he decides not to go forward with the investment because the survey indicated it was unpromising, AID will reimburse him up to one-half the expenses incurred for the survey.

No investment survey grants have been issued for projects involving agricultural commodities in surplus in the United States, unless the product involved was intended purely for local consumption in the host country. Hence investment survey grants could be authorized for bananas and tapioca, which are not in surplus in the United States. Likewise, a survey for livestock development in a less developed country to produce beef for local consumption would be acceptable, because the meat would not compete with American beef on the world market. On the other hand, an application for a survey grant involving the production of raw cotton and its sale on the world market would be denied.

Fourth. Extended risk guarantees: AID may guarantee up to 75 percent of a loan investment or 50 percent of an equity investment for high priority projects. No extended risk guarantees have been issued for any agricultural projects.

Fifth. Specific risk guarantees: Under this program, an investor may secure guarantees against the risks of inconvertibility of currency, expropriation, and war, revolution or insurrection. In general, it has been the policy of the Investment Guaranty Division to deny applications where the investment would lead to a substantial increase in exports of a surplus agricultural commodity, such as rice and wheat. Investments which will increase the production of certain commodities, such as raw cotton, may be denied guarantees even though the investor does not plan to export the product.

In cases where it is not clear whether a particular investment in agriculture should be encouraged, the Office of Development Finance and Private Enterprise, which administers these programs, carefully investigates the effect of the proposed investment on the American agricultural community. The advice of both agricultural experts within AID and officials within the Agricultural Department is sought prior to offering assistance for any such investments.

The private enterprise phase of the foreign aid program is hence designed not only to avoid any adverse impact on the American farmer, but in fact, to assist him. First, the programs do not encourage any increase in production of surplus agricultural products to be used in competition on the world market. Secondly, the farmer benefits by the increased demand for his goods through the sale of surplus commodities under the food-for-peace program. Moreover, local currencies derived from these sales are lent to foreign businessmen only if their investment will increase the sales of U.S. agricultural products.

And, finally, the entire foreign aid program will ultimately benefit the American farmer. As the less developed world is industrialized through public loans and private investments, the earning power

of millions of people will be increased to the point where they can afford the foods necessary for proper nutrition—the milk, the wheat and the vegetables. At that time, an immense new market will have been created for sales of American agricultural products.

Mr. WHITTEN. Mr. Chairman, I yield back the balance of the time remaining on this side.

Mr. HORAN. Mr. Chairman, I yield back the balance of the time remaining on this side.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes; namely—

Mr. FINDLEY. Mr. Chairman, I move to strike out the last word.

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I have asked for this time because the time allotted to the minority was consumed before I could be recognized.

Last August 1 the U.S. Department of Agriculture inaugurated what the Department called the New Market News Service, a substantial departure from the procedure of many years in the AMS for the dissemination of crop information.

I have in my hand a roll of paper which is a typical day's budget as carried on the leased wire network which for several years has served the AMS service of the U.S. Department of Agriculture. Last August 1, under an action initiated by the Department of Agriculture, private firms and associations were permitted, through a contract with the A.T. & T., to make a wire direct interconnection with the Government-leased wire network which carries this vast flow of statistical and crop information. This was a significant step, in my judgment, and I speak as a country newspaper publisher who tries to keep alert to threats to press freedom implicit in developments of this kind.

To me it was an ominous development because it enabled Government employees to control the flow of news all the way from the news sources right to the person or private organization receiving this material over a wire news network. At no point does a private news reporter make an entry. It is Government controlled all the way.

Last April 1, which was several months prior to the inauguration of the new Market News Service, the Department of Agriculture established a new wire news relationship with another department of Government. Under it USDA supplies over the Weather Bureau leased wire long-distance network—which is Government paid for in its entirety and which originates at Memphis, Tenn.—digests of farm news, crop information, and statistical reports. This news serv-

ice is fed by Government employees directly into the Government-leased Weather Bureau networks.

This to me is an even more ominous development that the step taken August 1 to permit direct interconnection by privately leased wires with the AMS service, because under the Weather Bureau setup in the delta area, which has its center in Memphis, Government-controlled material does directly to the news desks of 72 radio stations, television stations, and newspapers. This material comes off the teletypewriter machines, right in front of the microphones of the station or the linotypes of the newspapers, news material which has not been subject to the scrutiny of a private reporter at any point. The private reporting system is entirely circumvented by the development of this new wire news apparatus. It is limited in scope, of course, but it is a significant ominous step—perhaps the first in a series.

So far as I can determine, there is no legislative authority for either of these developments.

So far as I can determine, there was never a public hearing conducted by any committee on either side of the Capitol in this regard, or in regard to the new Market News Service.

The service begun last August 1 was established on the basis of a survey of parties the Department believed might be interested in this expanded service; and Secretary Freeman reported that the response was overwhelmingly in favor of the establishment of this news service. I have a complete file of every letter which came back to the Department of Agriculture in response to this survey. I have examined them all. Of the 114 replies which came in, only 8, as of April 2 of this year, had actually signed up to buy the service. That is hardly an overwhelming endorsement of the proposal. In their direct replies to the survey only 21 clearly endorsed the new Market News Service. This was less than 20 percent of those responding—hardly "overwhelming approval."

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

I can appreciate the attitude of the gentleman from Illinois with regard to the feelings which some people seem to have about the news services. But I wish to say, from experience on our committee, I do not know anything as to which I have had more people appeal to me, in the many years I have been on the committee, than the Marketing News Service.

It is a marketing news service. That Marketing News Service is made available to and is used by 1,200 daily newspapers, 1,600 radio stations, and 170 television stations.

In regard to the particular instance which the gentleman points out, I wish to say there are about nine other sections of the country where, at the instance of the committee some years ago, we had provided the weather service in cooperation with a marketing news service, and the Congress urged that consideration be given, in order to keep down duplication of information which the Government obtained for the use of all

people, to making it available, so that it could be used by the other service without duplication.

Certainly, if there were ever any indication of news management or misuse of the authority, I believe the committee would be the first to put a stop to it.

Fear has been expressed about what somebody might do in the future. This is a very small operation, indeed, compared to what is operated by the Defense Department. I happen to serve on that subcommittee. The Defense Department communications system spends annually \$2.7 billion.

The General Services Administration spends something like \$9.5 million for a Government civilian network. The newspapers in my area, I am thankful to say, every one of them in my district, have always supported me and I hope it will continue. However, I can see where if the Government spends all of this money for this information, it is much more sound for it to go direct than for it to be editorialized or to be changed or even straightened out by somebody who might be in between. I may be in error about it, but I certainly think the gentleman will agree with me that if we are going to spend as much money in getting this information as we do, because it is so vital to the consumer and producer alike, that we should make it available to everybody who wishes to pay the price.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Yes. I am glad to yield.

Mr. FINDLEY. You made reference to the wire apparatus network operated by the Defense Department. Does the gentleman know of any opportunity that private organizations have to make a direct interconnection with the wire apparatus operated by the Department of Defense?

Mr. WHITTEN. May I say again I do not know that it could happen in any other case. I have read where the gentleman feared at sometime in the future the Government might use the Marketing News Service to propagandize the American people. What I was going to say is, and we would certainly be opposed to any such misuse, but if there is any danger of the U.S. Government doing anything like that, they would not use a little two-bit network like this when they have a \$2.7 billion Defense network. That is the point I make.

Mr. FINDLEY. If the gentleman will yield further, in the past year, we have seen these two very significant steps occur. My point is that step by step we may develop a massive apparatus which is a welcome and tempting tool for news management. If the gentleman will recall the period just before the wheat referendum of last year a Department of Agriculture official named Ray Fitzgerald sent a memorandum to all of the State ASC organization personnel in which he urged that they act aggressively—he used that very word—in order to get radio and television stations to use the material being issued by the Department of Agriculture with regard to the wheat referendum. This shows the abuse that can occur. If a man like that were to sit on

top of the Department and have access to this tempting tool for news management, then I fear for the worst. It could indeed be a threat to our freedom of the press which we prize so highly.

Mr. WHITTEN. I would agree with the gentleman that we would be opposed to any misuse in the Department. I certainly go along with that. But I would hate to see something done in trying to reach a particular aim of that kind, although I join with the gentleman in trying to reach that type of an end, when it is a very badly needed service by the American farmers and producers, at a time when we are investing billions of dollars in crops. This service is used by daily newspapers numbering in the hundreds, 600 radio stations and 170 television stations. I think they would be the ones affected if you cut out the service to all these people. However, I would be glad to join in trying to stop any misuse now or in the future.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. MICHEL. Mr. Chairman, I move to strike the last word.

I hate to find myself in opposition to my good friend from Illinois, and I am sure that the two of us are seeking the same end, because the gentleman is very fair. If I could refer him to several pages in the hearings, pages 182 and 183, I asked Mr. Smith a question. I said:

Would the members of this committee ever have to fear that the Department would use this Market News Service for any other purpose other than this strict reporting of prices, volume, possibly weather?

Mr. SMITH. I think I can give you that full assurance, sir.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be glad to yield.

Mr. FINDLEY. I would call the gentleman's attention to the bulletin indexed as AMS 510, headed "A New Market News Service," issued by the Agricultural Marketing Service, in July 1963. On the last inside page, describing the type of information which might be carried on this new Market News Service with direct interconnection with private wires, it says:

In addition, all circuits carry a variety of additional marketing information—as it is available—on crop and livestock production, storage holdings, meat production, and various USDA news releases of importance to marketers.

That is a big enough hole to drive any kind of news release through, in my judgment.

Mr. MICHEL. Mr. Chairman, I will say to the gentleman that I had not read that bulletin. I would certainly have some concern if that were the policy to be implemented. In the hearings I said to Mr. Smith:

Mr. MICHEL. I would expect, and I am sure the members of this committee would likewise, that if there is to be a change from that policy, we would receive advance notice that you were contemplating something other than the items mentioned, because it is only with this kind of assurance that we can in turn assure our colleagues—

In this case, you and the rest of the Members of the House—

that the Market News Service will be confined to its original intent and purpose, and will not be misused.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield.

Mr. FINDLEY. First of all, to correct the RECORD. I am not proposing nor have I proposed that the AMS Marketing Services be curtailed except to back up to the situation that obtained and services provided prior to April last year. This would end the direct interconnection with the Weather Bureau Network and the direct interconnections of privately leased wires with the Government-leased AMS wire system. There is comparatively little interest in this new Market News Service, compared with the concern which has been expressed by newspaper publishers around the country. We should at least have public hearings. Public hearings have never been held. This proposal has never been before a legislative committee to my knowledge. In the interest of fairplay and to jealously guard this precious thing called press freedom, we ought to call a halt to this expansion of the Government wire news apparatus at least until we have an opportunity for full public hearings.

The gentleman from Mississippi spoke of the support which he has received for this, but the support is not clear in any correspondence that the AMS received, and it is not clear in any correspondence that I have received. I have diligently tried to get the facts. In view of the almost infinitesimal interest in an enlargement of the wire service activities of the Department why do not we call a halt to it and give the public and the Congress the benefit of public hearings?

Mr. MICHEL. I know that the gentleman has done a considerable amount of work in this area, probably much more than members of the subcommittee have had the opportunity to do. I commend him for his diligence in trying to see that the right thing is done.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the Chairman.

Mr. WHITTEN. The complaints that I have had come from two sources. There are two private organizations which have subscribed to this service and they hate to see other persons provided the service because for years they have taken it, editorialized it and sold it for a profit.

Those two publications have complained to me. I have found that they have pending a lawsuit, and in view of the fact that they have a pending lawsuit, the committee bypassed this matter.

They would like to get it themselves and then sell it. I do not know why we should spend \$6 million to get this information and not make it available to all users. That is the reason I would oppose any restriction at this point. That issue is pending in the court and the courts will do whatever they think is right.

Mr. HALL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. HALL asked and was given per-

mission to revise and extend his remarks.)

Mr. HALL. Mr. Chairman, I would like to continue this colloquy with another incident, leaving the question of policy, use for politics, and/or need for censorship; with only the remark that the new system, using the weather network, or leased Federal wires direct from stockyards has put quite a few private employees formerly of the Market News Reporting Service and newspapers out of business.

But, I would like to ask the distinguished chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], if in addition to the complaints he has had from people who profited by assembling this and editorializing it; if indeed it has not worked a hardship on some of the stockyards from which the very material is gathered? For example, I have had a complaint wherein there used to be assembled this material in one of the principal cities of my district and our stockyards and commission companies where they furnished it at their own expense simply to the Statewide—it happened to be the capital of our State, Jefferson City—where it was assembled; and then I believe went on to Chicago and finally to Washington, D.C., to the central marketing service.

Under this new network they were cut out of that. Another principal city having perhaps a slightly larger stockyard and group of commission houses—in fact, in many areas it is among the top 10 of the Nation and represents obviously an important source of sales and market area—was given this right without the intervening reporter service and the direct wires back and forth to the capital city, which resulted in a competitive savings of over \$350 to \$500 a month to the one group of stockyards and commission houses in the same district, as compared with the other.

Has the chairman of the subcommittee had any complaints like that and, if so, is that a fact?

Mr. WHITTEN. If the gentleman will yield, I have had no such complaints. All the complaints which I have received have come from my colleagues here who want us to do something to get more marketing news disseminated. I can say honestly to the gentleman from Missouri that except the two complaints to which I have made reference, I have had no other.

Mr. HALL. Let me make it clear to the chairman at this point that neither one of these stockyards or group of commission houses wants to do away with the marketing service. Indeed, as the gentleman from Illinois [Mr. FINDLEY] said, they would be perfectly happy to have it go back to the originally paid leased wire daily reporting service, but they do not want one of them to have an advantage over the other.

Mr. WHITTEN. If the gentleman will yield further, that could be true. But may I say to the gentleman that the Department of Agriculture is not paying for any of this service to subscribers. The subscriber has to pay himself.

But formerly a few people enjoyed a bonanza on this because they controlled it. Under the new approach anyone who wants to can use it. May I say further to the gentleman that I have a list of the new subscribers from all over the United States. These people are located in such areas as Kansas City, Chicago, St. Louis, and many other areas.

Mr. HALL. Mr. Chairman, as I tried in the beginning, let me make it crystal clear now that this is not the subscriber to the service, but the ones that reported to the Statehouse or the State Department of Agriculture, that are being given the advantage by use of the free wire service, over the other one who also has to report it in order to get his sales on the market or to be considered across the length and breadth of the land.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield further, may I say that I have had no such complaints. The only complaints that I have received are the two which I have previously mentioned, those few organizations who have been editorializing and selling the information. All of the other complaints that I have had are complaints to the effect that they want us to get more information and to locate such facilities in their district and requesting us to not let the Department of Agriculture and the Bureau of the Budget cut these services out. I have had no other complaints.

Mr. HALL. Under the basis that they do not want to eliminate anything and that they are not the subscribers, I would like to document this and supply it to the distinguished chairman of the committee.

Mr. WHITTEN. I certainly would like to have it.

Mr. CHAMBERLAIN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his remarks.)

Mr. CHAMBERLAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, am interested in the colloquy we have had here, and I would like to associate myself with the remarks heretofore made by the gentleman from Illinois.

It is my understanding he proposes to offer an amendment at the appropriate time, and I yield to him in order that he may explain the amendment which he proposes to offer.

Mr. FINDLEY. Mr. Chairman, the amendment which I shall offer at the appropriate time would withhold any funds for the assembly and transmission of any information by AMS over wires which are subject to direct interconnection by privately leased wires or supplied to Government-leased wires which directly serve newspapers, radio, and television stations. That will be the content of the amendment I shall offer.

The gentleman from Mississippi, in making reference to who was leasing the wires, may have overlooked the facts about weather service wires. They go right to radio and television stations, and the long-distance tolls are paid for by the taxpayers. They are leased on a 24-

hour basis, and there is considerable idle time. The existence of idle time is used as the excuse for preparing farm news to feed into this news network.

That is where the danger lies. If we can justify the use of idle wire time for the Department of Agriculture news, why not use some of the idle time for news from the White House, or from the Defense Department, and every other news source in Washington? We may see the day come when the private news-gathering services, which are vital here on Capitol Hill, will wither away—unable to compete with a Government-controlled news network.

Concern has been expressed by the Ridder publishers. They have a deep self-interest because the new market news service is apt to force one of their news services called PAM out of business. Their concern is shared by hundreds of newspaper publishers throughout the country. The American Newspaper Publishers Association has gone on record in opposition to this new market news service.

So you have a wide degree of criticism of this wire news apparatus. It is only in the interest of fair play to the public, to the free press and to the Congress that we halt this wire news apparatus until we have the opportunity for public hearings.

Mr. CHAMBERLAIN. Mr. Chairman, I want to commend the gentleman from Illinois for his leadership diligence in bringing this important matter to the attention of the House. I shall support his amendment, and urge my colleagues to give it most careful consideration.

The Clerk read as follows:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100, \$97,656,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113(a));

AMENDMENT OFFERED BY MR. PILCHER

Mr. PILCHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PILCHER: Page 3, line 12, strike out "\$97,656,000" and insert "\$99,256,000, of which \$1,600,000, to remain available until expended, for the construction of a National Peanut Research Facility at Dawson, Ga., and the acquisition of land therefor by donation".

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

(Mr. PILCHER, at his request, was allowed to proceed for 5 additional minutes.)

Mr. PILCHER. Mr. Chairman, this amendment is for the purpose of providing the sum of \$1,600,000 for a quality peanut research laboratory to be located at Dawson, Ga., in the district now served by Congressman TIC FORRESTER.

I am sorry to say, as many of you already know, that Congressman FOR-

RESTER is now in St. Joseph's Hospital, Atlanta, Ga., where he recently was operated on and is in a very serious condition. This is the only appropriation that Congressman FORRESTER has ever asked for during the 14 years he has served in the Congress.

In order to throw a smokescreen and confuse the membership, the committee, as you will see by the report, has put in \$450,000 for a research laboratory at Dawson, Ga., but says that it cannot be used for quality research. We do not want this. It is not worth anything.

The laboratory we are asking for is for the purpose of improving quality, and was recommended by every segment of the peanut industry as the most important need of the peanut industry. It was recommended by all of the peanut areas, the shellers, the peanut butter processors, the farmers, and particularly by every one of its present opponents. I pause here to give any of the opponents full opportunity to dispute my statement that they unreservedly recommended this laboratory.

In 1961, with every portion of the peanut industry and after many meetings of that industry working with the U.S. Department of Agriculture, these people, with the approval of the Department of Agriculture, appeared before the Senate Subcommittee on Appropriations for Agriculture, as shown on pages 286-299 thereof, and submitted in detail complete plans for the quality peanut research laboratory, giving a description of the buildings, machinery, and so forth, estimating the cost at \$1,600,000 and asking for an appropriation for planning and architects fees, and saying that the lands must be without cost to the Government and that water, electricity, sewage, and so forth, must be furnished from other than Federal sources. The sum of \$130,000 was appropriated in 1961 for 1962, for the sole purpose of making plans for this quality peanut research laboratory. Some of the opponents say they did not know it was to be a quality research laboratory. Certainly, they must have forgotten. Certainly they would not have thrown away \$130,000 in 1962 and another \$130,000 in 1963 for something they knew not what. The hearings just referred to so fully describe this laboratory until any member of the committee or any petitioner could not have failed to know it was to be a quality laboratory, and represented as the most important need in the industry. At least, \$260,000 has already been spent, and the Subcommittee on Appropriations for Agriculture provided that money.

Of course, the Secretary of Agriculture completely endorsed this proposal, having worked with the petitioners, including the opponents, and made all the plans for it. The administration is for it and has always been for it, and this sum has been in the budget on two occasions.

The first opposition that ever appeared to this quality research laboratory occurred when the Secretary of Agriculture said he was going to put the laboratory where the peanuts were, and that Dawson was in the heart of the Peanut Belt. Of course, that statement is completely true.

The southeastern peanut area composed of Alabama, Florida, Georgia, and South Carolina, produces at least half of the peanuts in the United States, and that area has more peanut farmers than all the rest of the peanut areas combined. The southeastern area also raises all types of peanuts. Virginia and North Carolina compose another peanut area, but both of those States do not grow as many peanuts as do the Second and Third Districts of the State of Georgia.

Texas, Oklahoma, and New Mexico comprise the southwestern peanut area. After the Secretary picked Dawson as the site, Virginia, North Carolina, and Texas, although all the industry in those States were begging for a quality laboratory theretofore, objected to the laboratory at Dawson. Oklahoma and New Mexico do not object.

Texas has its oil depletion allowances; North Carolina has its factories, while our area has peanuts.

Virginia has had a peanut laboratory at Holland for a long time, and the Department of Agriculture says it would remain in Virginia. We have never said that Virginia mistreated our peanut growers, and Virginia knows that the Federal Government would not mistreat Virginia peanut growers, although the laboratory be located in Georgia. I cannot understand people asking for Federal money for laboratories suggesting that the Federal Government might not treat them right. In this same bill there is \$1,500,000 for a tobacco research laboratory in the tobacco growing area of Kentucky.

North Carolina, Virginia, and Texas are the only ones opposing the administration, the Secretary of Agriculture, and Dawson, and they have gone to the ridiculous position of arguing that a peanut laboratory should be in a neutral territory, and this peanut research should be conducted at New Orleans. I charge that these States contending this now knew that New Orleans had its laboratory when they were begging for a quality peanut laboratory. All of the people requesting this laboratory are professionals. They knew the score then and they know it now. There is far more reason for taking a tobacco laboratory to the neutral city of Niagara Falls than it is to take a peanut laboratory to New Orleans. What the Louisiana Congressmen vote for the laboratory to be located at Dawson you will see that they have not fallen for this foolish neutral territory argument.

It is a little amazing to hear the gentleman from Mississippi [Mr. WHITTEN], say this research should be done in neutral territory. Ask him what kind of laboratory it was that he got for Mississippi before Christmas last year. The boll weevil laboratory just happens to be located in Mississippi instead of Maine, and the gentleman from Mississippi [Mr. WHITTEN], is to be congratulated on taking it to his State.

The gentleman from Mississippi [Mr. WHITTEN], has expressed some surprise about the selection of sites for laboratories, and suggests that maybe Senator RUSSELL was instrumental in selecting

Dawson. On page 723 of the hearings of the Subcommittee on Appropriations for Agriculture, House of Representatives during the year 1963, the gentleman from Mississippi [Mr. WHITTEN], said: "I had the privilege on the floor of designating Mississippi State College as the location" for the boll weevil laboratory.

Georgia is quite a cotton State also, but we have no kick on Mississippi having so many cotton laboratories, and we do not think that those Mississippi laboratories have mistreated Georgia, and we do not think the Federal Government will let them do it, either.

It is worthy of note to consider that the Senate has approved this appropriation twice, with every Texas, Virginia, and North Carolina Senator voting for it. The opposition in those States has not been able to convince the Senators that they were mistreated, misled or that Dawson was not the proper location for this peanut laboratory. Georgia is glad that those Senators stand with them for this peanut laboratory, because Georgia Senators and Congressmen have stood for Texas, Virginia, and North Carolina many, many times, and the Senators realize that they simply cannot afford to support the one-way street theory.

Senator Young told these opponents—see page 1278, Hearings before Subcommittee of Committee on Appropriations, U.S. Senate, 88th Congress, first session—that the need for this laboratory at Dawson was established with the support of the Department of Agriculture some 3 years ago; that a lot of money has been spent to place it at Dawson and it seemed to him that there is only one question before Congress now, either put it at Dawson or lose it entirely. He said that years ago, quality research laboratories for wheat had been established in wheat-producing areas.

See the same Senate hearings on page 311 where Mr. Herrmann, representing the Department of Agriculture, said that Dawson had furnished the lands for the building at the cost of \$12,000; had constructed a sewage disposal plant at the cost of \$225,000; and had also provided intermission lines.

On pages 312 and 313, see where Mr. Smith with the Department of Agriculture said that the Department never had any intention of conducting research predominantly on one particular kind of peanut, and would not give preferential treatment to any one type that the Department selected the site—Dawson—that is centrally located from a production and geographical point of view; that the laboratory should be located in a peanut producing area and there are many reasons for that opinion.

The southeastern peanut area is asking for simple justice. Everyone knows that this neutral theory advocated for Georgia has never been accepted by the opposition for themselves, and that they never will; and the tobacco research that they want in the tobacco belt eloquently demonstrates what I have said.

My colleagues, there is no surgeon nor any medicine that would do the Congressman at St. Joseph's Hospital in Atlanta, Ga., as much good as the passage of this amendment.

Mr. WHITTEN. Mr. Chairman, the committee would have no objection if the gentleman from Georgia wishes to correct his amendment. In our opinion the words "to remain available until expended" make the amendment subject to a point of order. If the gentleman should wish to ask unanimous consent to modify his amendment, the committee would have no objection to the unanimous-consent request.

Mr. PILCHER. I do not understand. I am not a lawyer. I hope I will not get in a trap. I will let my able colleague from Georgia who is a lawyer handle that part of it.

Mr. FLYNT. Mr. Chairman, I ask unanimous consent that the amendment offered by my colleague from Georgia [Mr. PILCHER] may be modified by striking the words "to remain available until expended."

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. WHITTEN. Mr. Chairman, I do not object, except to the amendment. I do not object to the modification.

Mr. BURLESON. Mr. Chairman, reserving the right to object, the point is, of course, that nothing is being agreed to here with respect to the substance of the amendment.

The CHAIRMAN. The Chair understands the pending unanimous-consent request is to modify the pending amendment by striking out these words.

Is there objection to the request of the gentleman from Georgia [Mr. FLYNT]?

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Amendment offered by Mr. PILCHER: On page 3, line 12, strike out \$97,656,000 and insert \$99,256,000, of which \$1,600,000 for the construction of a national peanut research facility at Dawson, Georgia, and the acquisition of land therefor by donation.

Mr. BURLESON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if there is any merit in this amendment it is in the fact it is being offered in the name of our beloved colleague from Georgia [Mr. FORRESTER]. If this is the way to legislate on a matter involving approximately \$10 million in taxpayers money, then this proposal has merit. Of course this is not the proper way to justify an expenditure of this nature. Mr. Chairman, this proposed project is absolutely unconscionable. This laboratory will duplicate what is already being done in New Orleans, La. It is true that not enough research in this field is being done but I think it can be shown this is not the answer. There is \$450,000 in this appropriation for shelling research which actually amounts, as I understand it, to erecting a building in Dawson, Ga., to house facilities already there. It is rather an amazing thing to look at the figures. In fiscal year 1963 the sum of \$342,000 was appropriated, and I assume spent, for peanut laboratories and peanut research. The Southwest, composing the States of Oklahoma, New Mexico, Louisiana, and Texas, received—how much out of this \$342,000? Seven hundred dollars. The Southeast, particularly Georgia, received

\$241,000 for peanut research. Now they come in and want another \$1.6 million. For what? For duplication of what is being done, but more importantly for quality research which furthers the competitive advantage of the Southeast peanut growing area over the Southwest.

In this bill there is \$9.5 million for research at Athens, Ga. I assume part of that is for peanut research along with other activities. We are not objecting to that. I do not object to research in anything if it is justified, but this is not justified. It is just \$1.6 million because our good colleague from Georgia has been asking for it for years. Unfortunately, he is not here, but I repeat that it is an unconscionable expenditure of a needless \$1.6 million. Even if the economics of the initial cost were not involved, and there is much more involved than just this \$1.6 million, if this amendment should be adopted one part of this Nation, a peanut-producing area, would be placed at a distinct disadvantage over the Southwest. The Southeast area has enjoyed such advantages for at least 20 years. What they expect to do now is have additional research in this area benefiting the runner-type peanuts in competition with the Spanish-type peanuts raised in the Southwest. They already have numerous advantages. Time will not permit full explanation. However, many of you may remember debates on this issue for a great many years. It is real and it is serious for the growers and shellers of peanuts in the Southwest. This move is to further aggravate and compound injury already existing.

My good friend from Georgia talks about what is right. Why, you talk about what is right and what is equitable. This is outrageous, and it has been for all of these years. They are taking the markets away from the Southwest by all the advantages under legislation and regulations and now they want more by establishing a laboratory for quality research, located in a favored place for the runner-type peanut.

Now Mr. Chairman, they want to spend another \$1,600,000 as an initial cost to make the disparity even greater.

We talk about economy. Leaving everything else aside, leaving the background aside, this item is not in this bill. We give lipservice to economy. This is not a great amount compared to expenditures with which we deal around here. No, it is not very great, but we can surely understand it—\$1,600,000 of needless expenditures. And then, what are you going to do with the other \$450,000 already in the bill? I think that is ridiculous. Even this sum is not justified but I understand the position of the committee and respect that position. I believe it should not be in this bill, and do not believe it justified. On the other hand I understand that the committee, in efforts to agree with the other body on the fiscal 1963 bill, more or less had to accept something and this was the least objectionable.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BURLERSON] has expired.

Mr. FLYNT. Mr. Chairman, I move to strike out the last word.

(Mr. FLYNT asked and was given permission to revise and extend his remarks.)

Mr. FLYNT. Mr. Chairman, I rise in support of the amendment offered by my colleague the gentleman from Georgia [Mr. PILCHER]. The purpose of this amendment is very close to the heart of those of us who represent the State of Georgia, and particularly close to our hearts today because the man who would have offered it is for providential reasons confined to his bed in St. Joseph Infirmary in Atlanta, Ga. Of course, I refer to our beloved colleague, the gentleman from Georgia, the Honorable E. L. FORRESTER, who for 14 years with distinction and ability has represented the great Third District of Georgia.

Mr. Chairman, I support this amendment because it is meritorious. When the proposal for the National Peanut Quality Research Laboratory was first made there came before the Secretary of Agriculture and the Committee on Appropriations representatives from all sections of peanut production. The people from Virginia and North Carolina joined with us in support of the facility. At that time the people who grow and process peanuts in the Southwest region—Texas, Oklahoma, and New Mexico joined in expressing the need for it. There came friends from the area represented by the gentleman from Texas [Mr. BURLERSON], who just preceded me in the well of the House and they joined with us from the southeastern production area.

So far as I know no one objected to the Dawson Laboratory or to one just like it until the administration, the Secretary of Agriculture determined that the logical place for it was in the heart of the peanut-producing area of the United States at Dawson, Ga. This is the place where it ought to be located. The amount which this amendment proposes to appropriate in all probability will be paid for in the first 5 years of the operation of this National Peanut Quality Research Laboratory which we seek to complete by the adoption of this amendment to appropriate an additional \$1,600,000 for this purpose.

So far as I know there has never been any objection raised to either the need or the justification for this type of laboratory for the purpose for which it is intended, as the legislative history that is being made on this bill will establish here today.

Mr. BURLERSON. Mr. Chairman, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Texas.

Mr. BURLERSON. I know the gentleman is perfectly honest in his belief there was agreement and that there should be a peanut research laboratory located somewhere, but the facts as the gentleman states them and as he describes them are not the facts as they really exist. The people from the Southwest upon coming to this conference to which he referred never agreed, No. 1, that there should be or would be a re-

search laboratory. They never had the opportunity to have a word as to where that laboratory would be located.

Mr. FLYNT. Mr. Chairman, I will say to the gentleman from Texas [Mr. BURLERSON] that I do not think there is any real disagreement between him and myself on the need for this laboratory. I believe we are in full accord that it is needed and that it is justified and that the benefits to be derived from it and from its operations will help the State represented by the gentleman from Texas and will help the people of the United States, particularly those who are engaged in the production of commercial peanuts in 12 States.

We are talking about agreements. Let me read to the gentleman an agreement which I thought was binding. It appeared in the statement of the managers on the part of the House on page 7 of Report No. 1088, which was the conference report on the appropriations for the Department of Agriculture and Related Agencies, signed by the distinguished chairman, the gentleman from Mississippi, and it reads as follows:

Amendment No. 6—Research: Eliminates House language providing funds for a Peanut Research Laboratory in Georgia. This item has been removed from this bill without prejudice. The managers on the part of the House agree to include an appropriation for this purpose in the amount of \$600,000 in the first supplemental appropriation bill for the coming year or the next regular appropriation bill for the Department of Agriculture, whichever provides the first opportunity for action by Congress.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(Mr. FLYNT asked and was given permission to proceed for 1 additional minute.)

Mr. FLYNT. Mr. Chairman, in this connection I will say to the gentleman from Texas and to the gentleman from Mississippi the agreement which many of us felt to be a valid and a binding agreement was that this particular item which this amendment this afternoon calls for would be included in either this very appropriation bill for the Department of Agriculture or in the first supplemental appropriation bill for the coming year. In the language of the statement of the managers on the part of the House "whichever provides the first opportunity for action by the Congress."

Mr. Chairman, this amendment which has been offered by my colleague the gentleman from Georgia [Mr. PILCHER], and which I enthusiastically support, provides the very opportunity referred to in this written statement and written agreement—"whichever provides the first opportunity for action by Congress."

Mr. Chairman, the first opportunity is this amendment and the time is now. I respectfully urge the adoption of this amendment.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Chairman, I support the "Tic" Forrester amendment which has been offered here today by the dis-

tinguished gentleman from Georgia [Mr. PILCHER].

The statement has just been made by a respected Member of the House that the work which is proposed for this Laboratory is being done in New Orleans.

I think the facts are that only a small part of the resources of the Laboratory at New Orleans are devoted to peanut research. I quote from Secretary Freeman, the highest authority I think we can quote in the field of agriculture.

On September 24, 1962, Secretary Freeman said that the New Orleans Laboratory used about three-fourths of its resources in research in new uses on cotton and cottonseed, with the remaining one-fourth concerned with rice, naval stores, sugar and other crops, including peanuts.

Peanuts represent a very important crop to a very large segment of the South. There are many unresolved questions connected with the production, processing, and marketing of peanuts, many unresolved questions connected with insect control, disease control, and storage quality. This should be a full-time operation because of the importance of the crop.

There seems to be no question anywhere in the industry but that an additional laboratory is required. The problem has been where and when. Every segment of the industry says they need it and they need it now. The question has become embroiled in a matter of location. It has to be resolved sometime. Let us get on with it, let us resolve it here and now.

It has been resolved in favor of Dawson because the Secretary of Agriculture has said this is the logical site. It is the center of the peanut industry. Over half of the crop is produced in the Southeastern States, and all types of peanuts are produced in these States. You will not be limited to one or two types of peanuts if you put this laboratory here. All types of peanuts are produced in the immediate area, and all of them can be researched and tested at this site in Dawson.

The Senate has put the money in the agricultural appropriation bill for this purpose. The question of amount was not raised, the question of need was not raised, and the question of site was not raised in the Senate. There you have representatives in the Senate from other Southern States. They did not question the action proposed here today in the House; namely, to appropriate \$1.6 million and to put this laboratory in Dawson, Ga.

In keeping with anticipation of prior action, Dawson has expended money to acquire a site, they have expended money to provide sewerage, water, and gas service to the site. It is time to move along with this.

It is fully justified if for no other reason—and there are plenty of reasons—let us do this for DICK FORRESTER. There is one of the finest little guys any of us has ever known. He is sick. He has fought his heart out here for years. He has been one of the most valuable Members of this body. He has always been the champion of the Ameri-

can Constitution as he read it. No one has ever fought harder to preserve this Nation.

This is our last chance to do something to show the appreciation of the House of Representatives for the great work of a great American. I sincerely and earnestly urge that we approve the pending amendment at this time.

Mr. RAINS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is rare that I ever appear—in support of an amendment to an appropriation bill. I never like to speak unless I am sure I know all about the subject that I try to talk to the House about.

I am concerned about this for two or three reasons. I know that the Secretary of Agriculture under an act passed by this Congress located this laboratory at Dawson, Ga. I know also that this is an administration proposal and that this is where the administration wants it located. I know the facts and that they are true as the gentleman from Florida [Mr. SIKES] said that this is the center of the peanut industry. There are a lot of other places where peanuts are in grown in this country. Heretofore when this matter has been before the Congress, I have tried to be of assistance not only to "Tic" FORRESTER, but to my State of Alabama, because Alabama is great peanut country—one of the greatest.

But I hope we will see to it, as the gentleman from Florida said, that we end this controversy, end it in favor of the place that was selected under the law and by the direction of the Congress, by the Secretary of Agriculture, and as the administration suggests. It would be in my judgment a real tribute to a fellow who has fought for this project. Let us adopt this amendment because it is right to do so, also as a tribute to "Tic" FORRESTER.

Mr. CASEY. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman.

Mr. CASEY. I appreciate what the gentleman has said. I hope the gentleman, and I am sure he does not want to create the impression that we who may feel that the selection of this site and the building of this installation is a needless cost to the taxpayers, as I say, I hope and I am sure the gentleman does not want to create the impression and does not want anyone to think that we do not love our dear colleague, Tic FORRESTER. I am sure the gentleman did not mean that.

Mr. RAINS. No, I do not mean that and I think it is clear that I do not.

Mr. CASEY. I certainly would like to see "Tic" honored in some way, and frankly I would rather see him get a gold medal rather than someone that it was proposed for yesterday so far as that is concerned.

Mr. RAINS. I want to say in conclusion that the gentleman from Texas is absolutely right. I do not mean to cast reflection on anybody who may disagree with this—not at all. But I told "Tic" in days gone by that I would be for him and that I would stand up for him when the time came. I really believe there is

merit in this proposal and I would feel derelict in my duty if I did not stand up for him today.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and my colleagues, I hope we can consider this appropriation bill on the merits of the appropriations rather than upon the fine character of one of our colleagues. I agree with every kind word which has been uttered in regard to our genial colleague from Georgia. He is indeed a true gentleman. I think, however, there are about 434 other Members of the House who are fine folks, fine ladies and gentlemen, everyone of whom would like to have some kind of Government institution established in their district and for whom it would be very fine to erect such a monument. I find no criticism whatsoever in paying our respects to our colleague, the gentleman from Georgia. He is indeed a respected Member of this House. Every one of us love him, but there are a great many others whom we love too, and if we are going to establish a Government institution regardless of the need for it in every district simply to pay tribute to a worthy Representative, what does it do to your Government? What does it do to your fiscal policy?

I think the Committee on Appropriations has followed a sound policy. A good many years ago they adopted a policy of trying to centralize agricultural research and they created four great regional laboratories and one of them was dedicated to the purpose of carrying on research on southern crops.

I have not noticed that peanuts was a crop of the Arctic regions. I have always supposed it was exactly what was defined as the type of crop as to which research would be carried on in New Orleans. There is peanut research being carried on in New Orleans now. That there is a need for more I would not dispute. Nor would I dispute for one moment that there were Representatives from the Southwest, from Virginia, from the Carolinas and from all over the country who in the past agreed that we ought to increase our research on peanuts.

But I would take issue with the implication that there was ever any agreement that we establish a research laboratory anywhere other than at New Orleans to carry on this work.

I would take issue with the suggestion that the Representatives from Texas and from Virginia or from the Carolinas all agreed that we should construct a new laboratory. There was no such agreement. There was an agreement that we ought to have more research work, but there never was any agreement as to where that work would be carried on. After there was a general agreement that more research work should be carried on, the Secretary of Agriculture said he would appoint a committee to decide where that work should be conducted and that he would appoint representatives from all of the peanut growing sections of the country—which he did. That was 4 or 5 years ago.

That committee has not met yet, to decide where the laboratory ought to be established.

I want the gentleman from Georgia to listen to me, and I want him to correct me, if I am misstating this fact. That committee has not met yet. We were simply advised by the chairman of that committee, who just happens to come from the State of Georgia, that the laboratory had been located in Dawson, Ga., and there was no need for a meeting of the committee. Maybe this is where some of the misunderstanding started.

Now, let me call attention to one other thing.

We all would like to do something to perpetuate the memory of our colleague from Georgia. But before we do it this way let us review the facts as they exist today. Dawson, Ga., is no longer in the gentleman's district. At the time he came around to talk to all you folks and at the time you all told him how you were going to help him, he was talking about what he wanted in his district. Since that time the Legislature of Georgia has redrawn the congressional districts of that State and Dawson was placed in the district so ably represented by the gentleman from Georgia, who offered this amendment. Let us get that straight. There has been a redistricting in the State of Georgia since most of you agreed to help our colleague make a good showing in his district. Let us not vote to waste \$1.6 million this year, and a like amount for ages to come. Actually it is not only that \$1.6 million, but more than \$10 million. If you will read the bill, you will find that the committee agreed to put \$9.4 million in an agricultural research laboratory at Athens, Ga. That is \$9.4 million for research on southern crops.

What are southern crops? I believe the gentleman from Florida said that peanuts were a southern crop. I agree.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent, Mr. POAGE (at the request of Mr. ABBITT) was given permission to proceed for 3 additional minutes.)

Mr. POAGE. Mr. Chairman, I do not wish to prolong this discussion. I merely want the membership to understand what they are asked to do. You are not now voting to put a laboratory in "Tric" FORRESTER's district. You are asked to vote to spend more than \$10 million in new laboratories in the State of Georgia. That is what this involves, and all of this would duplicate the work now being done or which should be done at the Southern Regional Laboratory. Surely we do not need two new laboratories to study the same southern crops. If we do, we are surely going to build lots of laboratories over the country.

I know, of course, there is not a single Member who is supporting this amendment who would stand up for a rollcall, because they do not want to be on record as voting for this kind of duplication.

Neither do my friends on the other side. They do not want to be on record in favor of this. It is only a little more

than \$10 million of duplicating facilities in one State.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. GROSS. The \$10 million would light the White House for quite a while, would it not?

Mr. POAGE. I believe it would light it for a long time.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. PICKLE. Do you think the work of the Southern Utilization Laboratory in New Orleans is being done well? Is it a good laboratory and doing effective work?

Mr. POAGE. Do I think the laboratory at New Orleans is a good one?

Mr. PICKLE. And doing a satisfactory job in research on peanuts?

Mr. POAGE. It is not doing an adequate job, because it has never been provided enough money, but if you would provide it the money, the operating money, you would not have to provide any more money for the construction of new facilities, money that you are going to have to appropriate if you adopt this amendment. You could save approximately \$10 million and let the New Orleans laboratory do exactly the same work which it is proposed to have done in the two new Georgia laboratories.

Mr. PICKLE. Then, the gentleman from Georgia might accept an amendment to cut this money in half or even less and let the research be done at New Orleans where it is now being carried on? Would that be a feasible amendment?

Mr. POAGE. I am afraid the gentleman from Georgia would not accept it. I get the feeling that the gentleman from Georgia wants to see Government dollars spent in his State. I fear that it would be unrealistic to expect the gentleman from Georgia to see the national implications as clearly as we see them. I am sure that the gentleman from Georgia cannot see the evil and the waste which you and I see in connection with this needless duplication of effort. I am sure that the gentleman from Georgia cannot understand as we do, the injustice of developing a peanut in competition with the peanuts of Virginia and the Carolinias and in the Southwest at Government expense. I am sure that the gentleman from Georgia cannot see the vice, which is so clear to us, in making unneeded expenditures of Federal money to do honor to a colleague.

Mr. LANDRUM. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I support this amendment, and at the outset of my statement let me say that I shall stand to request a record vote on this bill, and if a record vote is taken, I shall vote for it and I shall not be ashamed to defend that position to any of my own constituency or to any segment of America.

Now, statements have been made here that this appropriation has not been

justified. As I have studied the record and listened to the arguments both pro and con, it appears to me that some justification was made somewhere on at least two different occasions for on two separate occasions this amount of money has appeared in the budget for this purpose. Moreover, it appears further that it has been justified because all segments of the peanut industry have at one time or another and in some fashion appeared in favor of a quality research laboratory. Not until the Secretary of Agriculture, with whatever authority he had to do it, announced that it would be placed in the heart of the peanut industry at Dawson, Ga., was there any division or any dissent or any disagreement about the establishment of the laboratory. Now, I think that is sufficient justification to remove the alleged ridiculous position stated here that this would place the House of Representatives in if it were approved. Budget recommendations have come twice. The managers on the part of the House for the Subcommittee on Agriculture of the Appropriations Committee have at one time or another stated in writing that they would consider it at an appropriate time, and this, as my colleague from Georgia has said, is the appropriate time.

So much for the record justification. Let me advance another premise which I think to be very satisfactory justification.

No. 1, the charge has been made that Dawson, Ga., is no longer in the district represented by the gentleman from Georgia [Mr. FORRESTER]. That charge is simply untrue. Dawson, Ga., and Terrell County, remain in the Third District of Georgia now represented by the gentleman from Georgia, the Honorable E. L. FORRESTER, and will so remain until January 3, 1965. That district will continue to be represented by one of the most courageous, one of the most effective, and one of the most courteous Members this House has ever had.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to the gentleman from Florida.

Mr. SIKES. Would it not be well to relate the fact that this item has been twice justified, twice budgeted, and twice has been voted by the Senate in its entirety?

Mr. LANDRUM. That is exactly correct, and I thank the gentleman for that additional statement of justification.

Now, finally, I would say this: My dear friend, the gentleman from Georgia [Mr. FORRESTER], is deprived of the privilege of representing his interests here today because he suffers from a physical condition which caused a very serious operation to have to be performed on him. He is now recuperating in St. Joseph's Infirmary in Atlanta. This laboratory appropriation would be the greatest therapy he could have. He has disagreed with many Members of this House of Representatives on what he thought to be constitutional principles relating to our U.S. Constitution. In doing so, he has actually been as courteous

and as respectful of the rights of others as any man could possibly be. I dare say there has never been a more courageous fighter, one held in higher affection and esteem, than the gentleman from Georgia, "Tic" FORRESTER. I say to you that in addition to all of the budget justifications for this appropriation one final consideration ought to be given by this House, that is, in this year—the final year of "Tic" FORRESTER'S service in this Congress—terminated for reasons of ill health, he should have the vote of this House in putting into this bill money for the district which he represents and which he has represented so ably over the last 14 years and which he will represent, despite the charges made here earlier, until January 3 of next year.

Mr. Chairman, I hope the committee will approve this amendment.

Mr. ABBITT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate very much the opportunity to say just a few words on this important matter. I just hope that the membership will pass on this amendment on its merits, not because of sentiment or to try to erect a monument to one of our colleagues. I am sure that is not necessary. Our colleague is beloved by all of us. I respect him. Very seldom have I disagreed with his philosophy. But I do think this is not the proper time nor the place to honor him. This laboratory item originated in the other body several years ago. It was not even requested on this side, but through the efforts of some people over there—and we all realize who is the chairman of the appropriate subcommittee over there that handles agricultural matters—it was inserted on that side. It came back over here and many of us vigorously opposed the appropriation and it was defeated. The same was true last year. The Department did not request this item this year, as I understand it.

Mr. Chairman, I say that the amendment that has been offered by my friend, the gentleman from Georgia [Mr. PILCHER], which asks you to add \$1,600,000, is just a starter. Those of you who are interested in economy in Government and in trying to cut out unnecessary spending I hope will listen for just a few minutes. This is just a starter. The \$1,600,000 will be required for a building. It will take over \$400,000 in equipment that they already have in New Orleans and it will require an appropriation of \$700,000 annually—and this is in the hearings—to carry on the work that is contemplated. So when we provide or authorize this laboratory we are just starting a huge avalanche of needless expenditures of the taxpayers' money which will eventually, instead of helping the peanut industry, tend to wreck it. Two of the three segments of the peanut industry are not for this amendment.

The Southwest and the Virginia-Carolina areas bitterly oppose this appropriation. The first I heard of it or heard of a separate laboratory was when it was placed in the bill in the other body. All that our people have asked for is that proper research be carried on. I am in

favor of that. I say it can be done where we have the laboratory located in New Orleans. There are funds in this bill to implement and carry on that research. It can be done there far more economically and at considerably less cost and more effectively and at the same time not wreck certain segments of the peanut industry. That is what I say this appropriation will do.

Mr. PILCHER. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. Yes.

Mr. PILCHER. Have not both of the distinguished Senators from Virginia endorsed this?

Mr. ABBITT. I can barely speak for myself, much less for the great and distinguished Senators from Virginia. But if they have every endorsed it, it is beyond my knowledge. I am sure they have done what they could to defeat it, but they were unable to overcome that masterful man from Georgia, who is chairman of the Senate subcommittee, who is pretty well able to handle such matters of this kind over in the other body.

Mr. BURLESON. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Texas.

Mr. BURLESON. Mr. Chairman, I believe statements to the effect that agreements on the location of a peanut laboratory were reached among peanut interests in the various areas should be clarified. The impression is being left before this House that the Committee on Appropriations of the House of Representatives has heretofore included this item in measures they have presented on this floor. As a matter of fact they have opposed it year after year, because of the lack of justification of location and purpose. It was put in the bill in the other body.

At this point I would like to compliment the Subcommittee on Agriculture for their dedication and diligence. I have never seen any group, and this to both sides of the aisle a more dedicated and a more scrutinizing group of men who would like to do those things which they feel are best for the country and best for agriculture. They have opposed this item year after year. We have had this fight up here numerous times. We all know that last fall when this very matter which is now pending was holding up the annual appropriation bill, this committee had the lash and pressure put on its back to finally agree to include the sum of \$450,000 to house a peanut shelling facility at Dawson, Ga. I think they had to yield to these pressures in order to get the 1964 fiscal year appropriations out of the committee.

Mr. ABBITT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

(Mr. ABBITT asked and was given permission to proceed for 1 additional minute.)

Mr. ABBITT. I appreciate and associate myself with the statement just made by my colleague the gentleman from Texas [Mr. BURLESON].

Now, Mr. Chairman, it was stated here that the Secretary of Agriculture se-

lected the site in accordance with some act that passed the Congress heretofore. That is not true. As I understand it, Congress has never passed any specific bill authorizing this Laboratory or authorizing the Secretary of Agriculture to select the site. The Secretary merely proceeded under the general authorization bill. No authority has ever been specifically granted nor has this Laboratory been specifically approved by this Congress or any other Congress.

Mr. Chairman, I hope in the cause of good government and economy and for the protection of a great industry that this amendment will be voted down.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

(Mr. WHITTEN asked and was given permission to proceed for 5 additional minutes.)

Mr. WHITTEN. Mr. Chairman, I hope I may have the attention of the members of the committee. One of the most difficult tasks I believe that any of us has to perform is to serve on the Committee on Appropriations where the requests are always about three times the amount of available funds.

Mr. Chairman, it is unpleasant to have to tell one's colleagues, "I am sorry; we do not have the money; we just cannot grant it; we have to operate under a budget."

Mr. Chairman, as I told the members of the committee at the outset, the appropriation request for the Department of Agriculture has been cut more this year by the Bureau of the Budget than all the rest of Government put together.

Mr. Chairman, I have studied this matter. I have listened, I have worked, I have tried to come out with a solution that seemed to be fair.

The peanut industry apparently has three great major sections—the Virginia-Carolina area, the Southwestern area, and the Georgia area. They are highly competitive. They are competitive in price support levels, they are competitive in every other way. Some several years ago, and I am speaking from having studied the RECORD, in Georgia they came up with a peanut which up to that time had been a hog type of peanut, and started developing it into a good product. It is a good product. From that time on competition has been rather fierce between these three areas. As a result, they agreed that while it needed more research, there never was any agreement as to where the quality research was to be done.

I do not take a back seat to any of my colleagues in my respect for our colleague from the State of Georgia. I think I have gone as far as anyone has in trying to resolve these things because of my interest in the project, in the program, and in him.

With this competition, our committee, without hearings, without any official meeting of the committee, designated that quality research be done in one of the three, when New Orleans was already set up for that purpose. Last year under similar circumstances, counseling with the best friends I knew to approach, our committee went along with money to put a laboratory at Dawson, Ga. We also

provided funds to carry on the peanut quality research at New Orleans, and quality research is now being done at New Orleans.

Last year at the request of the Speaker and all the leadership of the House of Representatives, at the request of the leaders of the Senate of the United States and the White House, your subcommittee yielded to \$9.5 million for a laboratory in Georgia in order to wind up the business of this Congress. In order under the circumstances to do that, we agreed we would maintain the status quo and bring it back here this session with this \$450,000.

Do not think in this instance if you vote against the pending amendment you will vote against doing anything about this matter. May I say the Bureau of the Budget does not recommend the item this year. It has not recommended a single dime and after they got a \$9.5 million laboratory in last year's bill the President has not recommended a dime. But our subcommittee had committed itself. We thought it would be unfair to put quality research in either one of these three areas when it is being done at New Orleans now.

In spite of that, you have before you \$450,000 for a laboratory at Dawson, Ga., which our committee has brought in here over the budget because of the people involved, and because we think they can use it. I say to you if you vote this \$1.6 million there is not a basis in the world for doing it except your feelings, because they have a new \$9.5 million laboratory which was put in Georgia last year. That satisfies the White House, the President, and everybody else, and they did not recommend a dollar this year.

This committee works hard trying to meet the needs of this Nation as presented to us by our colleagues in the Congress. But I say, if you needlessly spend \$1,600,000, when this has been adequately provided for, you lessen our chances to meet the other needs that you have throughout the entire country.

I hope you will stand by your committee on this amendment. If you do, there is \$450,000 which your committee put in the bill over the budget and without budget recommendation in an effort to try to do the right thing. I say again when there are three competing areas in this Nation, let us treat them all fairly, but let us continue the quality research that is going on in New Orleans now. Let us defeat this amendment.

I assure you, I will stand by the \$450,000 provision which is all in the world that can properly be spent at this location. I hope you will stand by the committee. I do not take a back seat to anybody so far as my love for the individual here is concerned or any Member of the Congress. We try to be fair. We believe we deserve your support in our effort to be fair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PILCHER].

The question was taken; and on a division (demanded by Mr. FLYNT), there were—ayes 73, noes 67.

Mr. WHITTEN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. WHITTEN and Mr. PILCHER as tellers.

The Committee again divided, and the tellers reported that there were—ayes 83, noes 73.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$30,454,000;

Mr. HUTCHINSON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to discuss a matter briefly referred to in a colloquy between the gentleman from Michigan [Mr. CHAMBERLAIN] and the gentleman from Illinois [Mr. MICHELL], during general debate relative to the cereal leaf beetle threat, now existing in the Middle West, particularly in southern Michigan, in Indiana, and in Ohio.

Judging from that colloquy, I feel certain the Committee recognizes there is money in the bill for necessary research on this problem.

I desire to have the RECORD show what is the present status of this pest, and what has been done about it.

It was identified 2 years ago in the southern part of Michigan; it is an insect about an eighth of an inch long; an insect which is a very prolific feeder and a very prolific breeder. It feeds upon the tender young shoots of cereal grains—of wheat and of oats—and even feeds upon corn.

It came from Europe. We do not know just exactly how it got here, but, anyway, it is here. It is under quarantine in the areas where it has been identified, and the three States which have identified it are doing their best to control it. We spray with malathion in Michigan. The Legislature of Michigan has met its responsibilities so far as providing money for control is concerned, but the House of Representatives should be aware of the fact that the control is right up to research. What I mean by that is that we cannot control it any better than we do because we do not know how to. Consequently, this matter of research is extremely important. We do not even know how to trap this bug. All we can do is go through the fields with a net and hope that we capture some. If we do, we know they are there. So the periphery of the infestation is not certain but is problematical and it may be more widespread than we recognize. Consequently this is a national problem and one with which the Federal Government should genuinely be concerned, because when this insect spreads into the grain areas of the country, it will certainly have an adverse effect on our grain production. There are many of us who suspect that part of the problem of grain production in Europe at the present time is due to the ravages of this pest.

With that in mind, I would like to ask the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] definitely to point out in this bill where the money is out of which research money might be made available. Is it

within the \$97,656,000 found on line 12 of page 3, Mr. WHITTEN?

Mr. WHITTEN. This includes the major part of the research funds available to the Department. However, in addition to that, as you will notice, we have provided for the transfer of \$18.8 million from section 33 funds, which is for the cost of production research and utilization research. In addition to that, under the big item the gentleman mentioned, the Department has the right to transfer funds up to 7 percent from one project to another. Throughout our hearings and our report we recognize that this pest and this problem is one of the major ones the Department faces, and we call on them to go into it.

May I say the reason why the committee has hesitated through the years to appropriate a set amount of dollars for each particular research project, which is what the Department would like to have, is that we want them to have the funds to the full extent that they can properly use them. However, let me say that there are ample funds in here, in my opinion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOW. Mr. Chairman, I move to strike the requisite number of words.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. BOW. Mr. Chairman, I am pleased to note that the committee has recommended funds for the employment of 100 additional meat inspectors. However, I am told that nearly 200 additional inspectors would be required to fill the present demand for inspection services and, at the rate that new plants have been coming into this program in the past, another 80 will be required before the year is out.

Meat inspection is an obligation that the Federal Government places upon packers who wish to sell in interstate commerce, and it is a service to the consumer.

I am greatly concerned about whether our Government is treating the packers fairly when it requires that the operation be inspected but on the other hand fails to provide sufficient men in the inspection force to do the job.

This means that many packers, including some in my district, must ask the Federal meat inspector to work overtime and this overtime must be paid by the packers.

Moreover, in many cases the cost of overtime for the inspectors is minor in comparison with the cost of slowing down or shutting down any part of the packing operation because no inspector is on hand. The highly paid packinghouse workers must stand idly by while overhead costs mount, and this means a loss to the packer and to the ultimate consumer who must therefore pay more for her meat.

I think we should examine this problem carefully today and endeavor to provide whatever funds are necessary to discharge the Government's self-imposed responsibility for the inspection of meat-packers.

[Mr. CEDERBERG addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to ask the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], a question or two. I understand there is a sort of floating research fund in this bill of about \$10 million; I assume it is the item on page 12, \$9,476,000.

Mr. WHITTEN. Mr. Chairman, may I say that we have not tried to treat these research matters item by item. As the gentleman can see, we have mentioned the various problems that have been called to our attention, but I would again point out that the supply of skilled entomologists and scientists who are qualified to do these jobs is rather limited. In fact, last year they could not find a sufficient number. Not only that, but the Bureau of the Budget imposed upon the Department a very strict manpower ceiling which made it almost necessary that we group these matters together. We gave some indication of the relative merits of them in our report, in our opinion, and then we called on them to do contracting with those who could complete the job. The fund the gentleman mentions is for that purpose. But it is tied down to the point where we tell them the things that are called to our attention and that we think deserve increased attention.

Mr. HAGEN of California. In other words, this money, approximately \$10 million, will be used to contract out to some university or some other group?

Mr. WHITTEN. That is, to the point where they can find a university or a private group that is qualified and to the point where their own manpower does not permit them to meet the need themselves or their manpower will not enable them to meet the need.

Mr. HAGEN of California. I understand that in Arizona and California, for example, they have a problem with the pink bollworm. I do not see any reference to that, or to another west coast cotton pest, in this report—and reference to either of these two pests in these areas.

Mr. WHITTEN. I am sorry I do not have that information at my fingertips, the amount of money that is carried for investigation on the pink bollworm. Substantial amounts are spent on that. We think the pink bollworm is one of the major pests and should have the attention of the Department. If it is not mentioned in the report I shall let my statement here in the RECORD speak as though it were mentioned in the report.

Mr. HAGEN of California. I thank the gentleman. As I understand it, then, this approximately \$10 million is used under a general direction to the Department as to how they are to spend it; is that correct?

Mr. WHITTEN. Yes; except that we try to give them latitude, we try to tell them to put first things first and to try to control their activities in line with the availability of first-class personnel to do the job.

Mr. HAGEN of California. If a problem arose and the industry affected made a good case to the Department, they could proceed to give those needs favorable consideration and would come to the committee for that purpose?

Mr. WHITTEN. They would not have to come to the committee, but we have \$1 million in the fund here just for that purpose. In addition, the Department has a 7-percent transferability and the committee over the years has had this understanding with the Department that if they use funds which the Congress has appropriated for a particular purpose for another purpose, they notify the committee if there is any objection we might have. That is very infrequent.

Mr. HAGEN of California. But there are adequate funds in here so that they would not even require submission to the committee; is that correct? For example, we have a problem with respect to the virus yellows affecting sugarbeet production in California and would like to see more funds devoted to its eradication and would seek these funds for that purpose.

Mr. WHITTEN. None of these items would require submission to the committee. We are not trying to hold strings to this money. But if they had to use some unusual amount, even if they thought they had the authority, they would notify us so that we would not be caught unawares.

Mr. HAGEN of California. I am glad to hear the gentleman say that because I understand that the problem of the pink boll worm is one example and virus yellows another.

Mr. WHITTEN. I am familiar with the problem and I know that it is a serious one.

Mr. HAGEN of California. I notice there is a provision here for research on the boll weevil, specifically for New Mexico.

Mr. WHITTEN. The boll weevil in that area is a new pest. We have learned that the Japanese beetle, and a half dozen others, if you can get them in an area before they get started, you will save a lot of money in the long run. I do not know how much luck they will have. This boll weevil seems to have jumped over into this area, but their efforts seem to give some indication that they might get rid of them.

Mr. HAGEN of California. I understand the same thing is true of this pink bollworm. It comes in from Mexico.

Mr. WHITTEN. Periodically, the committee has gone along with the effort of trying to meet it where it has shown to be in certain areas. We have done that repeatedly in Louisiana and also perhaps across the line in Mississippi.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I am glad to yield to the gentleman from Texas.

Mr. MAHON. With respect to the money for the boll weevil program, there is an area which I have the privilege to represent located in the high plains area of Texas—and I am sure the gentleman is familiar with this area—which is at a considerably higher altitude than the surrounding area. In this high plains

area we have not had the boll weevil at all until very recently. We now have a small encroachment of boll weevils on the fringe of the area. This constitutes a grave threat to the whole high plains area, which is a tremendous cotton producing section.

Let me point out that the people there propose to spend \$1 million on the project if matching funds by the Government are provided. Farmers have asked the Government to match funds which they will provide in order to create a barrier and stop the encroachment of the weevil.

The menace has just begun to show up. This in my opinion is a very important project. I want to highlight the fact that the local communities propose to put up one-half the amount of money and have pledged to raise \$1 million for this purpose if the Government will provide a similar fund—this would, in my judgment, be good from the standpoint of both the farmer and the Government. The Department of Agriculture has been most cooperative.

Mr. TAFT. Mr. Chairman, I move to strike the requisite number of words.

(Mr. TAFT asked and was given permission to revise and extend his remarks.)

Mr. TAFT. Mr. Chairman, the question which I would like to propose at this time is directed to the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN] and relates to the question of the urgency of something being done about the cereal leaf beetle and whether or not the Department of Agriculture is actually aware that this pest does constitute a major threat.

The committee report as I read it indicates only that this is one area that may be looked into.

I would like to direct the attention of the members of the committee to the report which has been filed by the States of Ohio, Michigan, and Indiana, on behalf of those States, by G. S. McIntyre, director of the Michigan Department of Agriculture, in which he states as follows:

The need for an immediate crash research program cannot be overly stressed. This Nation's grain crop—and in reality its food supply—is realistically threatened. There is no hope for containment or eradication of this serious pest unless answers are quickly provided by a strong research program. It cannot be kept within its present boundaries by methods now being used. Quarantines have never stopped the spread of any insect. They have only delayed its movement. An expenditure of a minimum of \$200,000 for research at this time will save millions of dollars later in terms of either control measures, or financial losses to the grain industry, or both.

The question I have is whether or not in the hearings of the committee the Department of Agriculture indicated its concern with the same degree of urgency that this State report has indicated such concern?

Mr. WHITTEN. If the gentleman will yield, I do not want to put words in the mouth of the Department of Agriculture. But I would say that I believe the Department recognizes fully the seriousness of this problem. I know that in our

interrogation of the representatives of the Department in dealing with this problem they indicated their concern. I know that the debate here today has clearly shown that the committee is in accord with the views which have been expressed by the gentleman from Ohio. I believe our hearings will also reflect the same thing.

I do not think the gentleman has any worry with regard to it, other than the worry we always have of money and research. Money and research constitute two different things. You cannot obtain research contracts without money. But, having the money, you still have the problem of handling it. They do need to handle this research in a manner where they can come up with something to do, instead of just broadcasting the funds.

I believe I can assure the gentleman from Ohio that both the committee and the department recognize the seriousness of it and that something must be done about it.

Mr. TAFT. I thank the gentleman.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Texas.

Mr. MAHON. Would the gentleman advise what portion of the research program he is discussing?

Mr. TAFT. The beetle program.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield to the gentleman from Ohio.

Mr. LATTA. I, too, share the concern of the gentleman from Ohio [Mr. TAFT] concerning the infestation in Ohio of these beetles. It is something new. It has showed up in several counties in my district. Several counties have been quarantined and others are about to be quarantined. I think this is an area where the Department of Agriculture could move forward quickly, but I do not think they are asking for adequate funds to carry out the kind of program this beetle infestation necessitates at this time.

Mr. TAFT. I thank the gentleman for his remarks.

(Mr. TAFT asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we must recognize that agriculture has gone way beyond the point of merely planting, cultivating, and harvesting of crops. In the term "agriculture" today we must include not simply production of the crops, but the processing and the distribution of the crops. The whole purpose of agriculture is to feed and clothe the people of the United States. It provides the food and fiber for our citizens.

We have done a very fine job of studying the factors which are necessary to increase production. We have increased production, to such an extent in some circumstances we feel we have produced even more than we can hope to use in the near future.

We have not done so good a job in the distribution of agricultural products.

Food distribution has much which still needs to be determined.

We have many unanswered questions. We all have a vital stake in the success of our food distribution system, the wholesaler and retailer as well.

I want to question the chairman of the committee as to just what the disposition of the committee was with regard to funds which have heretofore been made available for research on food distribution, a study of the distribution system of the country? It seems to me that we ought to continue the work. There may be good reasons for not doing it. If there are the House should understand them.

Mr. WHITTEN. May I say to the gentleman the Bureau of the Budget cut out the full \$862,000 in the area of market research, which has to do with transportation and so forth. The committee put back \$652,000 of the amount.

There was a division of opinion within the committee as to whether wholesaling and retailing research were really in the interest of the consumer and producer. It was my personal view it was and is. But we have a committee that works together, and in the interest of trying to get along we put back \$652,000. None of that was in the budget, it was left out. We put that amount back so that we might look into the matter further and make a study to see who gets the majority of the benefits. I would say personally this is a matter that is in the interest of the consumer and producer going back through the years. I hope that answers the gentleman's question.

Mr. POAGE. I agree with the gentleman. I would hope this look into the facts might take place before the other body acts on this bill and we might hope to have a little more favorable consideration.

Mr. WHITTEN. Certainly we should get all the details.

Mr. POAGE. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like personally to thank the subcommittee, particularly my good friend, the chairman, the gentleman from Mississippi [Mr. WHITTEN], for the work done in connection with this bill. I am gratified with its results.

I rise, however, to propound a question of my good friend, suggested by the passage on page 37 of the report entitled "Sugar Act Program." I read the three paragraphs involved:

Payment are made to domestic producers of sugarbeet and sugarcane who comply with certain special requirements. To finance these payments, a tax of 50 cents per hundred pounds is imposed on all beet and cane sugar processed in or imported into the United States for direct consumption.

Parenthetically, this is another way of saying that the sugar program is self-supporting.

Then going on and proving the parenthetical measure, the report states:

During the period 1938 to 1963 collections from this self-supporting tax of \$2.1 billion from excise taxes and import taxes have exceeded payments by \$527.4 million.

The committee recommends an appropriation of \$86,400,000.

The next sentence states:

The 1964 supplemental estimate of \$6,400,000 contained in House Document 203, dated January 21, 1964, has not been included in the bill.

I understand, however, and assume that all amounts due for a crop that has already been harvested will, of course, in due order be paid. I suggest that because I represent the largest cane producing congressional district in the United States and I have had some communications to the effect that although the crop has been harvested as of January 1, many months ago, some of these payments have not been made by the Federal Government.

Mr. WHITTEN. May I say to the gentleman that these are outright obligations and must be paid. May I say with these items being in this bill, the supplemental is carried along with the bill and we felt that to consolidate the two, they would get payment just about as soon as if we put two separate paragraphs in. May I say it may be that our figures are a little bit tight. But when you know here when everybody is looking at you and complaining about what is being spent in agriculture, which is about the cheapest run that we have I think personally, with all of these problems maybe we should hold a little tighter. If so, it is temporary because the matter has to be paid and, as I say, this bill will be passed and money under the first and second items for the same purpose will be available at the same time.

Mr. WILLIS. May I say to the gentleman, I opened my statement with an expression of appreciation for your efforts and I close in that same vein. I just wanted the record to show that in the total legislative process on this side and on the Senate side, I am satisfied with the gentleman's statement that, of course, these payments will be made.

Mr. WHITTEN. I appreciate the remarks of my colleague, the gentleman from Louisiana, and I will also say for the record that the hearing that I attend which the gentleman arranged in connection with the insecticide problem contributed substantially in us trying to see just how far our committee could go in inviting others to join with us in meeting this problem.

Mr. WILLIS. I thank the gentleman. The Clerk read as follows:

ECONOMIC RESEARCH SERVICE
Salaries and expenses

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products;

\$9,476,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 12, line 24, after the word "consumer" change the colon to a comma and insert the following: "except that no part of the funds appropriated herein may be obligated for this special study subsequent to the enactment of legislation establishing a National Commission on Food Marketing:".

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

Mr. FINDLEY. Mr. Chairman, the language immediately preceding the point at which my amendment would appear is:

Not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer:

The study of the cost-price problems of farmers is a worthwhile project for the Federal Government to undertake, but the interesting development is that the Senate, only yesterday, passed legislation which would establish a National Commission on Food Marketing to conduct an almost identical study. If my information is correct, that Commission will have available, for the very same type of project provided under this section, \$2.5 million. To me it seems to serve no useful purpose to continue a study of the price-cost squeeze on the American farmer both under the Economic Research Service, USDA, and also through the National Commission on Food Marketing.

The proposal for establishing a National Commission on Food Marketing has been reported by the Committee on Agriculture and is now before the Committee on Rules. It would authorize spending of \$1.5 million. I suspect it will be before this body soon.

The effect of my amendment simply would be to halt the spending of money by the Economic Research Service for this study of the price spread between the farmer and the consumer subsequent to the enactment of legislation for the National Commission on Food Marketing. Thus it would save us the cost of a duplication of services.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I am glad to yield to the gentleman from Mississippi.

Mr. WHITTEN. I have asked the gentleman to yield so that we might have a discussion of the amendment, rather than relying on the point of order.

If I am correctly understood the proposal from the gentleman's committee, it would come before the Appropriations Committee in the regular order, for an appropriation. We should not presume at this time that the committee would go along with providing additional funds—subject to the approval of the Congress, of course—to duplicate work.

I respectfully suggest that the gentleman might withdraw his amendment and rely upon the committee, if and when that legislation passes, to see to it that there is no duplication.

This involves some existing work which I believe has some merit as to continuity. I believe the approach the gentleman makes is one our committee should consider when the new group comes before us. We should not upset a going activity which has supplied lots of valuable information, which we have used in trying to analyze these programs throughout the years.

Mr. FINDLEY. All that the amendment would do is to eliminate the possibility of a duplication of effort. I feel certain that the gentleman's committee would make adequate provision of funds for the Commission, if and when it comes before his subcommittee.

Mr. WHITTEN. The Commission would not necessarily do what the Department is doing. The amendment, if I read it correctly, would stop work now going on, which has gone on for years, and which has some value in continuity, yet it would leave untouched that which might be done through the Commission.

It is possible the Commission might not be under the Department. I do not recall the exact details involved.

I hope that the gentleman will let this work go on, and will withdraw his amendment, trusting us to hold down the Commission, which is a new thing, and to keep them from duplicating work.

Mr. FINDLEY. The gentleman's comments renew my feeling that such duplication might occur. Therefore, I believe it would be greatly in the interest of the taxpayers if we make it clear that should the National Commission To Study Food Marketing be established, the other activities of the Federal Government pointing in the same direction should be suspended.

Mr. WHITTEN. In other words, it is the gentleman's view that we should substitute the Commission's work for the work by the Department?

Mr. FINDLEY. If it is in fact established, yes. If it is not established, this would have no effect, of course.

Mr. WHITTEN. I shall have to oppose the amendment, because I believe it actually would be working in the wrong direction. I have reserved a point of order.

Mr. FINDLEY. The gentleman's comments make me feel that his subcommittee might see merit in the continuation of the study by the Economic Research Service, in addition to the very costly

study which in all probability will be undertaken by the National Commission.

Mr. WHITTEN. Mr. Chairman, I have seen many commissions in the years I have been here and I have always found that they needed some tried and true people who have been engaged in the work. I am of the opinion any commission appointed will depend largely on information that was compiled by the other group and with their help your Commission would be twice as effective.

Mr. FINDLEY. As a matter of fact, legislation reported by the Committee on Agriculture would authorize the Department of Agriculture personnel to cooperate with the Commission in this study.

The CHAIRMAN. The time of the gentleman has expired.

Does the gentleman from Mississippi insist on his point of order?

Mr. WHITTEN. I insist on my point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi will state his point of order.

Mr. WHITTEN. The language provides:

Except that no part of the funds appropriated herein may be obligated for this special study subsequent to the enactment of legislation establishing a national commission.

The point of order I make is that this is not a limitation on an appropriation bill as such but is entirely dependent on a contingency that may never occur. For that reason the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Yes. My amendment shows retrenchment on the face of it, and in my opinion is within the rules.

The CHAIRMAN. The Chair is ready to rule.

The gentleman from Illinois offers an amendment, which has been fully reported, and provides that no part of the funds appropriated in the pending section may be obligated for the special study provided therein subsequent to the enactment of legislation establishing a National Commission on Food Marketing, to which amendment the gentleman from Mississippi made his point of order that it was, in effect, legislation on an appropriation bill. The Chair, however, is of the opinion that this amendment constitutes a limitation on the funds herein appropriated even though that limitation may be conditioned upon a condition subsequent which may never come into existence and, therefore, overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

May I say, Mr. Chairman and members of the committee, that the Committee on Agriculture recognized this wide spread between what a producer receives and what the consumer pays to the point that the committees of the House and the Senate, as I understand it, provided for a commission to study this spread. That very fact, in my opinion, shows the necessity for maintaining the present work in the department

which goes on regularly, pointing up and showing where this spread goes.

I would say first that there is no assurance that the commission would be qualified to do the work that is now being done by the Department. The committee here has had no chance to study it in that the bill has not yet been before it. I would hope the Members of the House would stand by our committee and the Department by carrying on what we have until we have something else in effect. When we have something else, then we can have a chance to compare the two and see which would be the better. If we have hearings, I give you this assurance, that if the commission is created and should come before our committee, we will question most closely the witnesses before us to see that we do not duplicate work and, since it is appropriated to the Department, we would have that opportunity. I hope you will stand by the committee and defeat the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 32, noes 74.

So the amendment was rejected.

The Clerk read as follows:

Page 13, line 10:

STATISTICAL REPORTING SERVICE
Salaries and expenses

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$11,431,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop.

AMENDMENT OFFERED BY MR. NELSEN

Mr. NELSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSEN: Page 13, line 20, add the following: "*Provided further*, That no part of the funds herein appropriated shall be available for any expense incident to preparing or publishing either an 'adjusted parity ratio' or any other parity ratios except the parity ratio defined in section 301(a)(B) of the Agricultural Adjustment Act of 1938, as amended."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order against the amendment.

Mr. NELSEN. Mr. Chairman, I offer this amendment for the purpose of protecting the integrity of farm parity reporting. Going away back to the law of 1933 a formula for the establishment of farm parity ratios has been in effect and the Department of Agriculture in their justification of the use of this adjusted parity ratio refers to the act of 1938, which has been repealed. I see no justification for a change as far as the determination of parity income of farmers is concerned. The only reason I can see for it is so clearly pointed out in an article that appeared in the Wall Street Journal in which it is stated that it may

find it handy in helping them paint a rosier picture of their accomplishments in agriculture, although officials deny that this was their motivation.

I would like to point out that if we go ahead with this adjusted parity ratio we are going to find first that there will be a deterioration of faith and acceptance of statistical material of the U.S. Department of Agriculture.

I would like to point out further that it would stimulate further erosion of the longstanding concept of parity and this action is not in keeping with existing law.

I would also emphasize that farm income now, according to the recent parity ratio is the lowest it has been in many years. It now stands at 75 percent of parity. This goes back prior to 1939.

It seems to me that the only reason for this new parity concept is to make us believe that our income is better than it really is. I believe this misrepresentation should be stopped. If the Department of Agriculture wants to put in their report the money we receive from various programs, fine. But to try to confuse it as they are doing with this new parity concept, in my judgment, is not in keeping with the law and is not in the best interests of agriculture. It should not be done without some kind of clearance as far as the Congress is concerned.

I hope the committee will consider this amendment. I believe it is in the best interests of agriculture.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I wish to commend the gentleman from Minnesota for offering this amendment. The farmers of America have come to depend upon the parity ratio established by the time-honored formula as a fair index of their relative economic standing. This amendment would certainly help to support this very fine concept and give the farmers assurance that they would have a reliable index in years to come.

Mr. NELSEN. I thank the gentleman.

The CHAIRMAN. Does the gentleman from Mississippi insist upon the point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state the point of order.

Mr. WHITTEN. I would point out that here again it is legislating on an appropriation bill. I would point particularly to the fact that the law requires the Secretary to make this determination. Also there are a number of statutes which have to do with that. I further point out that the precedents support my contention that this is a limitation on the discretion of an executive exercised under existing law. This has been held on past occasions as legislating on an appropriation bill.

I say here where the law definitely says that the Secretary of Agriculture, a cabinet officer is authorized to make this determination or issues in his name, which is the same, such orders or regulations, you prevent him from carrying out duties that are imposed upon him by law. While it is under the guise of the use

of funds, the effect is to neutralize and deprive the executive department of the power and authority granted under the law.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard?

Mr. NELSEN. I would like to point out that under the Holman rule you can legislate on an appropriation bill if you show retrenchment.

I would like to refer to the language which appears on page 13 to which my amendment has been offered. There the committee itself states:

That no part of the funds herein appropriated shall be available for any expense incident to possible estimates of apple production for other than the commercial crop.

In effect the committee is legislating in this field through that very language. If my amendment is out of order, so is the language in this section.

I would like to point out further that I see no restriction on the Secretary of Agriculture by virtue of my amendment. He can publish all that he wants, as far as money that is being appropriated in the various programs is concerned, but the parity concept is established by law and it should be followed until the Congress of the United States makes a change.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Minnesota offered an amendment addressed to page 13, line 20, adding a second proviso that no part of the funds herein appropriated shall be available for any expense incident to preparing or publishing a parity ratio other than that you find in the enumerated sections, 301(a)(B) of the Agricultural Adjustment Act of 1938, to which the gentleman from Mississippi raised a point of order that it is legislating on an appropriation act.

The Chair will call the attention of the gentleman from Mississippi to the language cited by the gentleman from Minnesota appearing on page 13, lines 17 through 20.

The Chair is of the opinion that while the question is always present as to whether the form of an amendment is in fact a limitation or whether it is legislation in the guise of a limitation, the Chair is of the opinion that this amendment specifically limits the expenditure of the appropriated funds for any purpose other than that provided by existing law and, therefore, overrules the point of order.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there has been quite a bit of discussion of this matter and several charges have been made that things other than the provisions of the law have been used in determining parity and parity ratio. These charges have been denied completely by the Department in our hearings.

Mr. Chairman, as long as I have worked with this bill, I could not tell you right now what section 301(a)(B) provides.

I am not sure what this amendment means, and I do not think there is anyone within the sound of my voice who

can be sure what we would do if the amendment were adopted.

If there is any violation, if there is any misuse of funds or if anything of that kind exists we will be glad to look into it; but to legislate on a matter of this kind, not knowing whether there are six or seven more studies having to do with parity, is not good. Insofar as I am concerned, you might be cutting out price supports which are in force at this time.

I am sure the gentleman from Minnesota means to be right, but for us to adopt an amendment where we as Members do not have any knowledge of it I think would be bad.

Mr. NELSEN. Mr. Chairman, a parliamentary inquiry

The CHAIRMAN. The gentleman will state it.

Mr. NELSEN. Mr. Chairman, have I used up all of my time under the rule?

The CHAIRMAN. The gentleman was recognized for 5 minutes under the reservation of a point of order, and consumed those 5 minutes.

Mr. HORAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. NELSEN. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Minnesota.

Mr. NELSEN. Mr. Chairman, I would like to point out to my very esteemed colleague from Mississippi that the laws of 1938 referred to by the Department of Agriculture in their justification for the use of the adjusted parity were repealed.

I would like to point out further that the only other time, as far as my knowledge of this is concerned, that an adjusted parity was used was during the war period when emergency payments were in existence. If we are going to throw in soil conservation payments, money that the farmer receives for tilling, money that he receives for weed eradication, and all of these incidental items, and put them in the parity formula, actually you are going to destroy the meaning of parity. I would have no objection to the Department, if it wished to show a liberal complexion or telling us how much we would get under this formula, doing so. I would not object. But the basic parity formula was adopted by the Congress of the United States in 1933, which refers back to the period 1910-14. This has stayed on the books all of these years, and I can see no reason why we should change it except for the fact that the farm income is down. The farmer is in trouble. I know. I am one of them. So we will have to doctor the record to make it look a little bit better. When you talk about adjusted parity, some of these payments do not go to the little farmer. The big farmer has been the beneficiary. The little farmer has not received it. It is an inaccurate description.

I hope the House adopts this amendment because, in my judgment, it is in the best interest of agricultural legislation, it is in the best interest of the farmer, and I hope the amendment is adopted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HORAN. I yield to the gentleman from Indiana.

Mr. HALLECK. We have heard a lot of talk in some places about how well the economy is doing, and how well the country is doing. I, too, represent a great many farmers in my district in Indiana. I just want to corroborate what the gentleman from Minnesota has said, that the farmer is the low man on the totem pole. His parity ratio is down to 75, the lowest point since 1939.

As a matter of fact, it seems to me, as far as the farmer is concerned, his ratio might be called the "poverty ratio." If the gentleman from Minnesota is right, if what is sought here is some sort of new arrangement by which it will be undertaken to make it appear that the farmer is doing very well, then I agree that the gentleman's amendment should be adopted.

Mr. NATCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered by the gentleman from Minnesota should be defeated. In substance, it writes new law which should go before the Committee on Agriculture and be studied carefully before it is offered to this House for passage.

This amendment should be defeated, Mr. Chairman, for that reason.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NELSEN].

The question was taken; and on a division (demanded by Mr. NELSEN), there were—ayes 50, noes 81.

Mr. NELSEN. Mr. Chairman, I demand the tellers.

Tellers were ordered, and the Chairman appointed Mr. WHITTEN and Mr. NELSEN as tellers.

The Committee again divided, and the tellers reported that there were—ayes 66, noes 88.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

AGRICULTURAL MARKETING SERVICE

Marketing services

For expenses necessary to carry on services related to agricultural marketing and distribution as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946; \$39,389,000.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 14, line 12, after the figure "\$39,389,000" strike the period, insert a colon and the following: "Provided, That no part of the funds appropriated by this Act shall be used for any

expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately-owned radio or television stations or newspapers of general circulation, or for transmission over Government-leased wires which are subject to direct interconnection with wires leased by nongovernmental persons, firms or associations."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

Mr. FINDLEY. Mr. Chairman, we had a discussion of this amendment a bit earlier. It would accomplish two things. As a result of those two changes it would reestablish the very valuable and able crop reporting services rendered by the Agricultural Marketing Service as they existed prior to April 1 of 1963.

The amendment would eliminate two innovations which the USDA made since a year ago—innovations which were made without the benefit of legislation and without the benefit of any type of public hearing.

The first part of the amendment would prohibit the use of funds for any expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately owned radio or television stations or newspapers of general circulation.

In my hand I hold a 24-hour sample of the wire news budget sent out by the Weather Bureau at Memphis, Tenn., carried over the long-distance lines, paid for by the taxpayers, going to 70 radio and television stations and 2 newspapers in the Delta area. Part of this material was prepared by the U.S. Department of Agriculture personnel. It was placed on the Weather Bureau wire news circuit by Government personnel. It was carried right to the microphones and the linotypes of these mass media at Government expense and under Government control. At no point between the news source and the microphones and linotypes did the private reporter have the chance to check facts and rewrite for balance and objectivity.

The first part of my amendment would prohibit this direct interconnection of the AMS service with Government-leased wires which are already serving these mass media.

The second part of the amendment would prohibit the spending of money for the preparation of information to be transmitted over Government-leased wires which are subject to direct interconnection with wires leased by nongovernmental persons, firms, or associations.

In my hand I now hold a sample 24-hour budget of data which is carried over the vast Government-leased wire network of the AMS, a wire network which has been operating for some years and to the great benefit of the people of the United States, and which would not be impaired by my amendment. As of last August 1 private firms and organizations were permitted to make a contract with A.T. & T. under which they could

lease a long-distance line and tap directly into this vast AMS wire network and thus get the full flow of Government information by paying the long-distance toll to the nearest reporting station of AMS. This tap-in privilege would be prevented under my amendment.

To me this adds up to an ominous long-range threat to press freedom. It is unwise to place this tempting tool for news management in the hands of Government. I have no complaint with the integrity of the AMS service as it is now being conducted, but I think we are unwise to permit the creation of this vast wire news apparatus which is available for Government officials of tomorrow who might misuse it to drive the privately financed and independent news services out of business and create a Government monopoly in the news dissemination field.

Unless something is done, we will soon have a monopoly in the crop market reporting field, because one of the consequences of the news service which was established last August 1 was to put the PAM market news service in jeopardy. A privately owned service, of course, cannot compete effectively with the vast resources of the U.S. Department of Agriculture. The great concern that I express here is that little by little we may see developed a vast nationwide wire dissemination apparatus which could be brought into play by unscrupulous public officials of the future and used to manage news and to mold public opinion.

Mr. WHITTEN. Mr. Chairman, I reserved a point of order.

The CHAIRMAN. Does the gentleman from Mississippi insist on his point of order?

Mr. WHITTEN. I certainly do insist very strongly, Mr. Chairman.

The CHAIRMAN. The gentleman from Mississippi will state his point of order.

Mr. WHITTEN. The law requires in subsection k of section 1622 of the Agricultural Marketing Act of 1946, 7 U.S.C. 1621-27, as follows:

To collect, tabulate, and disseminate statistics of marketing agricultural products, including, but not restricted to statistics on market supplies, storage stocks, quantity, quality, and condition of such products in various positions in the marketing channel, utilization of such products, and shipments and unloads thereof.

That statute is absolutely mandatory and requires the Department to bring together that information. The gentleman's amendment does not limit funds for the discharge of the duties under that section. It attempts to deprive the Secretary of authority conferred by law which was determined in an earlier ruling (IV, 3846) to be legislation. Further, I respectfully submit it will require additional duties of folks in the Department of Agriculture which is also legislation.

May I point out again, Mr. Chairman, in the last part of it, it says the information cannot be collected for the purpose of being disseminated. I respectfully submit it is legislation on an appropriation bill calling for new duties and re-

sponsibilities on the one hand, and limiting executive authority on the other.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard briefly on the point of order?

Mr. FINDLEY. Mr. Chairman, here again I believe it is very clear on the face of this amendment that it amounts to retrenchment. Contrary to placing new burdens on department employees it would actually relieve them of the responsibilities which they assumed last April 1 in connection with the Weather Bureau services and which they assumed August 1 in connection with the establishment of the new Market News Service.

The CHAIRMAN (Mr. KEOGH). The gentleman from Illinois offers an amendment addressed to page 14, line 12, which adds a proviso to the section preceding that line as follows:

Provided, That no part of the funds appropriated by this Act shall be used for any expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately owned radio or television stations or newspapers of general circulation, or for transmission over Government-leased wires which are subject to direct interconnection with wires leased by nongovernmental persons, firms, or associations.

To this amendment the gentleman from Mississippi [Mr. WHITTEN] makes the point of order that it is legislation on an appropriation bill and points out that the functions sought in this amendment as a limitation of the appropriations are functions that are required by other substantive law.

The Chairman would call the attention of the committee to the fact that the existence of substantive law and the provisions thereof are quite obviously not necessarily binding on the Appropriations Committee. The Chair feels, therefore, that where that committee seeks to appropriate funds and an amendment is offered that seeks to deny the use of those funds even for functions otherwise required by law, that that amendment is in the nature of a limitation of appropriations and therefore overrules the point of order.

Mr. QUIE. Mr. Chairman, I rise in support of the Findley amendment.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

Mr. QUIE. Mr. Chairman, I commend the gentleman from Illinois [Mr. FINDLEY] for bringing this matter to our attention and for seeking to correct it by offering this amendment. I agree with the amendment and believe it should receive favorable consideration.

I have long shared the concern of my colleague regarding the Department of Agriculture's so-called new Market News Service. I expressed my concern in an earlier speech, which appeared in the RECORD of October 1, 1963, on pages 17481 and 17482. At that time, I expressed support of H.R. 8214, introduced by the gentleman from California [Mr. HOSMER], which would have prohibited departments and agencies of the Federal Government from participating in activities which are in competition with

private news services engaged in dissemination of news or other information. I still support such a bill, but I believe that the amendment offered by the gentleman from Illinois [Mr. FINDLEY] will serve the same worthwhile purpose.

It is important to note that the Department of Agriculture is the only Federal Department or agency operating such a news service. The news service became available on August 1, 1963, to producers and their organizations, cooperatives, commercial firms, and news media over a 19,000-mile leased wire network, which, as the USDA press release which announced the service puts it: "Links the USDA and Federal-State market reporters who gather market news at more than 200 markets and producing areas."

An agreement was reached between the USDA and American Telephone & Telegraph Co., which owns the leased wires, teletypes, and other equipment.

The subscriber is required to pay only the costs of the wire and rental on the receiving equipment. This service would be, as a result, much cheaper than any private wire service, which must also pay the cost of a corps of reporters who gather and assess information. In the case of the USDA wire service, this job is done by employees on the taxpayer's payroll.

However, the USDA attaches some strings. In its pamphlet AMS 510, the USDA explained its service to potential private users. It says:

USDA reserves the right to cancel at any time the connection of any and all subscribers who abuse the service by misrepresentation of reports, or for any other reason when, in its sole judgment, such cancellation is desirable.

What is a "misrepresented report"? That decision is left up to the arbitrary judgment of the USDA and its "sole judgment" besides.

AMS 510 also says:

The service is subject to such adjustments as are deemed desirable by USDA in the content, length, scheduling, and timing of reports.

This gives USDA complete and arbitrary control over all information transmitted, from beginning to end.

What this "news" service does is to give the USDA; first, complete control over all information gathered by people on its own payroll and thus agents of USDA; second, gives USDA control over how the information is used, for it can "cancel at any time the connection of any and all subscribers who abuse the service by misrepresentation of reports or for any other reason when, in its sole judgment, such cancellation is desirable;" third, it gives the USDA further controls amounting to censorship, for it may make "such adjustments as are deemed desirable," in the "content" and the "length" and the "scheduling" and the "timing" of reports.

Because of its preferential cost factor, provided by a subsidy from the taxpayers, it could possibly destroy private news services, which must sustain the additional cost of a corps of impartial news gatherers.

Perhaps, however, the greatest concern should be felt for the uses to which such

a service, which is without precedence in our history, could be put. How quickly such a service could be used to propagandize is easy to see. Once more, according to the USDA's own rules as outlined in AMS 510, it would take only an "adjustment" of "content" to turn the wire service into a lobbying device propagandizing the people.

And if the Agriculture Department can operate its own "news" service, why not the Department of State, Commerce Department, Health, Education, and Welfare, and all the others?

The fundamental question relates to one of our fundamental constitutional rights—freedom of the press. Is the Government or a department of it, in any way, to be allowed to control the flow of information? If it is—in even a small way today—we may well prepare for the same control in a much larger way tomorrow.

The power of communications to influence large numbers of people is well known and documented beyond dispute. The Department of Agriculture has been issuing market information for a long time through the mails, although never before over a teletype system. An editorial from the Chicago Tribune, reprinted on September 19, 1963, in the Western Livestock Journal, shows the type of chaos that irresponsible reporting, whether intentional or otherwise, can create. The editorial says:

One of the more important functions of the USDA is the issuance of regular crop and market reports. The information in these reports collected, appraised, and compiled by presumably experienced reporters and statisticians, is relied on by farmers and those in the business of buying and selling farm commodities as a guide to volume, and hence, price. Such reports have a significant influence on what the housewife pays for food at the neighborhood store.

Cattlemen, therefore, were startled and disturbed to discover buried in a recent report a notice that the Department had revised its estimates of the number of cattle slaughtered at major packing centers in 1962. According to Gerald Leighton, president of the Chicago Live Stock Exchange, the revised figures showed the Department had seriously underestimated the number of cattle slaughtered last year.

The effect of the error, which had been carried in the weekly reports for more than a year, was to give a false impression of the extent of increase in slaughtering this year, compared with that of 1962. The revised figure, according to Leighton, showed the increase in beef slaughtering thus far this year was actually 56 percent less than the Government had been saying it was all along.

This is an egregious blunder in light of the fact that cattle prices plummeted nearly 33 percent between last December and last May. No one knows how much the price drop was influenced by the phony estimate, but Leighton asserted:

"So many shady things have occurred in the Department in the last 2 years that some cattlemen wonder if it was a simple error that elicited the phony comparisons showing such a huge fictitious increase from 1962. They contend that the Department continually poured out price-depressing information on overproduction of beef while the cattle markets were crashing."

The task of compiling this particular report consists of simply taking reports of cattle slaughter from the various packers and adding them up. As Leighton observed,

it does seem fantastic that this kind of error could be carried for more than a year before it was discovered.

On the other hand, it isn't so fantastic in a department that lost \$32 million worth of surplus grain that was supposed to have been consigned to Austria.

Mr. Chairman, one thing is sure. If such a blunder had been committed by a private news service, that service would be out of business the day after the error was discovered. The Department of Agriculture, when its error was discovered, was simply expanding its operations to include a leased wire teletype network.

Such an error seems to conflict with the contention of Assistant Secretary of Agriculture George L. Mehren, who on November 7, 1963, issued a statement attempting to justify the new wire services and spoke of "accurate and unbiased information." The Journal of Commerce printed the statement in full:

ON FARM NEWS WIRE: AGRICULTURAL AID
COMMENTS ON SUIT

Following is a statement by Assistant Secretary of Agriculture George L. Mehren regarding action instituted by the PAM News Corp., relative to the U.S. Department of Agriculture's Market News Service:

"The action by PAM News Corp., a subsidiary of the Ridder Publications, to enjoin the Department from making information on prices and supplies of agricultural products more widely available to the public will enable the public finally to gain an accurate picture of a situation which has been grossly distorted.

"It will, for example, make apparent to the public that the element of the Market News Service which PAM News Corp. seeks to stop is one which PAM News Corp. has enjoyed exclusively in its field until the Department through the program under attack made it available to any person, business, news media, or private wire service. We see no justification for restricting access to public information solely to sustain an exclusive position.

"It will, for example, make apparent that the attacks upon Market News Service have mischievously misrepresented a service which today is an absolutely essential part of the Nation's marketing system. The food industry of this Nation literally could not function today without this market information. Currently, the Congress appropriates \$6 million each year to enable market news specialists in over 135 marketing and producing areas to gather and disseminate accurate and unbiased information on prices, on supply and demand and other market conditions for agricultural products. These reports are relayed to farmers, processors, distributors and other interested persons through condensed versions carried by the press, radio, and television. Fuller versions of these reports are mailed each day to thousands of people.

"On August 1 the Department, after giving due public notice of its intentions and receiving a favorable response from trade and farm users, authorized any private firm or individual to connect directly with the leased wire system over which the Department transmits its market news information. No charge is made by USDA for this service, although the cost of extending the lines are paid to the owners of the leased wires by the individual user.

"The information carried on the leased wires is the same as that contained in the daily market reports sent through the mail or reported by the press, radio, and television. Access to the leased wire is safeguarded by the same rigorous standards and

procedures which apply to other services of the Department.

"Until now, the Department has not given a general public answer to the irresponsible charges made against the Market News Service, even though we have been concerned that the gross misrepresentations alleging censorship, propaganda, and other wholly false charges could undermine support for a respected public service which has been available since 1915. We now will be able to provide a full and accurate reply and know that it will be judged and reported on the basis of truth and accuracy.

"We also believe that this action will provide a basis for the thousands of farmers processors, and handlers who use the Market News Service daily to fully understand the nature of these allegations, and their divergence from fact."

The Journal of Commerce felt compelled to answer Secretary Mehren's statement in the same issue. It did so in the following editorial:

WELL OFF THE TARGET

Elsewhere on this page today we publish in full a statement made by the Assistant Secretary of Agriculture George L. Mehren in response to the complaint filed against USDA and others in the Federal courts this week by PAM News Corp., an affiliate of this newspaper.

We assume our readers are by now familiar with the main details of this issue, which involves an action by a private wire service to halt by court injunction a competing service set up by USDA on August 1 at Government expense.

Even if there were no laws discouraging newspapers from editorializing on the merits of a case before the courts, we would be reluctant to go further into the merits of the case now purely on the grounds of editorial decorum. We agree with Mr. Mehren on at least this much: That as a result of the complaint PAM has filed in the district court of the District of Columbia, all the pertinent facts of the case should now be brought to light. But while we will not go further into the court phase of the dispute at this time, we do feel impelled to answer some of the phrases used by Mr. Mehren not in the courtroom, but in his own office. We are particularly intrigued with his feeling that the facts of the case have been "mischievously misrepresented" in a manner construed by USDA as being "irresponsible."

We presume that what Mr. Mehren has in mind is a projection we made editorially some weeks ago showing that if one Government department can use public funds to compete with a private news service, then there is no reason why others can't do the same thing and put a good many other commercial enterprises out of business, possibly including such general wire services as the Associated Press and United Press International.

Nothing in Mr. Mehren's angry retort disputes this. His statement does, however, misrepresent several of the issues, perhaps in consequence of its concentration less on justifying what USDA is doing than on attacking its critics.

For example, few seriously question the value of the service USDA performs in collecting and disseminating the information on farm prices, supply, demand, crop conditions, and the like. This is widely used by PAM, by this newspaper, by many other newspapers and by many other news media. If it costs the Government something like \$6 million a year to gather this information from its 135 marketing and producing areas, we would think the price is justified by the value of the service itself.

The real issue is one of distribution. This was raised when USDA decided not only to go on collecting this information, but to enter

into an agreement with American Telephone & Telegraph Co. under which it would supply the information gratis to any responsible citizen who would pay A.T. & T.'s wire charges. This immediately threatened to swamp PAM, which private performs the same kind of service via the Western Union system.

Mr. Mehren makes much of the fact that PAM is alone in its field. In fact, if we read his words aright, we get the implication that USDA felt prompted to make its move in order to end the exclusive nature of PAM's service.

There are two things wrong with this. First off, there is nothing to prevent and PAM does not seek to prevent any other commercial enterprise from getting into the same act. Second—and more important—since when has the Government felt that the fact that a commercial service is exclusive in its field justifies establishment of a rival tax free, taxpayer-supported Federal enterprise in the same field?

Is this now to be construed as a considered policy on the part of the administration? If so, with how much confidence can anyone say it will stop with USDA, or (even within USDA) with the new Federal farm wire service?

But even Mr. Mehren's own statement makes it plain that "exclusiveness" is not the issue, and never has been the issue.

There was nothing exclusive whatever about the manner in which USDA's farm crop information was previously disseminated. As he says in his own words, these reports are "relayed to farmers, processors and distributors and other interested persons through condensed versions carried by the press, radio and television. Fuller versions of these reports are mailed each day to thousands of people."

A lot of other information is also collected by other Federal agencies, among them the Bureau of the Census and the Bureau of Labor Statistics. This information, too, is widely disseminated, both directly and via all kinds of information media. But neither the Labor nor Commerce Departments have sought to go into competition with the news media by making the type of exclusive arrangement USDA has made with A.T. & T. to transmit their data direct to subscribers.

There are other factors in this case which are now properly in the realm of the courts. We will pass over those now and drop the matter with the observation that if "exclusiveness" is found to be an issue at all, it will find not PAM, but the Department of Agriculture on the defensive.

Mr. Chairman, in conclusion I would like to share with my colleagues a few remarks from people directly involved in operation of news media in my district and other areas concerning this Agriculture Department news wire.

The Rochester (Minn.) News-Bulletin, in an editorial which appeared September 16, 1963, said:

OFFICIAL NEWS AGENCY SHOULD BE KILLED,
NOW

A sure sign of a totalitarian country, or one that is under tight control of a dictatorship, is the official news agency. It is an organ of the Government, putting out such news as will maintain the regime's existence, carefully eschewing all that may do it harm. It controls and disseminates news for its own political purposes.

Even in wartime, this country has had no official news agency. It has had a news code under which the various communications media work voluntarily, not under government pressure.

All that can change now that Secretary of Agriculture Orville Freeman has begun a service circulating farm market news at no

charge to subscribers other than the cost of leased wire transmission. For it creates a media which can grow over the years until it carries all news in competition with the private news services. With its Government subsidy, it can quickly extinguish them. Then goodbye to America's vaunted freedom of the press. Simply by withholding service, the Government could kill any inimical newspaper.

The time to kill a rattlesnake is when it raises its head, not after it strikes. Congress should make short work of killing off this threat to one the basic freedoms.

Mr. Chairman, the Rochester Post-Bulletin again commented, more recently on that subject. Here is an editorial in support of the amendment offered by the gentleman from Illinois [Mr. FINDLEY] from that newspaper, which appeared May 15, 1964:

A PLACE FOR ECONOMY

In answer to President Johnson's repeated invitations for ways of economizing in government, the press of the country has pointed to the wire news service of the Department of Agriculture as one he could eliminate and at the same time save private enterprise from unfair public competition.

Representative PAUL FINDLEY, Republican of Illinois, put the matter in a nutshell the other day. A weekly newspaper publisher, FINDLEY told the House that 70 radio and television stations and two daily newspapers are receiving farm news written by Government employees over a wire network financed by the taxpayers, when there are private news services making such news available and paying taxes on their operations.

As FINDLEY pointed out, this apparatus is a tempting tool for Government news management. It illustrates the quiet, unobtrusive and innocent manner in which a giant Government-dominated wire news network can develop almost overnight and begin to feed the American people propaganda devised by those in power.

There is no place on the American scene for a managed news wire service. The President is correctly eliminating many Government publications. Here is something that should get the axe even sooner, because it is published as news, not labeled as the publications are, for what they are, Government journals.

Then, in addition, Mr. Chairman, I found the case well presented in the following letter written to me by the managing editor of the Lincoln (Nebr.) Journal, in which he included an editorial from that newspaper. I offer them both here:

LINCOLN EVENING JOURNAL,
Lincoln, Nebr., May 12, 1964.

The Honorable ALBERT H. QUIE,
House Agriculture Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN QUIE: For 2 years the news media and this newspaper have been protesting the U.S. Department of Agriculture's venture into the news dissemination business by private leased wire.

The Associated Press and United Press International wires service this free of charge for the public, making this a needless governmental expenditure.

This USDA news wire smacks of the potential of a propaganda agency which has its own dissemination service. Having watched the USDA operate on controverted policy questions such as wheat referendums and beef cattle control questions, the Department shows clearly a willingness to use its facilities and staff to propagandize its point of view at Government expense when the policy question of its position is under debate.

Congress should stipulate that no funds of USDA may be used for market service or propaganda wires.

Sincerely yours,

JOE R. SEACREST,
Managing Editor.

FREEMAN'S NEWS SERVICE

The U.S. press and public expect a free flow of information from their Federal Government. But Secretary Orville Freeman, in the Department of Agriculture, appears to be a little too generous with news from his bailiwick.

He has told the press, in effect, "You won't even have to bother coming around any more, boys. We'll just gather up all our news and put it out for you." Freeman even proposes setting up an agricultural news service to get this information to the press media, as the Associated Press and United Press International do.

It's not surprising that much of the press has replied, "Thanks a lot, Orville, but no thanks."

Not that they're a bunch of ingrates. But the idea raises a host of questions—professional, political, and practical.

Foremost among them might be: How would the Department of Agriculture have "covered" the story of Billie Sol Estes, or the disappearance of several million tons of Government-owned grain? Would it have reported them at all? How would the Department have presented the news on the recent wheat referendum which it plugged so actively?

The present method, in which privately owned and competing news services and news media seek and distribute the news, might not be perfect. But it beats the daylights out of Secretary Freeman's proposal.

For whenever the independent press is not allowed to gather and disseminate news, including news about Government, this Nation will be in a real bad way.

Mr. Chairman, Mr. Kenneth Allen, editor of the Albert Lea, Minn., Tribune, wrote to me on October 12, 1963, and said:

Why the U.S. Department of Agriculture wants to embark in such a venture is beyond me, unless they are truly seeking to control the news of the Government. I strongly suspect that some of our bureaucrats would like to do just that.

Mr. James Goetz, owner of KAGE radio in Winona, Minn., wrote on October 9, 1963:

As you are well aware, this is a serious power grab which will indeed jeopardize and perhaps could totally dispense with our free press system. It is, in my opinion, the most serious encroachment on the constitutional rights of the American people for it follows that once the news from which individuals form their reasons is managed, so is their opinion.

Mr. Chairman, these views are representative of others which I could introduce. However, I would like to include just one more letter, which was written to me September 18, 1963, when the Hosmer bill was introduced. This is the letter:

LIVESTOCK MARKET INSTITUTE,
South St. Paul Minn., September 18, 1963.
Hon. ALBERT QUIE,
New House Building,
Washington, D.C.

DEAR CONGRESSMAN: I have just finished reading an article in the August 31 issue of the National Provisioner pertaining to the expansion of the wire service facilities now operated by the U.S. Department of Agriculture.

Frankly, I was appalled to think that a branch of our Government had taken such a giant step in the headlong race to convert our democratic form of government to socialism. I'm afraid I get a little panicky when "Big Brother" from George Orwell's 1984 gets so close at hand.

I sincerely hope that you will support H.R. 8214, the bill introduced by CRAIG HOSMER, of California, which will halt the expansion of the USDA teletype service. You may be aware that within our livestock industry, there is growing feeling that the present teletype system of the Market News Branch of USDA has actually been a disservice to the industry, and helped to break down the price-making structure of the markets it claims to serve.

I'm sorry that Representative HOSMER'S bill is not broader, so as to stop all Federal agencies from interfering with private industry. However, this is a good start, and I hope that H.R. 8214 will set the pace for further legislation which will lessen Government control and remove the competition between Federal bureaus and individuals who still believe in the basic principles of free enterprise on which our Nation was founded.

Congressman, I urge you to use your influence in the House Agriculture Committee and on the floor to obtain passage of H.R. 8214.

Sincerely,

WILLIAM C. WHITTENBERG,
Director.

Mr. Chairman, it becomes apparent that the Department of Agriculture's wire service is a possible infringement of constitutional guarantees, that it tends to unfairly interject a Government department into a free enterprise field, that it contains a potential danger in that it could be converted within seconds to a use for which it is not intended, that it is opposed by many representatives of the media and even by persons within the agriculture industry.

For those reasons, Mr. Chairman, I urge adoption of this amendment.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. QUIE by unanimous consent (at the request of Mr. TEAGUE of California) was given permission to proceed for 1 additional minute.)

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. TEAGUE of California. Mr. Chairman, I believe that we in Congress and the American people as well as the news media owe the gentleman from Illinois [Mr. FINDLEY], and others who have worked with him but particularly the gentleman from Illinois [Mr. FINDLEY] for taking the lead, a debt of gratitude for pointing out to us and fighting so hard against what could be a very dangerous and unfortunate situation.

Mr. Chairman, I certainly support the amendment which has been offered by the gentleman from Illinois [Mr. FINDLEY].

Mr. CHAMBERLAIN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I too would like to associate myself with the remarks of the gentleman from Minnesota [Mr. QUIE] in support of the Findley amendment.

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I point out again that our committee had many of our colleagues coming before it, in behalf of the U.S. Market News Service. This Service is invaluable to the people throughout the United States.

In addition to that, we have the Weather Service. As has been pointed out here, the Weather Service has leased lines on a 24-hour basis. At the insistence of the committee some years ago the Department of Commerce set out to see if the Market News information could not be made available on the Weather Service line for which we were paying anyway, and vice versa, in an effort to make more information available to American agriculture at cheaper prices. We have had cooperation between these two services, the Weather Bureau which has had the 24-hour leased wire and the Market News Service which did not have that but which had information.

For some time now the Department of Agriculture has made that available to anyone who wants to pay the cost themselves. As I pointed out earlier, until that time there was one publication that had a business where they used the Market News information. They, in turn, editorialized it and charged their subscribers for it.

Mr. Chairman, I have had comments from them. They do not like for this information to be made available to all users. I think it is in the public interest to let all who wish pay for it themselves to have this information and distribute it that much more widely.

Further, if the Federal Weather Bureau is going to pay for the leased wires on a 24-hour basis it is absolutely foolish not to use them to make market information available.

There are those who talk about something for the future, and that somebody might misuse the authority. No one claims anybody has.

I pointed out earlier, we were glad to go along to be sure this continues to be used for the purpose for which it was set up, but for us to come in and say "no, we are going to continue to help make this a monopoly" is not good. You are going to stop the Department from making it available to all customers who pay for it if this amendment is adopted.

Let me point out again, there are 1,200 daily newspapers, 1,600 radio stations, 170 television stations, that use this news at the present time. There are 43 States that are in on this matter. I have a list of the Associated Press, PAM News Service and others that use this Service.

If your Government is going to spend over \$6 million for a Market News Service, if you are going to spend almost as much on the Weather Bureau Service, it is unsound not to merge the two and let them supply each other information where it does not cost anything.

Let us not be a party, by adopting this amendment, to giving a monopoly to one

or two private organizations. Let us keep what the Government has available for those who pay for the organization which supplies the data.

I hope the amendment will be defeated.

Mr. BEERMANN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Illinois and congratulate him for bringing this situation to the attention of the House. As a farmer, I would like to say, for years I have been doing my best to get the Government out of the production and marketing of agricultural crops. I'd also like to get Government out of the wire news business.

In that light I would like to read an editorial taken from the Lincoln Evening Journal and Nebraska State Journal of Friday, September 27, 1963. I must say before I read the editorial that this particular paper is considered to have a liberal viewpoint. I would like to have you listen to this editorial, if you please. The editorial states:

FREEMAN'S NEWS SERVICE

The U.S. press and public expect a free flow of information from their Federal Government. But Secretary Orville Freeman, in the Department of Agriculture, appears to be a little too generous with news from his bailiwick.

He has told the press, in effect, "You won't even have to bother coming around any more, boys. We'll just gather up all our news and put it out for you." Freeman even proposes setting up an agricultural news service to get this information to the press media, as the Associated Press and United Press International do.

It's not surprising that much of the press has replied, "Thanks a lot, Orville, but no thanks."

Not that they're a bunch of ingrates. But the idea raises a host of questions—professional, political, and practical.

Foremost among them might be: how would the Department of Agriculture have "covered" the story of Bille Sol Estes, or the disappearance of several millions tons of Government-owned grain? Would it have reported them at all? How would the Department have presented the news on the recent wheat referendum which it plugged so actively?

The present method, in which privately owned and competing news services and news media seek and distribute the news, might not be perfect. But it beats the daylight out of Secretary Freeman's proposal.

For whenever the independent press is not allowed to gather and disseminate news, including news about Government, this Nation will be in a real bad way.

ANPA CALLS FOR END TO USDA'S INVASION

Congressional termination of the Agriculture Department's market news wire service is being urged by the American Newspaper Publishers Association.

The Agriculture Department's entry into that field is considered an unwarranted invasion of the province of free enterprise.

The Department's censorship provisions and its self-declared right to cancel the service to anyone without notice are taken to be means to control news in the manner of a dictatorship.

This matter was fully discussed and agreed upon at the recent ANPA meeting in New York City.

An ANPA statement was inserted in the April 24 CONGRESSIONAL RECORD by Senator HOLLAND, Democrat, of Florida, chairman of the Senate Agriculture Appropriations Subcommittee.

Secretary of Agriculture Freeman previously had commented on the ANPA's opposition to the news wire service.

ANPA in its statement urges Congress to require termination of the market news wire services, "as it is a venture which is contrary to public policy, it is competitive with private business, and it adds unnecessary costs to the government."

The following six arguments are presented in detail in the ANPA statement:

1. Under our concept of freedom it is improper for the government to engage in the business of news gathering and dissemination. It can too easily become a propaganda agency.

2. Government should not engage in any enterprise in competition with existing private ownership which is able to provide satisfactory service.

3. The market news wire service sets up a system of censorship by giving the Department of Agriculture authority to cancel the service of anyone who allegedly abuses the service by "misrepresentation" of reports, or for any other reason when, in its sole judgment, such cancellation is desirable.

4. Future expansion of this service—as indicated in a Department of Agriculture background memorandum—could easily lead to a complete national news wire in direct competition with Associated Press and United Press International.

5. The market news wire service has monopolistic implications in that only A. T. & T. wires can be used although the present privately owned news service in this field uses wires leased from Western Union. FCC policies and actions have been aimed at preserving competition in the leased wire field between A. T. & T. and Western Union.

6. The American taxpayer should not be expected to pay for news wire services for anyone.

The ANPA statement also calls attention to the statement by Assistant Secretary of Agriculture George L. Mehren, who acknowledged that he "cannot honestly say that its (market news wire service) absence prior to August 1 was a grave or crippling deficiency."

In fact, speaking under oath on January 3 of this year, Mehren declared that "I would say that prior to August 1, 1963, by far the best food system in the world and, by far, the best food distribution system that this country has ever developed did emerge in the absence of the drop system."

The ANPA is correct in its appraisal of some of the dangers involved in the USDA entry into the market news wire service.

It is another in the too many steps which agencies of the Federal Government seem bent on taking to extend control over the various sectors of American life.

It is essential that our people awake to the dangers, and demand of our Representatives and Senators that an immediate end be put to these encroachments on our liberties.

I heartily agree with this editorial.

I agree with my friend of Lincoln, Nebr. as well as other folks in own State who do not want the Government to interfere in their business. I think today we can strike a blow for freedom for news media if we follow the advice of the gentleman from Illinois and pass the amendment. I hope the amendment is adopted. Let us get the Government out of the wire news business.

The other editorial is from a Jackson, Tenn., newspaper.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will say at the outset that so far as I am concerned, I am going to support this amendment.

But I have risen, Mr. Chairman, to point out that it is now 6 o'clock. Many Members, I know, on both sides of the aisle have an engagement at the White House in half an hour, and commitments, of course, have been made by many other Members.

Mr. Chairman, I have checked at the desk. There are seven more amendments. So far as I am concerned, I am ready to work here all night—yes, and maybe we will be working here again on Christmas Eve—I do not know. But I am one of those who would like to finish the business of the Congress of the United States and adjourn sine die within a reasonable time. But I must say so far as I can discover, we do not have too much left today or the rest of this week. We have the independent offices appropriation bill and some other matters that will come along in due time. I cannot see for the life of me why pressing on here in a late night session, and that is what it will be, to dispose of seven amendments that are at the desk—and they should be disposed of, of course, in an orderly fashion because they have been offered in good faith by Members who believe that their amendments ought to be debated and adopted—but I understand that we will have a vote on the amendment that was adopted earlier in Committee of the Whole. There will be a motion to recommit on which there may be a rollcall vote and then, undoubtedly, there will be a vote on the passage of the bill. In other words, Mr. Chairman, for whatever this may be worth, and I have checked with many of the people on my side of the aisle and may I say I have checked with some of the people on the other side of the aisle, if we could really be sure that in going on here tonight until 8 or 9 o'clock and interfering with the arrangements for this evening that many Members have made, if that would accomplish any real purpose, then I say—let us stay right here and get the job done, but I cannot see any such necessity as that or anything really to be gained.

Mr. WHITTEN. Mr. Chairman, I always like to agree with my friend, the gentleman from Indiana, when I can and this is one time that I can.

Mr. Chairman, I move that the Committee now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, had come to no resolution thereon.

AGRICULTURAL APPROPRIATIONS AND AID

(Mr. PURCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PURCELL. Mr. Speaker, I would like to call the attention of my colleagues to a very important matter concerning the appropriations for the Department of Agriculture which the House is considering today.

The recommendation on page 3 of the report of House Appropriations Committee, aimed at eliminating \$12 million of services performed by the Department of Agriculture for AID, would not accomplish the results intended, is misleading, and would lead to greater eventual expenses to the taxpayer.

First, it should be noted that the Department of Agriculture, is fully reimbursed for all services performed for the AID.

The types and estimated costs of these services for the fiscal year 1965 are as follows:

Administrative expenses.....	\$185,185
Training services.....	1,632,593
Technical consultation and support.....	378,941
Special projects.....	3,827,724
Subsistence for foreign trainees.....	5,904,000
Reimbursements.....	23,655

Total, U.S. Department of Agriculture..... 11,952,098

Second, it should be noted that "the subsistence payments to foreign trainees," which represents approximately 50 percent of the total payments to the Department by AID, is the value of the payments made to foreign trainees, and is in no sense a cost of the services of Department of Agriculture employees; the cost of making these payments is a small part of the charges for "Training services" and "Administrative expenses." Thus, elimination of this program would not release a large number of Agriculture Department employees for work on domestic programs, as suggested in the committee report.

Third, the funds for foreign trainees are used to pay the expenses of persons from other countries studying at a number of land-grant colleges and universities throughout the United States. These foreign nationals are brought to this country in order to receive high quality training in agricultural skills and techniques, so that they may return to their countries and help to improve local production methods. Incidentally, the trainees also are exposed to U.S. ideas and the American people—a benefit that cannot be measured in terms of dollars.

Training of foreign agricultural specialists is of great benefit to the United States. Such training hastens the day when the developing nation can achieve economic self-sufficiency and will no longer need U.S. assistance. Such training concentrates on a basic need of developing nation—agricultural skills.

Realistic technical assistance and training programs in agriculture oriented

toward the countries' domestic food needs benefit both American agriculture and the agricultural development of these countries. Rising production on American farms requires larger markets for our farm products. The great potential markets for our expanding agricultural production are the less-developed countries of Latin America, Asia and Africa. For these countries to increase their participation in international trade they must significantly improve and broaden their economies so as to increase the purchasing power of their whole population.

Fourth, the AID uses the services of the Department of Agriculture and other Government agencies in compliance with the directive of the Congress expressed in section 621 of the Foreign Assistance Act of 1961, as amended, which states in part that:

In providing technical assistance under this act, the head of any such agency or such officer shall utilize, to the fullest extent practicable goods and professional and other services from private enterprise on a contract basis. In such fields as education, health, housing, or agriculture, the facilities and resources of other Federal agencies shall be utilized when such facilities are particularly or uniquely suitable for technical assistance, are not competitive with private enterprise, and can be made available without interfering unduly with domestic programs.

Before the services of any Government agency are used the AID examines the alternative sources of such services and makes a positive determination that the uses of a Government agency constitutes the most effective and efficient way of rendering the services and is in full compliance with the terms of this statute.

Fifth, agricultural technical knowledge, contrary to that of most other industries, is concentrated within the Department of Agriculture and its affiliated institutions, such as land-grant colleges, State experiment stations and producer and processor associations.

Some of the considerations that make the AID arrangement with the Department of Agriculture advantageous are:

First. The USDA has a ready reservoir of trained and expert manpower, often having experience in foreign lands. University personnel—an alternative recruiting source—do not have operational experience, as a rule, as they are teachers with research and theoretical interests.

Second. The Department has an unmatched capacity to "back stop" technicians in the field. This means that, although the technicians work administratively for AID, the Department provides them continuing professional guidance and makes available to them all of its technical resources.

Third. The USDA is also the connecting link for AID with the vast resources and talents of the land-grant universities. The collaboration between AID, USDA, and the land-grant colleges is very close. When a USDA employee is loaned to AID for an AID project in an underdeveloped country we can be confident that the resources open to him in knowledge and research capability extend all the way back to the great universities. And the USDA liaison makes this possible.

Fourth. The Department can provide in an emergency virtually any specialist. For example, in a pine beetle attack in Honduras threatening to destroy millions of acres of forest, the USDA can supply a forest entomologist to go down and give technical guidance to the AID resistance efforts.

In some cases, obviously, it is more advantageous to draw on the land-grant universities directly through contracts with them. In other instances, the best arrangement is a joint triangular one between the USDA, the land-grant universities, and AID.

Sixth, if the Department of Agriculture were to be forced to discontinue any of the reimbursable services now supplied to the foreign assistance program, the Agency for International Development would be required to secure such services through contracts with private enterprise including colleges and universities or to expand its own staff or use a combination of these two methods. In view of the unique competence and facilities of the Department it is unquestionable that such a shift would cause an immediate severe dislocation in the training program and oversea technical assistance and would have a substantial impact on the nature and quality of these services in the future. The transfer of the financial-clerical function—subsistence to foreign trainees—of examining invoices and writing checks for trainees from the Department to AID would, on the other hand, have no substantive impact on the program but might cause some increase in the costs since administration of the training program would be more complicated.

CORRECTION OF VOTE

Mr. PHILBIN. Mr. Speaker, on roll-call No. 121 I am recorded as not voting. I was present and voted "yea." I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEMOCRATS GIVEN TIPS ON WINNING ELECTIONS

(Mr. RIEHLMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RIEHLMAN. Mr. Speaker, following a Democratic candidate school held in the Syracuse Hotel, May 17, 1964, the following news story appeared in the Syracuse Post-Standard on May 18, 1964:

DEMOCRATS GIVEN TIPS ON WINNING ELECTIONS

(A photo caption accompanying the article, listed the following persons as part of the group in attendance: State Chairman William H. McKeon, James Barry, candidate for the Onondaga First Assembly District; Onondaga County Democratic Party Leader George Van Lengen; State Senator John Bronston, of Queens; Clifford Galbraith, State senate candidate from Cayuga County; and Donald L. Slater, candidate for the State assembly from Cortland.)

(By Robert R. Haggart)

John English, Democratic Party chairman from Nassau County and a power in State Democratic politics, had some suggestions for Democratic candidates yesterday.

He suggested they—

1. Steer clear of controversial issues.
2. Use shills.

English spoke at Hotel Syracuse during a campaign, candidates school for Democratic legislative candidates conducted by the Democratic State committee. It was attended by candidates and party leaders from around the State.

English said some candidates are "a problem, they have their Ph. D.'s, they are geniuses and know Plato and Aristotle inside and out * * * they also want to get their pictures in the paper."

He said the best way to get your picture in the paper is to commit a crime, "and the next best way is to get into a controversial issue such as the school prayer argument, that does you no good."

Some say being controversial is good, English said. "I don't."

English said when walking through a ward during a campaign, the candidate must know about the "bread and butter" issues that pertain to that ward.

"A few people will ask you about the test ban treaty," English said, "but most will not be interested." He suggested candidates talk on one side of the street about how the man across the street is paying lower water taxes, and then go on the other side of the street and talk about how that man's fire taxes are too high.

This was echoed later on during the school by Onondaga County Democratic Party Chairman George VanLengen.

"They are only interested in the superficial," VanLengen said of the voters.

VanLengen said "no one was interested in issues such as school bonding" when he ran for the State senate in 1958. "A divorce on the part of the Governor was what they wanted," VanLengen said, in an apparent reference to the divorce and remarriage of Republican Gov. Nelson A. Rockefeller.

English said candidates should use "shills."

"The use of shills is very important," he said, "if you go out in the hustings alone you are a fool."

English defined "shills" as "hatchet men who get you out of a situation such as the old lady who wants you to get her son out of South Vietnam," or watches the reaction of an audience when a candidate is speaking.

Shills also, he said, "take the drunk out when you are trying to speak and get him drunker."

He said shills are also good when speaking to groups such as the League of Women Voters.

A good candidate, he said, will have four or five people planted in the audience to ask "your opponent all the wrong questions, the ones he doesn't want to answer, and give you the good ones."

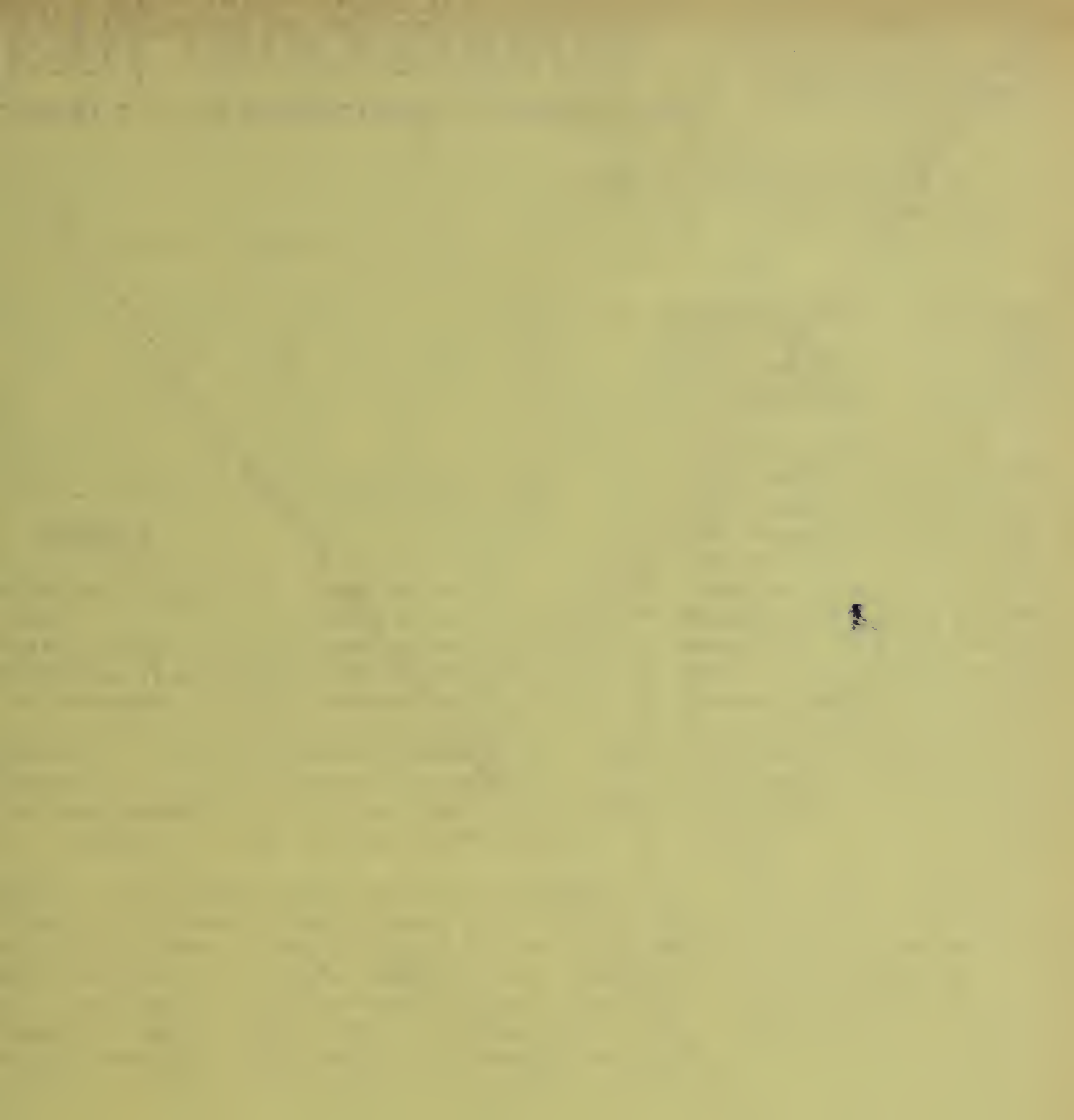
English warned the candidates, "Don't get trapped" by not having shills in the audience. "If you don't, he [the opponent] will."

Other speakers at the school include Democratic State Senators John Bronston, of Queens; Senate Minority Leader Joseph Zaretsky; and State Democratic Committee Chairman William H. McKeon.

CORRECTION OF VOTE

Mr. TEAGUE of California. Mr. Speaker, on rollcall No. 127 I am not recorded. Obviously there was a printer's error. I am not recorded as paired or as not voting. My name was not mentioned.

I was present and voted "nay." I ask unanimous consent that the permanent



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of May 20, 1964
88th-2nd; No. 101

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HIGHLIGHTS: House passed agricultural appropriation bill. House Rules Committee cleared pay bill. House debated independent offices appropriation bill. Rep. Cleveland charged that "discriminatory" freight rates threaten New England poultry and dairy industry. Rep. Moore contended that Trade Expansion Act has been a failure. Sen. Byrd (Va.) inserted editorial critical of poverty program. Sen. McGee inserted bulletin which claims cattlemen have contributed to beef oversupply. Sen. Hruska urged additional aid for livestock industry.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1965. By a vote of 311 to 64, passed with ~~amendment~~ amendment this bill, H. R. 11202 (pp. 11042-62, 11072-3). A point of order by Rep. Pelly was sustained striking out language in the bill providing that after June 30, 1963, the portion of CCC borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon (p. 11050).

Rejected the following amendments:

By Rep. Findley, 56 to 101, which would have prohibited the use of funds for any

expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately owned radio or television stations or newspapers of general circulation, or for the preparation of information to be transmitted over Government-leased wires which are subject to direct interconnection with wires leased by non-governmental persons, firms, or associations. pp. 11042-6

By Rep. Dingell, to prohibit the use of funds in connection with any price support program for tobacco. pp. 11050-5

By Rep. O'Hara, 31 to 44, to provide that CCC funds shall not be available for any expense incident to requiring persons engaged in the processing of wheat into flour to acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in the wheat clears produced by them having an ash content of one percent or more. pp. 11055-7

By Rep. Findley, 66 to 91, to prohibit the use of funds to make export payments or export subsidies on any agricultural commodities being sold to Communist countries (pp. 11057-8). Later, a point of order was sustained against an identical amendment by Rep. Findley, except for a proviso that such payments would be permitted if the President determines them to be in the national interest (pp. 11058-9).

By Rep. Pilcher, 181 to 198, to provide \$1,600,000 for a quality peanut research laboratory to be located at Dawson, Ga. (p. 11060). This amendment had been agreed to during debate yesterday.

By a vote of 186 to 187, rejected a motion by Rep. Bow to recommit the bill to committee with instructions to report it back with an amendment prohibiting the use of funds to make export payments or export subsidies on any agricultural commodities sold to Communist countries. p. 11061

A point of order by Rep. Findley was overruled which would have stricken language providing not to exceed \$25 million in Sec. 32 funds to increase domestic consumption of farm commodities. pp. 11046-7

A point of order was sustained against an amendment by Rep. Michel which would have provided that not to exceed \$5.3 million of the REA authorization would be available in the form of grants to aid Alaskan REA borrowers. pp. 11048-50

2. TRANSPORTATION. Rep. Cleveland stated that "New England suffers from a discriminatory differential in rail freight rates for feed grains that threatens to destroy our poultry and dairy industry," and inserted a letter he had received critical of the freight rates. pp. 11074-5
3. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. Began debate on this bill, H. R. 11296 (pp. 11063-66). This bill includes funds for the Office of Emergency Planning, including \$4,190,000 to carry out civil defense and defense mobilization functions delegated to Federal agencies, Office of Science and Technology, President's disaster relief fund, Department of Defense civil defense activities, Civil Service Commission, Federal Power Commission, Federal Trade Commission, GSA public buildings and stockpiling activities, Housing and Home Finance Agency, Interstate Commerce Commission, and National Science Foundation. Also, the bill includes prohibitions on indirect expenses of research grants exceeding 20 percent of direct costs, and on the use of funds to establish a national service corps or similar domestic peace corps type of program. With regard to the civil defense item for the Department of Defense, the Committee report states that the "entire fallout shelter program is under study and review by the Department of Defense at the present time and the



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House of Representatives

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 71: 16: *I will go in the strength of the Lord God.*

Almighty God, who art our refuge in the stillness of the night and our strength in the struggles of each new day, we humbly acknowledge how much we need Thee for we cannot find the right solution to our many problems on the basis of our own finite wisdom.

We are beginning to realize that we are citizens of this great Nation, not merely to receive the benefits and enjoy the blessings of freedom, without hindrance, but that we must defend and preserve them, at any cost, and share them with all mankind.

Inspire us to cultivate a more kindly feeling toward our fellow men everywhere and may the dawning of that blessed day soon come when everything which mars the community spirit shall be forever supplanted by the spirit of good will.

Hear us in the name of our blessed Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MILITARY CONSTRUCTION APPROPRIATION BILL

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight Friday to file a report on the bill making appropriations for military construction for the Department of Defense, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CEDERBERG reserved all points of order on the bill.

DEMOCRATIC STATE CHAIRMAN OF OHIO FEES ON MORTGAGE FORECLOSURES

(Mr. HAYS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYS. Mr. Speaker, it has come to my attention that the Democratic State chairman of Ohio, William Coleman, who was reelected to a new term on Monday of this week, has within the past 3 months handled 90 foreclosures of mortgages of veterans and others guaranteed by the Federal National Mortgage Association, commonly known as Fannie Mae. Mr. Coleman has handled this work in central Ohio exclusively for the past 3 years.

These transactions have netted Mr. Coleman varying amounts with a minimum of \$200 and a maximum of \$250 each, or approximately \$20,000 for the 3 months. The total amount of fees for the 3-year period would be far in excess of this figure.

It is difficult for me to see how the Democratic Party in Ohio can appeal to the people of Ohio for support when the head of the party in the State is a vulture who is fattening himself on the misfortunes of others and using his party position to obtain this business.

SPECIAL SUBCOMMITTEE OF THE HOUSE PUBLIC WORKS COMMITTEE

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that the Special Subcommittee of the House Public Works Committee be permitted to sit for 1 hour this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NUCLEAR-POWERED SHIP "SAVANNAH" IN PORT AT BALTIMORE

(Mr. CASEY asked and was given permission to address the House for 1 min-

ute and to revise and extend his remarks.)

Mr. CASEY. Mr. Speaker, I have asked for this time in order to advise the Members of the House that the Commerce Department has the nuclear ship *Savannah* in the port of Baltimore today. Nicholas Johnson, Maritime Administrator, will have appropriate ceremonies at 2 o'clock. However, I doubt if any of the Members of the House will be able to attend those ceremonies in view of the legislative schedule for today. However, this great ship, which is the first and only nuclear merchant ship in the world and one which this body had a great deal to do with reference to its construction, will be there until Sunday.

Mr. Speaker, I feel that all Members of Congress should avail themselves of an opportunity, if it is possible to do so, to look at this great ship, a pioneer in new ways of transportation. This ship is berthed at the Maryland Port Authority, berth No. 2, the Dundalk Terminal, and will be there until Sunday, May 24.

AID TO VIETNAM

(Mr. MONAGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONAGAN. Mr. Speaker, President Johnson has requested an additional authorization of \$125 million to beef up the resistance of the South Vietnamese to Communist aggression.

As members of the House Committee on Foreign Affairs, we heard yesterday the somber reports of Secretary Rusk, Secretary McNamara, General Taylor, and Mr. Bell. It is clear that a critical situation exists and halfway measures will no longer suffice. The full weight of U.S. assistance must be placed behind their effort and the resistance of the South Vietnamese people must be backed by our wholehearted cooperation.

The fatal results that will follow from a Communist takeover must be apparent to all. If South Vietnam were lost, all of southeast Asia might easily fall with far-reaching aftereffects. Accordingly,

I want to announce my support of President Johnson's request. I have voted for this increase in committee and I will do so on the floor.

It is my hope that this major action may contribute substantially to turning back aggressive communism in southeast Asia.

GOVERNOR WALLACE AND MARYLAND

(Mr. WAGGONER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WAGGONER. Mr. Speaker, a great cloud in the form of a liberal smokescreen blankets Maryland and, indeed, the entire Nation today, as the moral victory of Governor Wallace is minimized, denied, explained away, and distorted in an effort to prove that, after all, it really had no significance.

I watched the pundits who had belittled Governor Wallace squirm in discomfort on television last night as they tried to discredit the smashing vote he rolled up for States rights and separation of the races. I do not believe many will be fooled into thinking Governor Wallace's showing has no meaning.

Anyone who reads the voting tally and comes to any other conclusion is whistling as he goes by the graveyard. I know it is not politically expedient for some to admit it publicly, but, as he predicted, Governor Wallace shook their eyeteeth.

The single most significant factor in his so-called unexpected showing is the fact that he was able to get so many votes against overwhelming odds. With a small budget, no organization, a very limited campaign and with very few appearances in the State, the cause he fought for won out against the heavily financed, meticulously organized opposition. He stood off vicious personal attacks, the combined might of a dozen U.S. Senators appearing all over the State in opposition, the Governor and the entire city hall crowd.

Were it not for the fact that Governor Wallace was truly reflecting the opinions of the people; were it not for the fact that he was on the right side, he would have been slaughtered at the polls.

The people have spoken in no uncertain voice. They are opposed to the vicious civil rights bill and Congress should heed the warning.

I congratulate the Governor of Alabama, and remind the Congress that November is not far away.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

Andrews, Ala.	Ellsworth	Meador
Ashley	Farbstein	Norblad
Ashmore	Felghan	Pepper
Avery	Forrester	Pool
Baring	Garmatz	Powell
Bass	Grant	Roberts, Ala.
Beckworth	Gray	Rodino
Blatnik	Hanna	St Germain
Buckley	Hébert	Selden
Burton, Utah	Hoffman	Senner
Celler	Huddleston	Siler
Colmer	Jones, Ala.	Staebler
Cramer	Kee	Toll
Dorn	Martin, Mass.	Utt
Dowdy	Matsunaga	Winstead
Edmondson	May	

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CORRECTION OF RECORD

Mr. NELSEN. Mr. Speaker, in the course of the debate yesterday on the amendment which I offered to H.R. 11202, the bill making appropriations for the Department of Agriculture and related agencies, I am reported on page 11019 in the last paragraph of the first column as having stated as follows:

The Department of Agriculture, in their justification of the use of this adjusted parity ratio, refer to the act of 1938 which has been repealed.

My statement should read as follows:

The Department of Agriculture, in their justification of the use of this adjusted parity ratio, refer to a section of the Agricultural Adjustment Act of 1938, as amended, which section, in fact, has been repealed.

I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. WHITTEN. Mr. Speaker, reserving the right to object, will the gentleman repeat his request so that I may understand it?

Mr. NELSEN. Mr. Speaker, in the course of the debate yesterday on the amendment which I offered to H.R. 11202, the bill making appropriations for the Department of Agriculture and related agencies, I am reported on page 11019 in the last paragraph of the first column as having stated as follows:

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My statement should read as follows:

The Department of Agriculture, in their justification of the use of this adjusted parity ratio, refer to a section of the Agricultural Adjustment Act of 1938, as amended, which section in fact has been repealed.

Mr. WHITTEN. I thank the gentleman. I just want to point out the problem of amending the bill on the floor.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1965

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 11202, with Mr. KEOGH in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from Illinois [Mr. FINDLEY]. Without objection, the Clerk will again report the amendment offered by the gentleman from Illinois.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 14, line 12, after the figure "\$39,389,000" strike the period, insert a colon and the following: "Provided, That no part of the funds appropriated by this Act shall be used for any expenses incident to the assembly or preparation of information for transmission over Government-leased wires directly serving privately owned radio or television stations or newspapers of general circulation, or for transmission over Government-leased wires which are subject to direct interconnection with wires leased by nongovernmental persons, firms or associations."

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do this to say to the membership I appreciate very much the action of our colleagues from North Carolina in returning here for consideration of this bill today. Some had remained in Washington when we went through the bill yesterday. All were supposed to have been before their convention in North Carolina today.

The consideration of this bill was delayed by the untimely and unfortunate death of the chairman of the Committee on Appropriations, Mr. Cannon, last week. As a result we had to schedule this bill for yesterday. But the chairman of the Committee on Agriculture and each member of the North Carolina delegation either remained here or has returned because involved in this bill are provisions having to do with tobacco research, peanut research, and many other things.

I want to thank the gentleman for doing that and also to explain why it is necessary for them to return. At this point I wish to express my appreciation, too, to the gentleman from New York City [Mr. ADDABBO] who has contributed so much to our hearings, keeping a balance between producer and consumer.

Mr. Chairman, on yesterday I would refresh the memory of those who were here, and those who may not have been present, that the chief argument made

in favor of the amendment yesterday was that the Government might misuse these facilities in some way. I certainly do not mean to belabor the record, but I have before me here a book of general circulation in which it shows that officials of the publication that has been complaining on this have been forced to admit in court in past years that they have misused one of their newspapers to spread propaganda. Perhaps there is new management. However, for any publication to be fearful of the Government misusing these facilities, when the dangers seem to be greater than those who editorialize Government facts seem to be most likely to so use information, is at best, questionable.

I will not go into the detail, but the book I have reference to is a book of general circulation and is readily available.

May I say further, and I repeat this, in these situations the Marketing News Service of the Department of Agriculture has almost nationwide support. Not only that but the weather service has 24-hour service leased lines. I do not know that anybody is against the Government paying for the weather service circuits and we feel that this is an effort to better utilize these lines.

Since yesterday our committee has asked the Department of Agriculture to analyze this amendment and the effect that this amendment will have. My colleague on the committee, the gentleman from Kentucky [Mr. NATCHER], is thoroughly aware of that and I am sure he will present that information to the Committee. But I repeat again, the whole Nation is in favor of this marketing news service information. We have utilized leased wires that we are paying for anyway to carry both weather news and the marketing news. I say again, it is sound to let the Government make this available to everybody and not restrict it as this amendment would to one outlet so that it can take it and sell it to somebody—especially with the background and the record in these matters which this book so clearly shows.

Mr. NATCHER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, yesterday in discussing the amendment offered by the distinguished gentleman from Illinois, some mention was made of the Delta program.

At this time I would like to point out there are nine additional special agricultural weather circuits in operation, as follows:

First. Lower Rio Grande area of Texas.

Second. Southwest Georgia, southeast Alabama, and central northwest Florida.

Third. Western lower Michigan.

Fourth. Central and West Virginia, western and central Maryland, south-central Pennsylvania, and northern Virginia.

Fifth. New Jersey.

Sixth. Oregon.

Seventh. Southern Idaho.

Eighth. South Carolina.

Ninth. High plains of Texas.

Mr. Chairman, since we adjourned yesterday, we have had an opportunity to review a little more in detail the amendment offered by the gentleman from Illinois.

Under clause 1 of the gentleman's amendment it would prohibit the U.S. Department of Agriculture from furnishing marketing news reports for transmission over any weather bureau leased wire circuit. Presently, this includes the mid-south area of parts of Arkansas, Tennessee, Mississippi, Missouri, and Louisiana, and the southeastern circuit which last year carried cotton market news from Atlanta, Moultrie, Vienna, and Augusta, Ga.; Montgomery, Ala.; and Columbia, S.C.

Further reviewing this amendment, Mr. Chairman, under clause 2, we find it would prohibit direct connections with private firms and associations which presently include Associated Press, United Market News, Inc., PAM News Corp., and about 50 marketing firms and associations.

It would raise serious question on the authority for continuing the longstanding arrangement under which AP, UPI, Western Union, newspapers, and agricultural groups have installed sending or relaying machines in USDA leased wire offices. Market news reports are transmitted by wire directly to these outlets from the USDA offices. The difference between this and the "direct drop" arrangement is that a Government employee has to physically transfer a tape from the USDA teletypewriter to the private sending or relaying machine.

The principle involved in this prohibition would raise a question on the indirect connections in many market news offices used by private firms to obtain market news reports. For example, a Government employee reads a report received by leased wire to a group of shippers who make a conference telephone call to him daily, a Government employee reads market reports to a radio or TV station over a wire leased by it, and a Government employee sends a collect telegram to a person transmitting a report received on the leased wire.

Mr. Chairman, in reviewing the amendment offered by the gentleman from Illinois, we find that if the above limitation were imposed, the dissemination of market news would revert to the methods of the early 1920's, when the mailed mimeograph report was the speediest method of getting the bulk of the information to the persons who are buying and selling these commodities.

Mr. Chairman, the amendment should be defeated. I earnestly request the Members of the House to study the contents of the amendment offered by the distinguished gentleman from Illinois. If they will, they will vote against it.

Mr. KILBURN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. KILBURN asked and was given permission to proceed out of order.)

Mr. KILBURN. Mr. Chairman, in more than 24 years this is the first time I have ever done this, and I hope the House will give me its attention.

In the RECORD for May 19, 1964, published this morning, the gentleman from Texas [Mr. PATMAN] put in replies made by Mr. Batt of the ARA to criticisms published in the Reader's Digest. One of those replies affects me.

According to Mr. Batt, the allegation was:

That ARA "bludgeoned" votes by letting a political friend make a project announcement involving an \$844,000 ARA loan to help modernize an abandoned pulp and paper mill in New York Republican Representative CLARENCE E. KILBURN's district; the political friend being KILBURN's Democratic opponent.

Mr. Batt says that the fact is this:

Notification of approval of the project in Congressman KILBURN's district was advanced from the scheduled release date—

He had promised to wait until after the election—

because the mayor of Norfolk informed ARA that unless ARA gave its decision immediately, the project would fall. When this became known, a wire was dispatched to the president of the local development corporation, informing him of ARA's decision to approve the project. No authorization was given for public release. Unfortunately, word was leaked to the press prematurely through no fault of ARA.

That is what Mr. Batt says. Now let us get to the real fact. The real fact was put forth in the Potsdam paper. It is a different town.

On November 5, 1962, the day before election, Francis Healey, then Democrat candidate for Congress, received word from Washington that the mill loan had been approved and that he had been authorized to make the announcement.

Washington added that Smith, who is the head of the project, a local man, would receive word later that afternoon from the ARA on the matter. Sure enough later that afternoon Mr. Batt wired to Al Smith, the president of the Norfolk Redevelopment Corp., Norfolk, N.Y., as follows:

Area Redevelopment Administration will announce on Thursday, November 8, 1962, approval of \$844,000 industrial loan to assist the Development Corp., of Norfolk, and the St. Lawrence Pulp & Paper Corp., to reopen, and modernize, abandoned pulp and paper mill at Norfolk. Area loan will run for 25 years, bear an annual interest rate of 4 percent. Delighted at this opportunity to join with you in helping to provide 150 direct new jobs in the area where new employment is so urgently needed.

That was sent the day before election with nothing said about not publishing it. So, of course, it was published, because my Democratic opponent had it already from the ARA.

The blowoff was the following telegram sent to me from Al Smith, the president of the Development Corp. of Norfolk. He sent this telegram to me on February 14, over 3 months after Mr. Batt first announced approval.

DEAR HON. MR. KILBURN: On November 8, 1962, ARA cabled us approval of \$844,000 industrial loan of Norfolk paper mill acceptance. We feel we have answered all necessary letters, attended conferences, and completed all phone calls necessary for the closing of above project. We also feel the SBA New York office had kept our jobless people from working long enough. Would you please use your personal influence to hasten our project closing. Please reply.

Well, I did go to work and the project was finally approved nearly 4 months after election. So obviously Mr. Batt was using the day before election to make the announcement to try to defeat a Republican. If Mr. Batt is refuting that allegation by the Reader's Digest and if

all his refutations are in the same class as this, his facts are not very well sustained. I think myself, as I always have, and from my experience with Mr. Batt, that he takes all of the taxpayers' money and uses it just to play politics with, just as he did in this case. I myself never would believe a word he said about anything.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HORAN. Mr. Chairman, I rise in opposition to the Findley amendment, and I do so reluctantly, Mr. Chairman, because I believe that this deals with a subject that needs to be aired. I believe it deals with a subject that has been brought to the attention of the Congress and the people of the United States, especially in our agricultural areas, because of the rumors that have been brought to light during the wheat referendum of a year ago and the reluctance of the Department to tell us how much they actually did spend in trying to sell that to the people of the United States. Our Departments enjoy a peculiar status. Any deviation from the fullest and clearest disclosures do tend to reflect.

I think we should all be jealous of a free press in this country and that the truth as we are earnestly enabled to know the truth should always be published. I am reminded, of course, that the matter of reliability of Government reports goes back a long ways in our history. There is an incident that is often called to memory concerning the assembling of the crop reports in the early part of this century when a window shade was raised and lowered late at night down in the Department and a wire was sent from Washington to Chicago and a killing occurred in the wheat pit out in Chicago the next day. Since that time there has been brought up in the Department of Agriculture something of sacredness around the information which the Government collects in the shape of crop reports.

I think it is good to have a discussion of this matter because we should be able to rely on the strictest and the most honest information in Government crop reports. But now we come to the other side of the coin and that is, how are we going to get all of this assembled information out to the people who can use it to best advantage? That is where I have to rise in opposition to the amendment, as I understand it, and I have read it several times, this amendment would hinder, not enhance, the dissemination of information on crops.

I believe we should use every outlet of information and we should use it in as timely a way as we are capable of doing. I believe that the amendment as written would interfere with getting this information out in a timely manner.

The interest in this amendment proves to me that there may be some things that our Committee on Government Operations should look into by way of information that may be coming out of the Department of Agriculture. I mention that here and now for the benefit of those who are present. I see present the chairman of our House Committee on Government Operations, the gentleman

from Illinois [Mr. DAWSON]; the press is here and I assume someone is here from the Department of Agriculture. We are dealing, in my opinion, with one of the most important functions of the Department of Agriculture. That is the assembling of information and its dissemination to those in the agricultural industry who can use it to best advantage. Therefore, I feel that this amendment should be defeated at this time.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I was glad to hear the comments of the gentleman from Washington [Mr. HORAN], because he expressed the same feeling that I have about this matter. I have witnessed the benefits that have come from the use of the Weather Wire Service that has been supplemented by the market reports. I remember a specific instance during the watermelon season in my area. I know that the rapid dissemination of that information resulted in a great amount of revenue to the farmers there, who, if they had had to wait another day for this information, which would have been transmitted by mail, would have been of no benefit to them. It is true of some of the other crops in our area.

My feeling is this. The Government compiles a great deal of information which is not of great value. I see my friend from Washington [Mr. PELLY] present. He has said that we spend a lot of money publishing a great deal of useless, or unnecessary information. I am not in favor of that, either. But as to this Market News Service, since we do spend the money to get the information which would be of great value to the farmers, we should utilize every facility to get that information to them as quickly as possible. I think that this weather line which we are already paying for does offer that service. For that reason I hope the amendment will be defeated.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman.

Mr. PELLY. The gentleman from Missouri referred to the cost of disseminating information to the public. I think our President has raised this issue. All of us should take cognizance of the fact that he is urging the various departments not to spend so much money on printing. The gentleman from Missouri and I have opposed that practice in past years.

Mr. JONES of Missouri. Mr. Chairman, I think the gentleman and I see together on this. We are both trying to save money. But we want to give service to the farmer, particularly information that will make it possible for him to get the greatest amount of money for his crops.

Mr. PELLY. I thank the gentleman.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Illinois.

Mr. FINDLEY. The gentleman suggests that there might be a day's delay in getting important marketing data to the farmers if the interconnection be-

tween the new market news service and the Weather Bureau network were not made possible as it has in this past year. Surely, the gentleman has United Press International and the Associated Press offices in his general area. I have knowledge that these news services do maintain staffs in the various parts of the country and make regular calls at the AMS offices. So, there would not necessarily be any more delay in getting information to farmers through the private news agencies than would obtain if we continued with this Government network.

Mr. JONES of Missouri. No; I would not agree with the gentleman on that. As the gentleman knows—he is in the newspaper business and I have been in the newspaper business and I have been connected with a radio station and am familiar with the problem—I know that the news services do a good job. I am not against private enterprise. However, this would not interfere with the AP or the UPI. They could not obtain as complete coverage and they will not obtain it as rapidly, because other news will take preference over this market news. Most of these reports are pretty dry reading when they come over the wire. The "hot news" and scandal and things like that go first and have priority. We may get the market reports at the end of the day, but on this weather reporting service that information is put on the wire as soon as it is assembled and it gets to the place and it is on the radio and in the press as soon as it goes out. That is the advantage of it.

The gentleman talked yesterday—and he seemed to base his fears upon something that was going to happen. I might entertain the same fear. I do not want to see this line used for propaganda purposes and I will fight with the gentleman to the end to keep that from being done. But so long as this line is confined to the transmission of vital farm statistics and prices and things like that of great importance to the farmers, I think we should utilize it.

Mr. Chairman, for that reason I believe the gentleman's amendment should be defeated.

Mr. FINDLEY. Mr. Chairman, if the gentleman will yield further, is the gentleman suggesting that staff members of the Associated Press and UPI are not capable of making a proper evaluation of the flow of material which comes across their desks and to select and transmit promptly the items that are urgent to the farmers?

Mr. JONES of Missouri. The best example I can give to the gentleman is this watermelon situation of last year. The fellow sitting up there in St. Louis, in Kansas City, the AP or UP, could use their services in another place or with reference to another country, while down in southeast Missouri they are very interested in the marketing of watermelons. There was only a small area interested in the price of watermelons on that day. So they sent out a story about some scandal in Washington or some crisis in the Far East, but nothing with reference to the price of watermelons on the news lines at all.

That is going to come out at the end of the day. The report has not been published and the farmer sold his melons and took about a half a cent a pound less than otherwise. However, by putting this information on the line then the radio stations located in the particular area can carry it and they will select the thing that is most important to the people in that particular area. Also, the newspapers will take the item that is of importance in that particular area. They will not use the whole thing, but they will use the information that is helpful to the farmers. That is why this needs to be done.

Mr. BALDWIN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I thank the gentleman very much. In the geographical area referred to by the gentleman from Missouri [Mr. JONES], that area which has had the advantages of the Government Weather Bureau's leased wire network, an advantage which all areas of the country do not have, and no doubt in that area the private news services have come to depend upon the Government-leased wire network to provide this essential farm crop news. But in other vast areas of the country where this Weather Bureau leased wire network does not exist and does not serve this group of radio stations, television stations, and newspapers, there is no such dependency.

I have yet to hear any complaints from farmers in those other areas that they have not been getting adequate service from the private news agencies.

The gentleman from Mississippi mentioned the word "monopoly," suggesting that the adoption of my amendment might somehow create a monopoly for some private news agency. Quite the contrary, it would prevent the development of a monopoly in the crop news reporting field, a monopoly held by the Government. It would not grant any preferential standing whatsoever to any private news agency. Whether a monopoly has ever existed, whether preferential treatment has been granted to a private news agency, I do not know.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Is it not a fact that the present service provided by the Department of Agriculture is available to anybody who wants to pay for it? It is unrestricted as far as this information we are discussing is concerned. Will the gentleman agree that under present conditions it is available to anybody who wants to pay for and subscribe to it, therefore it is available to all?

Mr. FINDLEY. I agree that is the fact.

Mr. WHITTEN. Is it not true the gentleman's amendment would to a degree restrict the present situation to fewer users?

Mr. FINDLEY. No, indeed. The same information and service which was available to all persons and media prior to April 1963, would still be available to all.

Those persons, associations, and agencies who had their own staff members in the AMS offices and take the material off the machines and evaluate it could still do that. That is the way our private enterprise news dissemination service should operate.

Mr. WHITTEN. I think the gentleman's statement indicates it would be more restrictive.

Mr. FINDLEY. Mr. Chairman, I also want to respond to a comment by the gentleman from Mississippi calling attention to a book. I have no knowledge of the contents of that book. I assure you I hold no brief for anyone who might be harmed individually as a result of this new market news service. My great concern is the danger that Government may get a tempting tool for news management. There is always the danger of propagandizing, whether by Government or private news agencies or private newspapers. This will always exist as long as human nature exists. We are not going to outlaw that. But I think we have seen in this country the great virtues of a privately owned and privately controlled press—one that is not dependent upon the Government for wire news services.

My amendment would prevent any direct interconnection between the Government wire news services and private wires. A point was made that perhaps this amendment would make it impossible for a telephone conversation to relay information to a private party. I want to assure the membership that is not the intent of the amendment. I believe it to be an erroneous interpretation. We can make a little legislative history right here, and if there is no objection, I will make it plain that such is not the intent of the amendment.

All of this points up the need for public hearings. There has been so little interest indicated in support of these broadened market news wire services. Why not halt this dangerous new trend until we can get the facts before the public and let all of the affected parties have a full hearing?

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from California.

Mr. HOSMER. I would like to know what apologies the U.S. Government has to engage in the practice of disseminating such information as the price of watermelons and other things of that nature where they feel there is an obligation to take the taxpayers' money and devote it to this kind of operation, not only for specific purposes but to expedite direct dissemination electronically?

Mr. FINDLEY. If I may respond, the Department of Agriculture through the Agricultural Market News Service has for many years collected and disseminated information of this type.

I am not proposing that we go back and wipe out a very fine service that has been rendered through the years or even

to eliminate the wire network which connects all of these some 200 reporting offices around the country. The Government offices should be connected by the most modern facilities available.

My amendment would simply prohibit direct interconnection of private leased wires with this Government network. To me it sets up an apparatus which is a tempting tool for news management.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I would like to ask further the author of the amendment, and I am satisfied with what he has told me so far, and I am satisfied that we do not want to disestablish these activities—but I wonder what compels us to constantly accommodate to any increased electronic effectiveness or speed in the dissemination of information, making it almost a race by the Department of Agriculture to keep up with communications technology at the taxpayers' expense in order to disseminate information. Also, not only in competition with technology but in competition with legitimate private enterprise in the United States that desires in the traditional American manner to earn a dollar or so by engaging in the same activity.

Mr. FINDLEY. I will tell the gentleman that the excuse given for the tie in with the weather bureau network is to make use of the idle wire time. That is the excuse for the preparation by the AMS of reports to go directly into Government leased wires and directly into the radio stations and television stations and to all the newspapers of that area. The gentleman from Mississippi confirmed my worst fears yesterday when he said, and I am quoting from the RECORD:

Further, if the Federal Weather Bureau is going to pay for the leased wires on a 24-hour basis it is absolutely foolish not to use them to make market information available.

Well, if that argument holds firm for reports prepared by the U.S. Department of Agriculture, why would not the same argument obtain for the Department of Commerce which has news of interest to the general public? Why not use some of this idle time of the Weather Bureau network for a regular report from the White House or from the Post Office Department or from the Department of Defense? The Government could keep the wires humming with handouts 24 hours a day.

Mr. HOSMER. I want to say this in addition, that traditionally the history of capacity in a communications network has been the basic user's constant traffic increase. So if you take on a supplementary user while you have some surplus capacity inevitably you either have to eliminate the so-called supplementary user—or you have to expand the capacity of your network. In this case I am certain that if the Department of Agriculture persists in continuing this activity, certainly it would not be thrown off the lines and the Government will go to the expense of acquiring additional ca-

capacity. So we will not get a saving of any money on that.

Mr. WHITTEN. May I say in differing with the gentleman's statement, that we must remember that we have a national policy providing for marketing news services and that is not primarily for the producer but also for the purchaser, processor and consumer so that the flow of available commodities will go in the direction where there is a fair price and, of course, that fair price for the commodities will follow the need for them. So, as I say, that is a fixed national policy and we are spending money and getting that information out.

Now the same Government is spending money and getting out weather information so why not have the same Government that has this fixed policy in both cases use the Weather Bureau's line where we are paying for them 24 hours a day to make available that information which is a Government operation.

Mr. HOSMER. I will say that this governmental policy has not been, or should not be to expedite this flow through any channel that could develop on its own. The policy has been to collect this information and make it available and then in the traditional manner, by private enterprise have this information communicated. I am not talking about the weather now. I am talking about the other items under discussion. We are taking this additional step in competition with certain private agencies that are now furnishing this service. They will—if the Government; that is, the Department of Agriculture, continues to engage in this activity—themselves have to go out of business.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. What is involved here is a situation in which a few people want to put their own employees in the service area and to resell the information. They do not want the Government to make it available to everybody. That is exactly what is at issue. The only purpose in developing this information by the Department is to disseminate it.

The gentleman should agree that if the Government is going to get this data it should not hold it in one place and let some private organization come in with its employees and then resell it. It should make the information available to the people.

Mr. HOSMER. Unfortunately, the Government controls the entire communication—from organization to ultimate user. No bureaucrat should be given this unlimited power which surely would eventually be subject to abuse by use for propaganda purposes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 31, noes 58.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FINDLEY and Mr. WHITTEN.

The Committee again divided, and the tellers reported that there were—ayes 56, noes 101.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES (SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, (4) not more than \$45,000,000 for expenses for the Pilot Food Stamp Program and (5) not in excess of \$25,000,000 to be used to increase domestic consumption of farm commodities pursuant to authority contained in Public Law 88-250, the Department of Agriculture and Related Agencies Appropriation Act, 1964, of which amount \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities.

Mr. FINDLEY. Mr. Chairman, I make a point of order against the language in this section headed "Removal of Surplus Agricultural Commodities (sec. 32)." The language in question is that appearing at the top of page 16, lines 3 through 9.

The CHAIRMAN. Specifically, will the gentleman from Illinois state his point of order?

Mr. FINDLEY. My point of order is that the proposition is not in compliance with clause 2, rule XXI of the House of Representatives. Clause 2 reads:

No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for such public works and objects as are already in progress.

The CHAIRMAN. May the Chair inquire of the gentleman from Illinois as to whether his point of order is to the entire section or the entire paragraph or that portion which he indicated?

Mr. FINDLEY. My point of order is to lines 3 through 9, the portion of the section beginning with the figure in parentheses 5. I will read it. It reads as follows:

(5) not in excess of \$25,000,000 to be used to increase domestic consumption of farm commodities pursuant to authority contained in Public Law 88-250, the Department of Agriculture and Related Agencies Appropriation Act, 1964, of which amount \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities.

There is legislation in an appropriation bill.

The CHAIRMAN. The gentleman will include the word "and" on line 2, I assume.

Mr. FINDLEY. Yes.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. WHITTEN. Mr. Chairman, I call attention to the section in the bill, last year where Congress passed permanent legislation authorizing this in the appropriation act in which we said hereafter this could be done. It is in last year's appropriation act which was written for this specific purpose and provides hereafter not to exceed \$25 million may be appropriated for these purposes. We cite chapter and verse there, so to speak, and it is quite clear.

Mr. FINDLEY. Mr. Chairman, may I be heard on that?

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Illinois.

Mr. FINDLEY. First of all, Mr. Chairman, in the committee report on page 57 there is a list of the limitations and legislative provisions not heretofore carried in any appropriation act which are included in this bill. The second item printed there specifically refers to the language which I have cited, on page 16, paragraph (5).

Second, there is reference to research on health and related problems of tobacco; and on page 6 of the committee report, referring to the tobacco problem, they say the following:

Accordingly, the Committee has included \$1,500,000 of Section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location.

I would like further to call attention to two citations in the precedents. One citation is No. 1445 on page 449. In that it says:

An amendment descriptive of the object for which an appropriation is made is not legislation.

The fact that an item has been carried in appropriation bills for many years does not exempt it from a point of order.

Then I would call the attention of the Chair also to citation 1656 on page 654 of the precedents, which reads as follows:

The fact that a provision has been carried in appropriation bills for many years does not exempt it from a point of order if otherwise unauthorized.

My point is that the activity which would be appropriated for in this paragraph (5) has not been authorized in legislation heretofore.

The CHAIRMAN (Mr. KEUGH). The Chair is ready to rule. The gentleman from Illinois [Mr. FINDLEY] makes a point of order addressed to the language appearing on page 16, line 2, beginning with "and" and continuing through and including line 9, on the ground that it is legislation on an appropriation bill.

The Chair has had called to its attention the section which was contained in Public Law 88-250, in which it appears that the appropriation here, which incidentally is also in the nature of a limitation, was authorized by the Congress by the inclusion of the words pointed out by the gentleman from Mississippi that "hereafter such sums (not in

excess of \$25,000,000 in any one year) as may be approved by the Congress shall be available for such purpose," and so forth.

The Chair therefore holds that the language in that public law cited is authority for the inclusion in the pending bill of the language to which the point of order was addressed, and therefore overrules the point of order.

Mr. FINDLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FINDLEY. The language authority cited in the public law was a reference to a public law which was an appropriation act; am I correct?

The CHAIRMAN. The Chair pointed that out. The Chair might say, incidentally, that while legislation on an appropriation bill may be subject to a point of order, if none is made it is perfectly valid legislation and becomes permanent law if it is permanent in its language and nature.

The Clerk will read.

The Clerk read as follows:

Page 16, line 10:

"FOREIGN AGRICULTURAL SERVICE
"Salaries and expenses

"For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$18,790,000: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service."

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, if I may have the attention of the chairman of the subcommittee, the gentleman from Mississippi [Mr. WHITTEN], I would like to inquire as to what is being accomplished with respect to the thousands upon thousands of tons of various types of grain, shipped to foreign countries, and valued at perhaps \$150 million, that has been lost, strayed or stolen? This is grain that was allegedly shipped to Austria, to Ceylon, to Vietnam, to Colombia, to Turkey, and I do not know where else.

Mr. WHITTEN. May I say to the gentleman that when this matter was first called to my attention—and may I say it was first called to my attention by a news story—immediately our subcommittee met and asked for an investigation in order to determine the facts.

May I say to the gentleman further that this program comes under Public Law 480 and it involves barter agreements, and all that. But, nevertheless, that kind of program needs to be handled in the proper order.

In our report we attempted to cover what we had been able to find out in connection with it. We in our hearings do not disclose the names involved because apparently, based upon the information which we had, some of these people may be indicted and tried. At the insistence of the Department of Justice we have held up releases in certain other aspects.

However, we have been right behind it and we, like the gentleman from Iowa, want this business handled properly and we want this Congress to know that this subcommittee is going to have this investigation and obtain this information.

Mr. GROSS. Apparently you are giving to the Foreign Agricultural Service the same amount of money which they had last year and, perhaps, even more.

Can the gentleman state whether any representatives of the Foreign Agricultural Service have been responsible for this grain being lost, strayed, or stolen?

Mr. WHITTEN. If the gentleman will yield further, I am speaking from recollection. It is my recollection that one or two individuals or employees with the Foreign Agricultural Service were involved. May I say further that looking backward, they did not quite keep up with what they should have kept tabs on. Many of these things were transshipped 2 or 3 times, leaving the Foreign Agricultural Service representatives the problem of trying to trace the people who were guilty of fraud and who doubtless were making every effort to hide what they were doing. In some instances this grain was not only transshipped but repackaged.

May I say to the gentleman from Iowa that the increase reflected here is for salary increases only.

Mr. GROSS. I will say to the gentleman from Mississippi I am afraid that a lot of the Billy Sol Estes scandal has been swept under the rug—and one of our colleagues suggests the Bobby Baker scandal is also going under the rug. I do not want to see the loss of this grain, worth perhaps \$150 million, given the same coverup. If there are people in the Department of Agriculture who have been negligent, and/or irresponsible, and have not been disciplined or fired for failing to perform their duties, then this appropriation ought to be cut and somebody ought to be taught a lesson through the process of the purse strings, if Congress cannot get at it any other way.

Mr. WHITTEN. May I say to the gentleman from Iowa that I think I have a long record along the line about which the gentleman is talking.

In 1953, if the gentleman will read our report, it was our committee that investigated many of the charges that resulted in action, and in this instance the gentleman will see that we have investigated it again here. My recollection has been confirmed that one man was probably most guilty of negligence, but there was no evidence that anyone had

received any remuneration out of it. But there was one responsible party who is no longer with the Service.

I will say further to the gentleman that we are doing everything we know to do to ride herd on it.

Mr. GROSS. Did the gentleman say that there are existing indictments or that there will be indictments?

Mr. WHITTEN. We have been appraised that these matters are now pending before the Department of Justice. I would not want to take the chance here that the Department of Justice may not act on the ground we had given out information, therefore making it impossible for them to convict. The best we can do is to trust the Department of Justice and, so far as we possibly can, make the information available that can be made available. If there is no followup our committee will make every effort to do so.

Mr. GROSS. I thank the gentleman.

The Clerk read as follows:

OFFICE OF RURAL AREAS DEVELOPMENT
Salaries and expenses

For necessary expenses, not otherwise provided for, of the Office of Rural Areas Development in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$124,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I would like to ask a question or two as to what this office is accomplishing—the Office of Rural Area Development, for which \$124,000 is requested. Is this the Office I read about in the hearings that has had some hand in remodeling a motel and restaurant?

Mr. WHITTEN. No. This is supposed to coordinate the work of the Department of Agriculture in rural area development with that of the Department of Commerce and the agencies in the Department, such as the Farmers Home Administration which has been assigned some of the job. This is the coordinating agency to try to bring this together to see that they are working together.

The basic law, which we passed 2 years ago, provided for this area redevelopment program. Rural redevelopment is mixed up with this. This is the agency that is supposed to coordinate all of the activities.

May I say that, while these new programs might have some value, I agree with the gentleman that they do not always reach the major farm problem. But they are in existence and your committee, may I say, instead of going along with the budget increases for these programs, held it down to this year's level. We did not expand it even though the budget expanded it. We held the work down to this year. This is a group coordinating all of the activities.

Mr. GROSS. I would rather spend \$124,000 on trying to find ways and means to get farm income up. Farm income has gone down, while for other segments of industry income has climbed. If we are going to spend money let it be spent on efforts to raise the income of farmers, to get agriculture, the basic industry, on an equality with other industry in this country.

Mr. WHITTEN. May I say to the gentleman if I had my own way fully and completely I might be able to improve it considerably. Unfortunately, I do not have my way. I do not believe there is anyone who is working harder trying to get equality than I. But I do not know just how to do it.

Mr. GROSS. This bill provides \$1 billion less than was spent on American agriculture last year. I do not know what the result of this will be but I suggest that on the basis of this reduction the foreign giveaway program should be cut that much and more.

Mr. WHITTEN. May I point out if you will read the bill, we try to point out the necessity for cutting out those things which help to create the problems of the people today, including agriculture.

Mr. GROSS. I want to see farm programs cut wherever it is reasonably possible to do so, but this is a pretty good wallop that is being taken at agriculture. If it can be justified, well and good.

Mr. WHITTEN. May I say to the gentleman, I would not at all be surprised to see us back here sometime before the end of the next fiscal year on this Commodity Credit Corporation item. We were quite candid in our report. Much of this cut reflects the failure to restore all of the capital impairment and change in policy where we are providing enough to run for this year instead of restoring the Corporation to its full borrowing capacity. Whether it works or not, I do not know. I do know, with all the heat that agriculture takes and that we take and that the farm program takes, it sure would have been bad if we came out here with a bill \$300 million or \$400 million over the budget. If we had not gone along with this change in policy, it would look like agriculture was up for another \$300 million or \$400 million above the budget. That is what we are faced with.

Mr. GROSS. I am not quarreling with what the committee did. I am only saying, if agriculture can be cut by a billion dollars, let us get busy and cut some of the rest of the spending.

Mr. WHITTEN. I cannot argue with the gentleman.

Mr. HARVEY of Indiana. Mr. Chairman, I am reluctant to take the time of the committee at this point, but there is an item in connection with this rural area development that has been of some interest to me. I hate to chide my friends on the other side of the aisle, but I read a great many accounts of the great effort that the new Johnson administration is making in the area of curing pockets of poverty with emphasis on rural areas. That is fine, except that as I read their statements, you would conclude that they thought of the whole thing and started

it all. In truth, a bill was enacted in 1955—and I am sure some of the gentlemen of the Committee on Agriculture whom I see on the other side of the aisle will recall this—a bill was enacted in 1955 for rural area development which set forth a plan or a blueprint for the coordinating of all the agencies of the Federal Government and the States and local governments to attack the problems in these submarginal income areas and to assist them in every possible way. Its purpose was to give them every assistance in putting a long-range program into effect with the object of improving their standard of living.

A few counties, usually one county in every State, were selected as a pilot county and that effort was initiated in 1956. A great deal of progress was made and much know-how in this field was developed in the intervening years. In fact and in truth, we are now witnessing the culmination of these many years of effort in this field. Of course, I am all for it and I think it is a good idea. I hope we proceed with this program.

But, it does seem to me that this program having gone along as far as it has and with the experience that we have acquired in this field, the credit for it ought to be given to the people who actually started it.

Furthermore, I would think that since this work has been done for a good many years without having to make an appropriation to expedite this coordination, that it could continue to be done in the future in the same way.

The Clerk will read.

The Clerk read as follows:

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$365,000,000, of which \$90,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000, of which \$7,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Page 26, line 22, after the word "program", insert the following: "Provided, That not more than \$5,300,000 of the foregoing amounts shall be made available to the borrowers of the Rural Electrification Administration in Alaska for the repair, rehabilitation or reconstruction of all their facilities and properties damaged, destroyed, or dislocated as a result of the earthquakes of March 1964, and provided further that any amounts so made available and used shall not be repayable by the borrowers."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi reserves a point of order.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, the purpose of my amendment is to provide the necessary financing, in the form of grants from REA, for rural electric and telephone borrowers in Alaska to reconstruct and rehabilitate their facilities destroyed and damaged by the March earthquake and subsequent tidal waves.

At 5:36 p.m. on March 27, 1964, one of the greatest natural disasters ever experienced by the United States rocked the State of Alaska. The economic heart of Anchorage, Alaska's largest city of 49,000 was practically destroyed. Property damage has been estimated at about \$300 million. Nearly a hundred lives were lost. Today—nearly 2 months later—the courageous people of this State are still in the process of digging out.

Major damage was done to the REA borrowers in that State, particularly to the Chugach Electric Association which serves the important area around Anchorage, including part of the suburban areas. It is estimated that this one borrower has suffered more than \$5 million damage in facilities and, in addition, will suffer a half million dollars in revenue loss during the next year.

According to testimony presented to our committee, the Knik Arm powerplant of the Chugach cooperative, located not far from Anchorage's devastated Fourth Street's damage center, was knocked out of commission and although the plant is now back on the line, complete repairs will take from 3 to 4 months. Chugach's 115-kilowatt transmission line from Anchorage to Cooper Lake suffered substantial damage. Sixteen complete structures were destroyed and 30 others must be relocated at an estimated cost of \$1.7 million.

Other borrowers in the area suffered heavily even though the dollar loss was not as great. Shock damage at the city of Kodiak, served by the Kodiak Electric Association, was not severe but the tidal waves that followed destroyed much of the town's business district, as well as its canning industry. The co-op's generating plant, located on high ground, was saved from destruction but at the peak of the tide the water was only a few inches from the powerhouse floor.

Below the powerhouse, however, the plant's cooling system was damaged, and the building in which it was housed was smashed by one of the cannery structures washed against it by the waves. As Kodiak manager, Leon Johnson, put it; "I think we have the distinction of having the only powerplant in the country that has been hit by a passing cannery."

In addition, Kodiak lost a warehouse building which was on lower ground, and a total of about a mile of distribution system was wiped out. Biggest loss, however, is the canning industry and business establishments, which provided more than 40 percent of the co-op's revenue.

Up on the Kenai Peninsula, damage to the Homer Electric Association is centered around its facilities on the Homer spit—a long neck of lowland extending into the water—where an oil bulk storage

plant is located, with loading facilities. A small boat harbor was destroyed due to settling of the land some 6½ feet and a long stone jetty disappearing into the ocean.

The Copper Valley Electric Association at Glennallen, Alaska, reported a cracked plant foundation. How extensive this damage is will not be known until more detailed inspection can be made, but the plant is in operation.

The Matanuska Electric Association at Palmer reported less damage. Three spans of distribution line were lost, resulting from a snow slide, and one structure on a 65-kilovolt transmission line was moved sideways, but remained intact.

If time permitted I could spend a greater part of the afternoon with other examples of destruction and I have here photographs of the devastation resulting from the quake and subsequent tidal waves.

Although the rural electric systems in Alaska were hit hard by the disaster, co-op officials and employees responded courageously, and electric service was restored to areas that could use it in remarkably short time.

The systems most heavily damaged, however, face an uncertain future. Unless outright grants are provided to cover their losses, as set forth by my amendment, continued operation will be difficult. The heavy expenditures which will be required to restore the damaged systems, coupled with sharply diminished revenues caused by loss of load, will be more than the co-ops can cope with unless some relief is supplied.

Present estimates of damage to all the rural electric systems in Alaska run from \$6 to \$7 million.

To restore their facilities to effective usefulness, the rural electric systems will need grants of cash. The Rural Electrification Act authorizes loans, not grants. Loans will not solve the problem because the co-ops have lost much of their revenue from homes and industries wiped out in the disaster. Further indebtedness would only compound the problem, not solve it.

The amendment I have just offered would make \$5.3 million of this year's authorization available to REA in the form of grants to aid Alaskan REA borrowers. Such grants would be limited to the repair, rehabilitation or reconstruction of REA facilities and properties damaged, destroyed or dislocated as a result of the March 1964 earthquake.

Alaskans need electric power to get their economy moving again and REA borrowers make up a substantial and important part of the power industry in Alaska.

My amendment will not increase the total funds in this bill. It merely earmarks a portion of the REA authorization for grants to aid Alaska power systems.

Mr. HORAN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Washington.

Mr. HORAN. The earthquake had the effect of destroying the facilities with

which the people of Alaska hoped to repay their loans. With those facilities gone, it is utterly silly for us to expect them to be able to repay a double loan.

Mr. MICHEL. As a matter of fact, with regard to the situation at Kodiak, the entire load of the cooperative there was wiped out. This cooperative has no customers. How could they possibly repay a loan, in keeping with their agreement with the Government?

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am glad to yield to the gentleman from Illinois.

Mr. FINDLEY. I commend the gentleman for his concern, and I shall support his amendment.

I should like to ask if the private utilities involved—the telephone and power firms—have access to any similar form of relief or grant to aid them in repairing and rehabilitating their destroyed and damaged property.

Mr. MICHEL. I say to the gentleman that there was some question as to whether, in the bill which passed the House and Senate for \$50 million, there would be a reservoir from which these cooperatives could draw. When I checked with the REA Administrator prior to developing this amendment, he said, "We do not know at this time whether or not they will qualify." In other words this is a gray area.

As I understand it, rural electric co-ops are not eligible to receive help under Public Law 875—the General Federal Disaster Act—which consolidated all Federal authority to assist State and local governments in alleviating suffering and damage resulting from major disasters. Furthermore, this act provides for loans and not the necessary grants needed if these systems are to remain financially healthy.

An adequate and dependable supply of power must be made available by these cooperatives before industry can rebuild. My amendment will accomplish this expeditiously. It is a good example of how we can help people to help themselves, a basic tenet of the REA Act of 1936.

By supplying the needed capital now, REA suppliers can continue to serve the people of Alaska and repay their outstanding loans to REA. Without it, the financial future of these cooperatives is in jeopardy. In the long run the cooperatives, the people of Alaska, the REA, and the Nation's taxpayers would be far ahead if my amendment is accepted. I ask your wholehearted support.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Does the gentleman from Mississippi [Mr. WHITTEN] insist on his point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. WHITTEN. Mr. Chairman, I make the point of order that this is legislation on an appropriation bill. There is no authority in law for making this direct grant from the REA program. May I point out under the basic law the com-

mittee is limited to fixing a ceiling upon what the REA may do under the basic act setting up their authorities, obligations, and duties. This would in effect be a direct grant from the REA which borrows from the Treasury, and quite clearly, in my mind, it would be legislation.

May I presume on the Chair for just one moment to say that certainly we on this committee sympathize with the problems of Alaska. If there be any difference in the treatment of rural electrification people and those who have municipal systems, this committee would certainly be in accord with the feelings of the gentleman who addressed us, but I must make the point of order that there is no authority in law for it and this would be straight-out legislation.

Mr. RIVERS of Alaska. Mr. Chairman, will the gentleman yield to me to address myself to the point of order?

Mr. WHITTEN. If possible, I will yield to the gentleman from Alaska.

The CHAIRMAN. The Chair will be pleased to hear the gentleman from Alaska on the point of order.

Mr. RIVERS of Alaska. Mr. Chairman, I appreciate all offers of assistance to my State of Alaska and to my fellow Alaskans who were damaged both individually and by virtue of damage to their public facilities. Therefore, I do not rise in opposition to this amendment, but simply to set the record straight before a vote is taken. Certainly damage was done by the quake and resultant tidal wave and seismic tides. The Chugach Electric Association in the area adjacent to the city of Anchorage suffered damage to its installations in the sum of approximately \$5 million. Damage was also done to the Kodiak Electric Association and the Homer Electric Association. I have not heard whether Matanuska Valley Electric Association with headquarters at Palmer suffered material damage, and the same is true of several others. They too might need help. For this reason steps have already been taken to help all of the Rural Electric Associations who suffered damage within the disaster area of Alaska. Under Alaska State law these associations are regarded as public facilities, instead of as privately owned utilities. When this fact was pointed out by Alaska's Attorney General, George Hayes, the Office of Emergency Planning, after an evaluation, held that the Chugach electric plant, the most heavily hit, could be repaired with assistance under Public Law 875 and the State advised to proceed with an application. It is understood that damage to the other REA's in the stricken area may also be repaired with the use of disaster fund money under Public Law 875. Under this solution the disaster fund would be reduced by a few million dollars, which is another way of saying that the worthy purpose expressed by the gentleman from Illinois and his desire to help the Rural Electric Associations with Federal grants for repair of their earthquake caused damage has been provided for. Still another proce-

ture to accomplish the purpose will appear in an omnibus bill aimed at speeding the reconstruction of Alaska. I have participated in consultations leading up to the drafting of such a bill and I will be one of those who will introduce it in the next few days. In short there is no need for the gentleman's amendment.

(Mr. RIVERS of Alaska asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. MICHEL. Mr. Chairman, I realize as a member of the committee that we cannot legislate on an appropriation bill and that it is subject to a point of order. If the chairman persists in it, naturally, I would have to give way.

Mr. CHAIRMAN. In view of the statement of the gentleman from Illinois, the point of order is sustained.

The Clerk will read.

The Clerk read as follows:

Page 30, line 1:

"COMMODITY CREDIT CORPORATION

"Reimbursement for net realized losses

"To partially reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending June 30, 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,724,000,000: *Provided*, That after June 30, 1963, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon."

Mr. PELLY. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PELLY. Mr. Chairman, I make a point of order against the language on page 30, lines 7 through 11, on the ground that it is legislation on an appropriation bill.

Mr. WHITTEN. Mr. Chairman, will the gentleman from Washington be good enough to reserve his point of order for just a few minutes?

Mr. PELLY. Mr. Chairman, I reserve the point of order.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I appreciate the gentleman's courtesy in giving me the opportunity to speak on this matter. I would like to point out what the committee is doing here or attempting to do. We anticipated that a point of order would be made; but I would like for the record to show what is involved. As I said earlier, there has been a change in policy, so that instead of fully restoring the capital impairment of the Commodity Credit Corporation we just provide enough funds for them to operate for the next year. That means that about \$900 million, which the Corporation has lost in the past on a variety of programs, is not being restored. It means that hereafter, year after year, interest will be charged on that amount. It will be a bookkeeping transaction, but over the years it will look as though Agriculture

costs more and more because this figure will grow and grow.

The gentleman's point of order is well taken and we acknowledge it, but I should like to say for the record that what this amounts to is that this cost will continue to pyramid bookkeeping-wise and interest will be added to it, so that Agriculture will be charged with more and more interest every year. We think that should be corrected and we tried to do it in this way. But we confess the validity of the point of order.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. PELLY. Mr. Chairman, I wonder if the gentleman would agree with me that waiving interest in this case would open the door to other agencies of the Government to do the identical thing?

Mr. WHITTEN. Mr. Chairman, I doubt that. I do know that if we do not keep this section in here the losses charged to the American farmer will be added to by \$172 million in 1965. That amount is just going to get larger and larger and yet there is no real money involved here.

Mr. PELLY. Mr. Chairman, I insist on my point of order.

Mr. WIDNALL. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from New Jersey briefly. The gentleman from Mississippi has conceded the validity of the point of order.

Mr. WIDNALL. I understand, Mr. Chairman, but I would like to state my view on this for the RECORD, if I may.

The CHAIRMAN. The gentleman may proceed.

Mr. WIDNALL. Mr. Chairman, I join in the point of order against the proviso which appears on lines 7 to 11 inclusive on page 30 of the pending bill. My point of order is, that the proviso constitutes legislation on an appropriation bill and violates the rules of the House.

This proviso states:

Provided, That after June 30, 1963, the portion of borrowings from Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after June 30 of the fiscal year in which such losses are realized, shall not bear interest and interest shall not be accrued or paid thereon.

Mr. Chairman, the Commodity Credit Corporation Charter Act, and modifications thereto, fall within the jurisdiction of the House Banking and Currency Committee. This proviso, in part, would nullify the requirement of section 7 of the Charter Act that the Commodity Credit Corporation shall pay interest to the U.S. Treasury on funds borrowed from the Secretary of Treasury. The proviso would also nullify in part a provision of Public Law 87-155 of the 87th Congress, which legislation was also reported by the House Banking and Currency Committee. Public Law 87-155 authorizing annual appropriations to reimburse Commodity Credit Corporation for net realized losses requires that the reimbursement of net realized losses be with appropriated funds, rather than through the cancellation of notes.

Mr. Chairman, this proviso would be unsound legislation in that over a period of time it would result in understatement of hundreds of millions of dollars of the cost of the CCC program. The amount would vary, of course, dependent upon the amount of unreimbursed realized losses and on the going rate of interest. For fiscal 1965 alone the agency testified that on the basis of 3½ percent simple average interest the amount would be \$172.3 million. It also should be noted, the language of the proviso would apply without future time limit and thus extend way beyond this 1965 appropriation act.

Mr. Chairman, I respectfully insist on the point of order.

AMENDMENT OFFERED BY MR. DINGELL

Mr. DINGELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DINGELL: On page 30 strike out the period at the end of line 11 and all that follows down through and including line 17 and insert in lieu thereof the following: "*And provided further* That no part of the funds herein contained may be used in connection with any price support program for tobacco."

Mr. DINGELL. Mr. Chairman, the reason for this amendment being offered is a very simple one. We have found of recent date that smoking is perhaps one of the greatest of modern-day health hazards.

Mr. Chairman, I have here in my hand the report of the special advisory body to the U.S. Public Health Service, printed by the Surgeon General, entitled "Smoking and Health." It was found and reported on the basis of the best statistical scientific evidence available today that of smoking is perhaps the greatest health danger to our people.

Mr. Chairman, heavy smokers have 30 times the death rate of nonsmokers. Moderate smokers have a tenfold greater chance of developing cancer as compared with those who do not smoke. Heavy smokers face a 20 times greater danger to their health from smoking and in developing cancer which is directly related to smoking. The death rate from cigarettes for smokers is about 70 percent higher for smokers than nonsmokers.

Indeed, Mr. Chairman, a table which is contained in this report reveals that those who smoke less than 10 cigarettes per day have death rates 40 percent higher than nonsmokers; 10-to-19-cigarette-a-day smokers have a 70 percent higher incidence of death; 20-to-39-cigarettes-per-day smokers have an incidence of a death rate of 90 percent higher than nonsmokers. Those who smoke 40 cigarettes or more per day have better than a 120-percent higher death rate than nonsmokers.

Mr. Chairman, I find that in the last 3 fiscal years we have put into tobacco supports \$6,042,000, \$9,263,000, and \$16,070,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I would be happy to yield to the gentleman from Iowa.

Mr. GROSS. You already have me feeling nearly dead.

Mr. DINGELL. I beg the gentleman's pardon?

Mr. GROSS. You have me feeling dead already.

Mr. DINGELL. I have no intention of having my good friend from Iowa feel dead, I can assure the gentleman. But I would point out that if he does smoke he is in substantial danger.

Mr. Chairman, we are all interested in seeing that the Government of the United States does not subsidize and does not finance the growth of a substance whose use is so dangerous to the health of the American people. Over 41,000 died of lung cancer—as many as were killed in automobile accidents that year—and it is estimated that 49,000 will die of lung cancer this year. Fifteen thousand died of bronchitis and emphysema, while there were 70 million people who are regular consumers of tobacco and cigarettes.

Mr. Chairman, it is very clear from every bit of scientific evidence which is contained in this report prepared for the Public Health Service and also from the studies made by the Royal College of Surgeons in England that tobacco is perhaps the greatest danger which exist today to people.

The report was quoted in the most recent issue of the American Cancer Society's publication, where it pointed out that not only is lung cancer caused in many more cases in smokers than in nonsmokers, but the death rate was particularly high for a number of other diseases including bronchitis and emphysema, cancer of the larynx, oral cancer, cancer of the esophagus. Smoking was also cited as a factor in heart and circulatory diseases.

Mr. Chairman, it can be argued that we have an important industry and, indeed, it is an important industry.

It can even be argued that the expenditures we make here provide for the orderly marketing of tobacco, but I think what we ought to recognize is the fact that this substance use is a health hazard. The taxpayers' money should not be utilized to subsidize and finance or enhance the sale of dangerous substances like tobacco.

The American Medical Association released a pamphlet which warns all the hazards of smoking and the dangers, the diseases and conditions which can be laid to the use of tobacco in any degree.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from North Carolina.

Mr. JONAS. Would the gentleman be willing to include a restriction on corn? It is well known that alcohol causes perhaps more danger to health than cigarette smoking.

Mr. DINGELL. I may say to the gentleman I shall be happy to consider that amendment fairly if my friend would offer it, but my amendment has been offered in good faith and is before the House.

(Mr. WEAVER (at the request of Mr. HARVEY of Michigan) was given permis-

sion to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WEAVER. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan [Mr. DINGELL]. This amendment has two major connotations.

First, it would remove the price supports for tobacco. It would indeed be refreshing to those who advocate removal of agricultural subsidies to free tobacco from its supports. This crop could then seek its proper level on a free enterprise market. I do not share the fears of those who say even more tobacco would be raised with removal of supports. What farmers would raise more of a crop than they could sell at a fair price? This would be agricultural bankruptcy.

Secondly it would remove from the Federal taxpayers the burden of supporting a crop which has been labeled a health hazard. No amount of confusing doubletalk can erase the essential medical facts that cigarette smokers have a higher percentage of cancer, heart disease, and pulmonary difficulties. As a former family doctor, I have many times seen the sad terminal results of these diseases. It would be to the Nation's interest, the taxpayers' benefit, and the individual's health to remove artificial price supports for the tobacco crop.

I support the amendment offered by the gentleman from Michigan [Mr. DINGELL].

Mr. NATCHER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, it is generally known throughout this country that tobacco is produced in 21 States, and is one of the major agricultural commodities. This commodity pays into the Federal, State, and local treasuries about \$3.3 billion in taxes each year.

We know that the report of the Surgeon General makes certain observations as to tobacco. In January of this year the distinguished gentleman from North Carolina, the chairman of the House Committee on Agriculture, the next day after this report was released, called a hearing before the Committee on Agriculture and assigned it to the Subcommittee on Tobacco. Hearings were held in an orderly manner.

Dr. Terry, the Surgeon General of the United States, appeared before the distinguished gentleman's committee. A part of his statement is contained on page 51 of the hearings on agricultural appropriations, and I would like to read at this time, Mr. Chairman, just a small part of his statement:

I still feel, nonetheless, that I can wholeheartedly support additional research of the types which the resolution would authorize and direct. It is well known that strains of tobacco differ quite widely in various constituents. It is well known that the levels of some of these constituents influence the amount of hazardous or potentially hazardous substances in tobacco smoke.

I would give a great deal to know whether the types of tobacco used for pipes and cigars have anything to do with the lesser hazards associated with these modes of tobacco use. If tobacco behaves as other vegetables, I am sure that the amount of some of its constituents will vary with the conditions of culture,

soil, climate, fertilizer, and other agricultural practices.

The Surgeon General further stated before the Committee on Agriculture, and the Subcommittee on Tobacco, as follows:

I am not a farmer; I am not an agriculturist, but knowing this subject as I do, I join with you, Mr. Chairman, in your resolution and in the resolutions that have been presented concerning additional research for tobacco.

As has been pointed out, Mr. Chairman, here we have an \$8 billion industry where tobacco is produced in 21 States with over 700,000 families involved and with over 100,000 employees in this industry. This is a major agricultural commodity, and certainly should be fully protected. We feel, and the people generally feel, if tobacco is harmful to the health of our people something should be done about it. That is the way we feel in Kentucky. Kentucky is the second largest producer of tobacco in the United States.

I say to the Members of the House that we are trying to do something about this problem. The distinguished gentleman from North Carolina and his entire Committee on Agriculture are working on this matter right now. I say to my distinguished friend from the State of Michigan—and he is my friend—that if the price support program on tobacco were destroyed and price supports on tobacco removed, the Government would lose hundreds of millions of dollars. This is the one agricultural commodity that all down through the years has paid its way. I say to you, Mr. Chairman, we are trying to do something about the question that the gentleman from Michigan has in mind and we are doing something about it now. This amendment should be defeated.

Mr. Chairman, at this time I would like to yield to my distinguished friend, the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I want to commend my friend, the gentleman from Kentucky, for his splendid efforts not only in behalf of the tobacco farmers but in behalf of the tobacco industry generally. This is our oldest industry. Perhaps, the first export market for American tobacco was at Jamestown. As the gentleman has pointed out so well, this program has not cost the Government anything. During the life of the program, tobacco has paid \$48 billion in taxes and our meager losses amount to only \$27 million. We are now in trouble because of this report that has been referred to. Following that report, at the first opportunity, I introduced the resolution to which the gentleman referred. Not a single member of our 35-member committee opposed it. The resolution was reported on the motion of the gentleman from Ohio [Mr. LATTI], a Republican and a very distinguished member of our committee. We went before the Committee on Rules. Not a single Member of the Congress appeared there in opposition to it. In the hearings on that resolution, we called the Surgeon General himself as our first witness. We

called scientists, one after the other. Our last witness was the Director of the Cancer Research Institute in Bethesda. Every one of them endorsed the resolution. This resolution in due time will come before this body and we will adopt it. I am certain of that because I do not know anybody who is opposed to it. Even the gentleman from Michigan who has offered this amendment will vote for the resolution.

But, Mr. Chairman, here is an industry that should not be destroyed. This amendment will destroy the best farm program ever enacted into law.

Mr. NATCHER. Mr. Chairman, I urge the Members of the House to consider carefully this amendment. This amendment should be defeated.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman.

Mr. DINGELL. I wonder if my good friend would be willing to make a categorical statement or our good friend, the chairman of the Committee on Agriculture, would be willing to make the categorical statement that tobacco is beneficial to health and that we should support at the Federal level prices on tobacco because it is beneficial and helpful to the health of the American people.

Mr. COOLEY. Mr. Chairman, will the gentleman yield so that I may answer our colleague.

Mr. NATCHER. I yield to my friend the gentleman from North Carolina.

Mr. COOLEY. No one has ever contended that tobacco contributes to good health. My mother called cigarettes coffin nails and every time I smoked one, she said that I was driving a nail in my own coffin.

Mr. DINGELL. I think your mother was very right.

Mr. COOLEY. Maybe she was right but I have been driving a lot of nails in that coffin and I am still going.

Mr. DINGELL. That is precisely the point that I am making. Lung cancer is at the highest incidence in history and it is going to increase further. Tobacco is one of the major causes of lung cancer. So here we have the Federal Government supporting the price of tobacco. I raise simply this moral question whether we can support the price of tobacco when tobacco is the dangerous kind of health hazard that it happens to be.

Mr. NATCHER. Mr. Chairman, I would just like to make this one additional observation. I say to my distinguished friend from Michigan that if the price support program was removed tobacco would still be produced in 21 States in larger amounts than tobacco is being produced today. It would not control this problem. The distinguished gentleman from North Carolina, as he should, is acting on this matter and his committee is acting on it at this time.

Mr. Chairman, this amendment should be defeated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BONNER. Mr. Chairman, I move to strike the necessary number of words. I oppose the amendment.

Mr. Chairman, and ladies and gentlemen of the House, I realize the serious attitude and feelings of the splendid gentleman from Michigan with respect to his amendment. He serves on the Committee on Merchant Marine and Fisheries and on the subcommittee which deals with the Fish and Wildlife Service. He has spent a great deal of time dealing with pesticides and things of that kind, which are dangerous to wildlife as well as dangerous to human life.

In offering the amendment, I feel certain the gentleman is thinking about the general welfare of men and women.

We realize that the tobacco program to some extent has gotten into some problems. We realize it has necessarily taken certain chemicals and other things to grow tobacco as it should be grown.

But I believe the proposal which the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY], has offered—to set up a laboratory to study this question and to correct the necessary evil which comes from using chemicals and pesticides—will satisfy the gentleman from Michigan. I hope the gentleman from Michigan, after listening to the debate, considering the fine manner in which this program has been handled, will understand why I and others oppose his amendment.

I am as interested in health as the gentleman is interested in health.

I had an experience only a little while ago. I was attending a social event. When I take two or three drinks of an evening for a week or so, it upsets my stomach. That particular evening I would not take a drink. A gentleman walked up to me and asked, "Can I get you a drink?" And I told him my trouble. He asked me, "How many cigarettes do you smoke?" I replied, "About a pack a day." He said, "That is not the problem. How much coffee are you drinking?" I replied, "Oh, eight or nine cups a day." He said, "Uh huh. You ought to change to tea." I asked, "What is your business?" He said, "I happen to be one of the outstanding stomach specialists of America. If you had come to my office, that would have cost you \$150."

So I have changed to tea.

I hope the House will vote down the amendment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BONNER. I yield to my fine friend, for whom I have great admiration.

Mr. DINGELL. The gentleman from North Carolina is one of the grandest and most valuable men who serve in the House of Representatives. It has been my privilege to serve under the gentleman on the great Committee on Merchant Marine and Fisheries. I know him to be one of the finest and most capable chairmen, and most gracious, courteous, and dedicated men who has ever served in this body.

Although I am not familiar with the tobacco research to which the gentleman refers, I am sure his interest in the problem will weigh heavily on my mind and will be most persuasive upon all the

Members of this body because of the great regard in which he is held.

Mr. MATTHEWS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Kentucky [Mr. WATTS].

Mr. WATTS. Mr. Chairman, I am opposed to the amendment.

(Mr. WATTS asked and was given permission to revise and extend his remarks.)

Mr. WATTS. Mr. Chairman, I rise in opposition to the amendment offered by the distinguished gentleman from Michigan [Mr. DINGELL]. I have the greatest respect for the gentleman and know that his motives are not for the purpose of doing harm to a great segment of our economy but are based on the health scare as portrayed by the Surgeon General's report on the effect, or claimed effect, of prolonged and excessive smoking of cigarettes. I cannot help but feel, however, that the gentleman does not fully recognize the great harm and great injury that would result should his amendment be adopted.

As representative of the largest Burley tobacco-producing area in the world, I feel that I have firsthand knowledge of the tobacco situation, its programs and the damaging effect of the gentleman's amendment.

In the first place, the tobacco program has been the best run, finest operated, and the least costly of all the farm programs that we have had in the history of our country. As a matter of fact, its cost has been negligible and its results have meant the prosperity and the basic survival of many of our farm families and farm communities in the 20-odd States in which tobacco is grown.

The gentleman's amendment would not have the effect of reducing the production of tobacco but would bring about the very reverse of what the gentleman is seeking to do. Should there be no supports on tobacco, there could be no acreage control. Production would expand by leaps and bounds and we would have on hand greatly increased stocks of tobacco which, if as dangerous as the gentleman from Michigan assumes, would add up to more danger than if the support program continued and acreage control remained, thereby having some governing affects upon the production of tobacco. Thus, the gentleman's amendment would defeat the very purpose—a purpose which I would call unworthy—should his amendment prevail.

Furthermore, should the gentleman's amendment prevail, it would mean tremendous loss to the Federal Government in that the Government has large sums of money loaned to the various tobacco associations on the supported price level of tobacco. Should the gentleman's amendment prevail, there would be such an increase in production the market would probably be cut half in two, and the Government would thereby lose about 50 percent of its investment.

It would be necessary for the administration and the Congress to initiate a much wider program of antipoverty than has ever been dreamed of because it

would result in economic chaos and bankruptcy to the many thousands of people who are engaged in the production of tobacco. It would greatly affect and diminish land values and mean the total destruction of the economies of many of our States.

All of us in tobacco recognize the health problem as it affects all segments of the tobacco industry. In particular, those of us who are interested in tobacco are devoting our every effort to a solution of this problem—a problem that no one at this time knows the answer to or the cause of. We are expanding research both through the efforts of the Government and private industry to determine the cause, if one exists, what factors with reference to tobacco cause it and what can be done to cure or help the situation.

It is my earnest plea, Mr. Chairman, that this amendment should be overwhelmingly defeated and that we should wait before attempting to do anything in the tobacco field until the U.S. Government has evaluated the situation and made its recommendations and not go off on a tangent because of a health report that has about as many loopholes in it as it has facts. I hope the amendment will be defeated.

Mr. MATTHEWS. Mr. Chairman, I yield to the distinguished gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, as the representative of perhaps the largest flue-cured tobacco-growing area in the world, I rise in opposition to the amendment.

(Mr. FOUNTAIN asked and was given permission to revise and extend his remarks.)

[Mr. FOUNTAIN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MATTHEWS. Mr. Chairman, I yield to the distinguished gentleman from North Carolina [Mr. KORNEGAY].

(Mr. KORNEGAY asked and was given permission to revise and extend his remarks.)

Mr. KORNEGAY. Mr. Chairman, I arise in strenuous opposition to this amendment, which would eliminate support prices for tobacco. I strongly suspect that the gentleman from Michigan desires by his amendment to restrict the growth and consumption of tobacco; however, in my opinion if this amendment is adopted, the very opposite result will occur. Without support prices there would be no control, and without control tobacco would be grown in every fence corner and in an abundance never before experienced.

I would like to point out to the Committee that tobacco is one of the leading agricultural products, the sale of which, both from the leaf and from finished tobacco products, pours into and fattens the local, State, and national coffers of our land to the extent of \$3¼ million per year.

The tobacco industry is also the source of the employment of thousands and thousands of our people throughout the country, from leaf production to finished tobacco products, with the myriad of

service establishments connected with the industry.

Mr. Chairman, all of us are concerned with the health of the Nation, but many of us feel that the best and proper way to eliminate any health hazards which are thought to be involved in the consumption of tobacco, but have never been pinpointed as to their exact nature, is through the well-known and universally accepted avenues of research, investigation, and discovery.

We have at this very moment pending before the House Rules Committee a resolution which will provide for this type of research in all phases of tobacco culture and finishing and for, I sincerely hope, the discovery and complete elimination of any detrimental elements found to be contained in tobacco.

This, Mr. Chairman, is the proper approach and not, as the amendment would propose, to slaughter the goose which has for so many years laid golden eggs for the people and for the economy of this country. Let me point out, also, that in all the history of the tobacco support program, the costs have amounted to only \$27 million. In this same time period, Federal and State Governments have collected over \$40 billion in taxes on tobacco.

I oppose this resolution as being both unrealistic and unnecessary in face of more effective and realistic remedies which lie right at hand. I urge the members of the Committee to vote against this amendment.

Mr. MATTHEWS. Mr. Chairman, there are two points I wish to make. First I wish to say to my dear friend from Michigan [Mr. DINGELL], I believe everybody in this House is interested, as he is, in the terrible problem of cancer. I emphasize the fact that I do not believe his amendment, if it were passed, would have a thing in the world to do with the solution of that problem. In the first place, I believe it would cause more tobacco to be grown in the United States.

Mr. Chairman, I am a member of the Committee on Agriculture. I believe that without a tobacco control program there would be much more tobacco grown in the United States than there is at the present time. I think it would definitely mean not only more tobacco but it would mean the ruin of hundreds of thousands of good American citizens. So let me emphasize that. I do not think if you vote against the gentleman's amendment you are voting for cancer at all. I think you are saying, "We think it is better to have a Government control program that has not cost the Government any money rather than to have uncontrolled production of tobacco."

The second thing I want to point out is when the Surgeon General appeared before our committee, as I recall it, he said that no one knew exactly what there was about cigarette smoking that caused cancer. There was no doubt, perhaps, about the link between smoking and cancer, but what was it? Is it the combustion process? Is it the type of tobacco used? Is it the cigarette paper grown in some of my colleagues' districts? I do not know. We might have to check on what kind of cigarette paper it is that is

used. It may be some kind of pesticide that is used on the tobacco.

As has been pointed out, the House Committee on Agriculture is trying to push forward with a research bill. We owe that to the American people, and we are all in favor of it. I sincerely hope that we defeat the amendment offered by the gentleman from Michigan [Mr. DINGELL] and are able to go ahead with this control program and continue with the research and keep this industry as it is today on the basis that it is.

Mr. Chairman, I yield to the gentleman from North Carolina [Mr. TAYLOR].

Mr. SICKLES. Mr. Chairman, I am pleased that the committee has agreed to a \$1½ million appropriation to finance tobacco research.

In the State of Maryland alone tobacco provides nearly three-fourths of the cash farm income each year in our five southern Maryland counties of Anne Arundel, Calvert, Charles, Prince Georges, and St. Marys. It is a principal source of income on nearly 7,000 farms and provides a livelihood for 15,000 tobacco farmers and farm workers.

Because of a number of problems, some purely agricultural and some resulting from the health shadow which now hangs over the tobacco industry, this appropriation represents an urgently needed step toward protecting the health of millions of Americans as well as helping a key industry.

The broad university-government-private enterprise research approach anticipated in this program has the best possible chance of reaching a practical solution to the problems of the tobacco industry. A solution in which an economically important industry can be preserved at the same time that the American people are gaining protection from hazards to their health and well-being.

(Mr. TAYLOR asked and was given permission to revise and extend his remarks.)

Mr. TAYLOR. Mr. Chairman, I am opposed to this amendment. The result of the amendment would be first the bankruptcy of every tobacco producer in America; and there are 18,000 in my congressional district. And they have approved the tobacco control program by a 98-percent vote. Second, the production of more tobacco than is grown today but without control and without profit to the tobacco farmers. Third, no shortage in tobacco, no reduction in smoking, and no improvement in the health of our people. Tobacco is in trouble today, and the answer to the problem is research. We need to learn how to make smoking safer. We need to know what substances in tobacco smoking are causing lung cancer and other disabilities. We need to know whether the cancer producing compounds come from nicotine in the tobacco or from out of chemicals and fertilizer or from a combination of these or other factors.

I am glad to support legislation authorizing this needed research. To destroy the tobacco control program by the adoption of this amendment before the research program is carried out would be most unwise.

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

Mr. Chairman, at the start of this discussion my good friend from North Carolina [Mr. JONAS], made some mention of corn as it is translated into liquor. I do not want to see corn maligned here this afternoon as injurious to health. We produce a lot of corn out in the State of Iowa. We are proud of it and we do not as individuals make whiskey out of it, although a few might have made a little dab of it here and there during the prohibition days.

Seriously, my purpose in seeking this time is to ask someone whether there is any money in this appropriation bill for research in the matter of tobacco. Is there any money in this measure to carry out the purposes of another bill that came out of the Committee on Agriculture recently, but which has not yet been enacted?

Mr. NATCHER. Mr. Chairman, will the gentleman yield to me?

Mr. GROSS. Yes, of course, I yield to the gentleman from Kentucky.

Mr. NATCHER. I would like to direct the gentleman's attention to page 6 of the report. On this page you will find that under section 32 funds, an additional \$1.5 million is set aside and appropriated to begin a program along the lines that the gentleman just indicated, namely, to ascertain as to whether or not tobacco is affecting the health of our people and, if so, why, and to expand generally the tobacco research program.

Mr. GROSS. Is that in this figure of \$1,724 million?

Mr. NATCHER. No, it is not. It appears under the funds that we set aside in section 32. The chart is on page 33 of the report.

Mr. GROSS. In the pending item to which the amendment is directed the gentleman is saying there is no money for this tobacco research center?

Mr. NATCHER. I say to my friend from Iowa that no part of the figure as indicated by the gentleman is for research. The gentleman's amendment provides that no part of the figure under Commodity Credit shall be used in a price support program for tobacco. That is the sum and substance of his amendment. It has nothing to do with research. The amendment of the gentleman from Michigan has nothing to do with research.

Mr. GROSS. Mr. Chairman, I thank the gentleman for his explanation. I am not opposed to the support program for tobacco, but I am opposed to the Federal taxpayers spending money for research in behalf of the tobacco processors on the subject of the lack of injuriousness of tobacco. I suggest the tobacco industry is well able to afford its own research in this regard.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. MICHEL. The gentleman is concerned about a reflection that might be cast against corn in the production of alcohol. Of course, the gentleman is aware of the fact that any starchy com-

modity will produce alcohol. What distinguishes corn spirits is the fact that the American drink bourbon is made by at least 51 percent corn mash. That distinguishes that commodity from any other. The gentleman from Iowa [Mr. GROSS], and I grow so much of corn in our districts that we ought to be proud that the drink designated by Congress as an American drink, bourbon, comes basically from our section of the country.

Mr. GROSS. I thank my friend from Illinois and congratulate him on his expertise on this subject. I shall go to him hereafter to get the answer to questions of this nature.

Mr. COOLEY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I shall be very brief. I do not question the motive which prompts this amendment. I want to say to the Members of the House that of all the programs which have been enacted in the field of agriculture the tobacco program is the very, very best. If this amendment were adopted, actually it would result in bankruptcy—and I repeat bankruptcy—for every tobacco grower in this Nation. It would result in the loss of hundreds of millions of dollars to the Government. We are in trouble right now for the first time, because we have an abundant supply, a surplus in storage. Also, because of the Surgeon General's report. And we expect to do something about it.

Mr. Chairman, I urge my friends to defeat this amendment and let us go on to another subject.

(Mr. COOLEY asked and was given permission to revise and extend his remarks.)

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Certainly.

Mr. JONAS. Mr. Chairman, I should like to associate myself with the remarks of my colleague from North Carolina. I am also opposed to this amendment. I would like to ask him if the net result of the amendment would not be probably the growing of more tobacco than is grown today?

Mr. COOLEY. We had that experience in 1939 when we took off controls. We planted the whole face of the earth in tobacco. It took us about 3 years to recover. The farmers have approved this program by a vote of 98 percent. The Government has not lost money on this program and we would throw away the best program we have ever had if we adopted this amendment. This program is not a Democratic program. It has been supported by Republicans from all parts of the country. It has never been in politics. Not once has this program become involved in partisan politics.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. BELCHER. As I understand the amendment of the gentleman would strike out also \$37,351,000. What is included in that?

Mr. COOLEY. I do not know. I shall be glad to yield to the author of the amendment if he would like to answer the question.

Mr. DINGELL. I did not hear the gentleman's question.

Mr. BELCHER. Does the gentleman's amendment strike out the figure \$37,351,000 on line 16?

Mr. DINGELL. No; my amendment reads essentially as follows: At the end of line 11, add the following:

And provided further, That no part of the funds herein contained may be used in connection with any price support program for tobacco.

Mr. COOLEY. Mr. Chairman, I have one other observation to make. I want to congratulate and commend our distinguished colleague from Kentucky [Mr. NATCHER] upon his efforts in behalf of the tobacco farmer and the tobacco industry. Most of all, Mr. Chairman, I want to emphasize the fact that the gentleman from Kentucky has been diligent in providing the research into the problems of smoking and health. In this very bill the gentleman from Kentucky has sponsored a provision which will start the ball rolling and this great investigation and research program will get under way when this bill becomes law.

Mr. Chairman, I feel that all of us owe to BILL NATCHER a great debt of gratitude.

Mr. HECHLER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from West Virginia.

Mr. HECHLER. Mr. Chairman, I rise in opposition to this amendment.

(Mr. HECHLER asked and was given permission to revise and extend his remarks.)

Mr. HECHLER. Mr. Chairman, I appreciate very much the chance to speak on this amendment following the remarks of the distinguished chairman of the Agriculture Committee, the gentleman from North Carolina [Mr. COOLEY]. If the sponsors of this amendment are sincerely interested in protecting the health of the people in this Nation, and if they are persuaded by the evidence that cigarettes are a menace to health, then why would they advocate a course which would flood the Nation with tobacco? At the present time, the production of tobacco is rigorously controlled. Some of my small farmers in West Virginia have allotments of three-tenths or four-tenths of an acre, and my Congressional District is the largest tobacco-growing district in the State of West Virginia. But if you pull the plug out from Federal supports, as suggested in the amendment of my friend from Michigan [Mr. DINGELL], the production of tobacco would run hog wild, it would be running out of our ears, and then you would have not only a great threat to the health of the people, but you would have economic disaster.

Mr. Chairman, I urge the defeat of this amendment.

Mr. COOLEY. Mr. Chairman, I hope the amendment will be rejected.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

May I say to my colleagues I hope we will not drag this out, and I certainly do not mean to do so by taking this time. However, at this point I do want to take advantage of the subject that is now under discussion to point out what we

on the subcommittee hope to obtain through the enactment of this bill and through the report.

Mr. Chairman, I realize that our colleague, the gentleman from Michigan [Mr. DINGELL], who offered the amendment, is disturbed about this problem and about conditions generally. I am sure I realize what motivates him in raising this question at this time. However, we certainly do not want to go at this thing in a left-handed manner.

May I say that price support programs are tied to acreage controls. In the absence of price support programs there will be a lot more tobacco produced, more cheaper priced tobacco, and a lot more smoked. Therefore, it is my opinion that the amendment would defeat the purpose at which it is aimed.

Mr. Chairman, I raise this question and I want to make it clear for the RECORD that the actions of our committee, in effect, amount to extending not only to the tobacco industry, but to the Department of Health, Education, and Welfare an invitation to come on and join with us and let us move now and get this problem settled and solved in the best interests of everyone.

Mr. Chairman, I take this very limited time to say that I hope those in Government and those in Congress will help us to see that there is a partnership formed between the Departments of Agriculture and Health, Education, and Welfare, the industry, and everybody else so that this research may move on. Not only is the producer and processor involved, and the U.S. Government, but there are millions of consumers of tobacco who all have an interest in the matter. We have done all that we know to do.

I want to pause here again to say that I appreciate the fact that the gentleman from North Carolina [Mr. COOLEY] and other Members from North Carolina have either stayed here, those who have not been able to leave, or have returned from their convention in their State because this thing is of vital importance to their State and to the Union. I say again I hope the Department of Health, Education, and Welfare will come in with us and help us get this problem solved at the earliest possible moment.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. DINGELL. I mean no reflection on my good friend the gentleman from Mississippi [Mr. WHITTEN] for whom I have the highest regard, but I have here in my hand a picture which is contained on a poster published by the American Cancer Society and it depicts a big new flip-top box for the cigarette smoker. This flip-top box is a coffin.

Mr. WHITTEN. I wish we could handle this research problem as well as some people in advertising seem to be able to do. It would indeed be good.

Mr. CORMAN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. CORMAN asked and was given permission to revise and extend his remarks.)

Mr. CORMAN. Mr. Chairman, I rise in support of the amendment offered by

the gentleman from Michigan [Mr. DINGELL]. For many years the Government has subsidized tobacco producers through the Commodity Credit Corporation price support program. This program should now be stopped.

The recent Surgeon General's report on "Smoking and Health" makes it clear that smoking is a genuine, and often deadly, menace to health. The report proved that cigarette smoking is the principal cause of lung cancer and a major cause of other respiratory diseases and disorders.

With this report before the Congress and the Nation, it is utterly inexcusable for this Government to continue to subsidize the tobacco industry. It is impossible to justify the expenditure of the taxpayers' dollars to encourage production and consumption of a product that is injurious to our health. Instead, it is incumbent upon us to exert every effort to curb the use of tobacco.

I therefore urge passage of Mr. DINGELL's amendment.

Mr. ABBITT. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ABBITT asked and was given permission to revise and extend his remarks.)

Mr. ABBITT. Mr. Chairman, I rise in opposition to the Dingell amendment which has for its purpose the elimination of the tobacco support program. Our tobacco program is the best agricultural program that has been devised to date. It is a model program that has been developed by the grower, the tobacco industry as a whole, and the Congress working together in an endeavor to bring a fair return to the producer of one of the most important farm commodities produced in our country.

Tobacco is produced in 21 States. It is an \$8 billion industry with Government receiving approximately \$3.3 billion in tax per annum. It is the fifth largest income producing crop to its growers. It is vital to the economy of our Nation.

If this amendment is adopted and enacted into law the Federal Government will lose millions of dollars on stocks of tobacco now in storage.

Actually the tobacco price support program is practically self-supporting and at the same time brings into the Federal Treasury billions of dollars in tax revenues. The adoption of this amendment would be killing the goose that lays the golden eggs. It would wreck the economy of our country and would mean bankruptcy for thousands of the Nation's farmers. I urge that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 30, line 12:

"LIMITATION ON ADMINISTRATIVE EXPENSES

"Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$37,351,000 shall be available for administrative expenses of the Corpora-

tion: *Provided further*, That \$945,000 of this authorization shall be available only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof."

AMENDMENT OFFERED BY MR. O'HARA OF MICHIGAN

Mr. O'HARA of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'HARA of Michigan: On page 31, line 8, after "hereof" strike out the period, insert a colon and the following: "*Provided further*, That no part of the funds appropriated shall be available for any expense incident to requiring persons engaged in the processing of wheat into flour to acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in the wheat clears produced by them having an ash content of one per cent or more."

(Mr. O'HARA of Michigan asked and was given permission to revise and extend his remarks.)

Mr. O'HARA of Michigan. Mr. Chairman, some weeks ago, as all of us will remember, the Congress adopted a so-called wheat certificate plan which required the processors of wheat into food products to "acquire domestic marketing certificates equivalent to the number of bushels of wheat contained in such product."

In this respect, Mr. Chairman, the wheat certificate plan adopted by us was similar to that adopted by us in 1962 and subsequently turned down by a wheat growers referendum. At that time, in 1962, those of us in the Congress who were concerned with the promotion of industrial uses of wheat in colloquy on the floor of the House and Senate were assured by the Chairmen of the Committees on Agriculture of both Houses that the needs of industrial processors would be recognized. The gentleman from North Carolina [Mr. COOLEY] chairman of the House Committee on Agriculture, assured me on June 21, 1962, on the floor of the House that "a price adjustment will be arranged with either the millers or the industrial processors of flour in recognition of the fact that not all of the end product is to be used for human food purposes."

Mr. Chairman, in spite of this clear legislative history plainly expressing the intention of Congress, the U.S. Department of Agriculture last week invoked an emergency provision of the Administrative Procedures Act. Then under the cover of darkness, without notice, without hearings, without consultation with anyone, it issued regulations under the new wheat certificate program which

negated the legislative history written in 1962 and required that industrial processors pay the full food product, certificate price for the raw material used by them.

The effect of these regulations in their practical application would require that manufacturers of dog food, manufacturers of wheat starch and wheat gluten, manufacturers of grain neutral spirits, even the manufacturers of plywood using wheat clears, a byproduct of the flourmaking process, as a binder in the plywood manufactured by them, would be required to pay the full certificate price for the wheat used as raw material for their processes.

To do this the Department had to ignore the customs laws and the regulations of the Food and Drug Administration, both of which forbid labeling or classifying the high ash wheat products utilized by industrial processors as food or as flour.

I would not offer this amendment were it not for the urgency of the situation. Unless the Congress expresses itself very clearly, I am afraid the battle will be lost to the bureaucrats by default.

The adoption of this amendment will hurt no one, but will be of immeasurable help in promoting new industrial uses of farm products, which is one of the objectives of our farm policy.

Let me say in closing I find it ironic that we should, in the same bill, adopt a cotton program designed to permit American producers to buy American cotton at the same price as their foreign competition, then, under the wheat provisions of the very same bill, let the Department, by regulation, impose upon industrial users of wheat products in this country a higher price than their foreign competition must pay for the American wheat clears used by them both.

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman from Virginia.

Mr. ABBITT. Mr. Chairman, while I did not support the bill the gentleman has referred to and am not an expert on that subject, I share his concern regarding the action of the Department of Agriculture, in its action issuing certain regulations in the dead of night, so to speak.

I was very much surprised at the new regulations which will go into effect almost immediately. As I understood the situation, under the law, the purpose of Congress in passing the act was to require a processor to buy certificates only for wheat going into food products. That was pointed out by the gentleman from North Carolina, the chairman of the Committee on Agriculture, on the floor when that matter was up—and not on wheat going into products used by industrial processors.

There are a number of little-known uses of wheat that I have in mind. My particular concern is with the so-called wheat clears that are widely used in my area, which is taken off along with the feed when a mill makes bakery flour. The higher ash material, as I understand it, goes into a number of industrial uses

including plywood, adhesives, laundry starch, textiles and paper size.

It is foolish, it seems to me, to treat these clears the same as flour going into bread. For one thing, under the Food and Drug Regulations, it is against the law to sell the higher ash clears as flour.

Even more important, we talk a lot about industrial uses of wheat and other agricultural products and have appropriated large sums for this purpose. The use of these clears by industrial processors is right in line with what Congress intends for agricultural products and it has not cost the Government 1 cent to develop these uses.

I am very much and highly in favor of your amendment and I had hoped that the committee would accept it.

Mr. O'HARA of Michigan. I want to thank the gentleman for his support.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. COOLEY. Mr. Chairman, I would like to agree with the gentleman. I think you have placed the proper interpretation on the bill you have referred to. I hope the amendment will be adopted.

Mr. O'HARA of Michigan. I thank the gentleman from North Carolina, the chairman of the Committee on Agriculture.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Michigan. I yield to the gentleman.

Mr. FINDLEY. A number of us opposed the wheat certificate plan because of the hardship it would place on processors of wheat for all purposes. I am certainly in accord with any move to help relieve these hardships. I am sure the gentleman will agree with me that there are also some remaining hardships which are not adequately met by this amendment. For example, wheat that is processed for baby food will have to be covered by certificates whereas under your amendment wheat for industrial purposes would not. My understanding of the wheat certificate program when it was debated here on the floor of the House was that wheat for feed purposes for livestock and hogs would not be subject to certificates. Now I find that a miller who mills wheat into hog feed has to buy certificates.

Mr. O'HARA of Michigan. It is a very similar problem. The gentleman is correct in that respect.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARVEY of Michigan. Mr. Chairman, I want to commend the gentleman from Michigan [Mr. O'HARA] in making this amendment and in bringing this matter before the House for consideration. The Department of Agriculture's regulations relating to "Processor Marketing Certificates" under the 1964 wheat program, as they were published in the Federal Register on May 13, 1964, came as a shock and surprise to many of us who serve in Congress, and watched that bill become law. I was not one of those who supported the 1964 wheat

legislation, but I am absolutely certain that it was the intent of Congress that processors of wheat into man-food products should not be required to purchase domestic marketing certificates. The legislative history both in the other body and here in the House, thanks to the gentleman from Michigan, is clear—going back to the 1962 act—that a price adjustment would be arranged either with the millers or the industrial processors of flour in recognition of the fact that not all of the end product is to be used for human food purposes.

Mr. Chairman, these regulations go so far as to define "flour" as including wheat clears. This means that producers of clears, for example, who sell to the dog food industry, or any industrial application, for that matter, must purchase an expensive marketing certificate to cover their clears. I thought we were trying to develop new industrial uses for agricultural products—including wheat—certainly, that was our intent.

Mr. Chairman, I want to join in the support of this amendment and urge my colleagues to do likewise.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope we may have the support of the Committee in defeating this amendment. I would like to explain why. I do not know how this new wheat-cotton bill will operate. But prior to coming here, I was a district attorney and I would like to take time for a moment to tell you what happened in one case.

Back in prohibition days, I had a good friend who represented a client. The man got caught with intoxicating liquor. My attorney friend plead the man guilty.

The judge said, "Mr. Smallwood, I guess you just had a little for drinking purposes?" The man said, "Yes, your Honor; yes, your Honor."

Then the judge said, "How much did you have, Mr. Smallwood?"—and the judge knew what he had. And the man answered, "25 gallons, your Honor."

Now what I am saying here is that if you start leaving out a particular part in the first instance, then every time you find somebody who is violating the law, they are going to say that have it for this particular instance.

I am in accord with the gentleman's purpose. But I say that for us to take certain things out, then every time you find uncertificated commodities, they are going to say that they were for this particular purpose.

I assure the gentleman that if the committee will back us in defeating this amendment I shall cooperate fully in seeing to it that relief is given to those entitled, in line with what the committee intended. If it is fixed so that it is accepted by law, every time someone is found violating the law it will be said that it was for a particular purpose.

I hope that the amendment will be defeated. I feel certain that the committee will cooperate fully in trying to solve the problem.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Dakota.

Mr. SHORT. I am a little confused as to exactly what is happening under the regulations to which the gentleman refers. Wheat clears are one of the first products derived from the process of milling wheat. The processor who first mills the wheat buys the certificate. That is required under the provisions of the law which Congress recently passed—which, incidentally, I did not support.

The processor has to pay for the certificate for all of the wheat he processes. The clears are one of the several products.

There is a question I should like to ask. Is the user of the wheat clears now being required, by virtue of a regulation of the Department, to pay for the value of the 70-cent certificate on these clears? How is the formula applied? How does anyone arrive at how much he has to pay? How many pounds of clears are there for a bushel of wheat?

Mr. WHITTEN. I am sorry; I cannot answer the question. I believe the question clearly shows why we should defeat the amendment at this time and determine the facts. If I understand the amendment, it would further confuse the situation.

Mr. SHORT. I am not certain it points up that we should defeat the amendment.

Mr. O'HARA of Michigan. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. O'HARA of Michigan. If I can explain, I know the gentleman understands the milling process. All my amendment provides is that the miller not be required to acquire certificates to the extent that his production ends up in clears having an ash content of 1 percent or more. Certainly the miller who is programing his production and his operations knows what he is going to end up with—or else he needs a new mill manager. He would simply reduce it by that amount.

Mr. SHORT. The gentleman is not seeking to exempt the user of clears from the purchase of a certificate, but is seeking to exempt the miller from having to pay for that portion which might be applicable to the clears?

Mr. O'HARA of Michigan. That is correct.

The CHAIRMAN (Mr. MILLS). The question is on the amendment offered by the gentleman from Michigan [Mr. O'HARA].

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 31, noes 44.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 31, line 8, after the word "hereof" strike the period, insert a colon and the following: "Provided further, That no part of the funds herein appropriated shall be available for

any expense incident to making export payments or export subsidies on any agricultural commodities being sold or sold to the government of any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or to any agency or national thereof."

Mr. WHITTEN. Mr. Chairman, I reserve a point of order.

Mr. FINDLEY. Mr. Chairman, in the Agricultural Act of 1961 the Congress very clearly stated its opposition to the sale of subsidized farm commodities to Communist countries. Twice last December, in the period just preceding Christmas, this body expressed by roll-call vote its firm opposition to giving taxpayers-backed credit cards to these same Communist countries. The amendment I have offered at this point is much in line with the amendment which was finally made a part of the foreign aid appropriation bill on Christmas eve.

On January 28, in compliance with a provision of the amendment adopted as a part of the Foreign Aid Assistance Act, the President of the United States issued a determination, and I would like to read it.

THE WHITE HOUSE,
Washington, January 28, 1964.

The Honorable JOHN W. McCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: In compliance with title III of the Foreign Aid and Related Agencies Appropriations Act of 1964, this is to inform you that I have determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of U.S. agriculture products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania. The Bank will report the individual guarantees to the Congress as they are issued.

Sincerely,

LYNDON B. JOHNSON.

Subsequent to that statement, wheat sales were consummated to the Soviet Union. The taxpayers-backed credit cards which had been authorized in the Foreign Aid Assistance Act and by the determination of the President were not utilized, but the taxpayers of the United States contributed in export subsidy payments to make possible these wheat sales to the Soviet Union a grand total of \$42,951,314.13.

Due to the generosity of the taxpayers of the United States, the Soviet Union was able to buy this wheat \$18 million cheaper than United States mills would have had to pay for the same wheat. These figures can be verified by reference to page 641, part 3, of the hearings of the appropriations subcommittee. The taxpayer-financed subsidy paid on the Durum wheat, which was a part of these sales to the Soviet Union, was higher per bushel by about 14 cents than sales to friendly countries. In other words, the U.S. Department of Agriculture gave better export subsidies—better by about \$3 million—on sales to the Soviet Union than it did to friendly countries. During this same period, sales of wheat were consummated to the Communist government of East Germany involving some 4 million bushels of wheat, and the export subsidies paid on those transactions

amounted to \$2,722,386. The House of Representatives has stated very clearly on three different occasions now its opposition to the use of taxpayer funds to make possible the sale of subsidized farm commodities to Communist countries.

The effect of my amendment would be to prohibit the use of any of the funds provided in this appropriation to make export payments or subsidies on any agricultural commodities being sold to the government of any Communist country.

Since the action of the House on Christmas Eve we have seen economic sanctions against Cuba fall apart and for one reason—because we destroyed our position of moral leadership in the free world with our feverish effort to sell wheat to the Soviet Union. The British and French reacted by selling buses and trucks to Castro. Our economic blockade of Cuba fell apart.

This amendment would prevent further folly of this kind.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield to the gentleman from Illinois.

Mr. MICHEL. The gentleman made reference to material which is found in the hearings on page 641, of part III, which I finally pried out of the Department after numerous inquiries. I think we ought to point out that the sale through Continental Grain and Cargill, Inc., was subsidized to the extent of \$42,951,314 to the Soviet Union.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. WHITTEN. Mr. Chairman, I shall not press the point of order, but I move to strike out the last word.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, when we get into this area it is not always easy to deal with it, but I hope the Committee will join with our subcommittee in keeping the bill as we have written it. No one I am sure in the Congress of the United States wishes to help Russia or its satellites, but I think we ought to apply some judgment and commonsense in determining what helps and what does not help and what may needlessly restrict us as against our allies who are our competitors.

I suspect that I have had about as many years dealing with this subject as most of the Members here. I helped to work out the Wherry amendment in conference, later the Kem amendment, which later became the Battle Act.

When we were unable to get information from the Department of Defense on the situation in Russia, as chairman of this subcommittee, but also as a member of the other committee, several of us went to visit Russia. We traveled through several thousand miles there, by automobile, by train, and by air. We learned many things that we had not been told about the relative weakness of Russia, and things of that kind.

But here is the point that I wish to make in dealing with this. We learned that we had given Russia 5,000 tons of

planting seed. I said then I did not know that we should sell food to Russia but it was at least more sound to sell than to make her self-sufficient by selling planting seed so she can grow her own food. Are we going to stand here and let Canada and Australia have all that market, accept American dollars for it, and have Australia and Canada call on our gold supply to redeem our dollars, they get from Russia?

Now I want to say another thing. Everybody recognizes that the Achilles heel in Russia and in communism is their inability to feed their own people. And you may say that if we sell them the wheat, instead of letting Australia and Canada sell them the wheat, we are feeding their people. They would be fed by our allies anyway. However, if they pay us in dollars they, in turn, have that much less with which to carry on their general economy, including their military requirements.

Nobody on this floor has made more effort to try to deal with the Communist situation and keep them back than I have. But we do have to stop, look, and listen to determine what helps and what does not. And write this down. Russia is buying wheat from Canada, Australia, and other countries, and in many instances the money that we might get, that would help our situation, goes to our allies. So we are not depriving them of the wheat in the one case, but we are depriving ourselves of the opportunity to benefit our balance-of-payments situation—again I am not saying we should. I am saying we should not tie our own hands. When the Secretary came back, and several others who went over there, they said that Russia was very anxious to buy things from our country, such as fertilizer plants and other items that would help her to become self-sufficient. To the degree that she relies on our supply of wheat, that is one thing. But when we go to the point where we permit her to become self-sufficient, then she becomes that much more independent and therefore more dangerous.

In the final analysis, Mr. Chairman, our allies are doing the very thing that we would prohibit ourselves from doing here under this amendment.

I repeat that I would be and I am opposed to taking one single, solitary step that would help the Communists. But I do think we need to keep our heads up and our arms free in deciding what helps and what does not help as the situation develops.

Mr. Chairman, this amendment should be defeated in my opinion.

Mr. STINSON. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. STINSON. According to Pravda, the December 10 issue, 1963, page 1, column 3—

Mr. WHITTEN. Is that the Russian propaganda sheet?

Mr. STINSON. That is right.

Mr. WHITTEN. Is the gentleman asking me to believe what it says, in view of what it is?

Mr. STINSON. This is the official Russian state newspaper. In that par-

ticular issue they indicate that their total grain production was 44.8 million tons and according to the statistics in their own publication they do not require over 32.9 million tons for making bread and feeding their people.

I believe that the United States has become the victim of a tremendous propaganda program on the part of the Soviet Union in order to get us to sell them this wheat at a subsidized price.

Mr. WHITTEN. May I say to the gentleman that Russia has not bought anything like the wheat, if I understand the situation correctly, that was made available. Again I voted against that bill. However, I want to make clear that I am not advocating the sale of wheat to Russia, as such. I am advocating the defeat of the amendment, which would say that under no circumstances could we do so, even if thereby we stopped the cold war.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I want to go back to my earlier colloquy with the gentleman from Illinois [Mr. FINDLEY] in which I cited the total figure here of the subsidized sale. I want to also say that earlier in that testimony in a direct answer to a question of mine in which I inquired as to what the average subsidy was per bushel, I got the answer that it was around 60 cents a bushel. But one can see each one of the figures cited on page 641 and they are as follows: 72, 73, 65, (51, with no quantity at all;) 65, 64, 84, and 73.

I do not see how we can get an average figure of 60 cents a bushel with all the individual parts that go to make up that average of anywhere from 10 to 20 cents above the cited average figure.

Mr. DOLE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Kansas.

Mr. DOLE. Can the gentleman tell me whether or not we have been paid for the wheat that has been delivered to Russia?

Mr. MICHEL. No, I cannot say that, and I do not know if our chairman would have that information or not. But there are indications that it has been bought on credit.

Mr. WHITTEN. Mr. Chairman, if the gentleman will yield, may I say to the gentleman that when the bill was up for consideration, I voted against the sale primarily because at that time it authorized sales on credit. I thought such sales if made should have been made for dollars and then the fact that our allies were selling right and left to Russia and everyone else entered into it, I do not know whether you should sell or not. I, on the other hand, doubt whether we should tie our hands by law when under some circumstances we might want to make such sales.

Mr. DOLE. Mr. Chairman, if the gentleman will yield further, the figures the gentleman mentioned as to the extra cost are very interesting. The export subsidy on Durum wheat was raised a sufficient amount to take care of the ship-

ping differential on American and foreign bottoms. This, of course, was in direct violation of what I understood the original proposal to be. Secretary of Commerce Hodges admitted this was probably true but Secretary of Agriculture Freeman denied it. In this instance Secretary Hodges was undoubtedly correct.

Mr. MICHEL. I believe that if the gentleman will read those several pages of the hearings during the interrogation of the witness, that what he says is pretty well borne out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FINDLEY].

The question was taken; and on a division (demanded by Mr. FINDLEY) there were—ayes 37, noes 60.

Mr. FINDLEY. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FINDLEY and Mr. WHITTEN.

The Committee again divided, and the tellers reported there were ayes 66, noes 91.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. FINLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: Page 31, line 8, after the word "hereof" strike the period, insert a colon and the following: "Provided further, That no part of the funds herein appropriated shall be available for any expense incident to making export payments or export subsidies on any agricultural commodities being sold or sold to the government of any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or to any agency or national thereof, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination."

Mr. WHITTEN. Mr. Chairman, I wonder if the gentleman will advise us how many amendments he has?

Mr. FINDLEY. I have one more.

Mr. WHITTEN. I wonder if we can agree on the time being limited to 10 minutes, 5 minutes to the gentleman and 5 minutes to the committee? I make that as a unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment, but will reserve the point of order.

The CHAIRMAN. The gentleman from Mississippi reserves the point of order against the amendment.

The gentleman from Illinois [Mr. FINDLEY] is recognized in support of his amendment.

Mr. FINDLEY. Mr. Chairman, this amendment is identical with the one just considered by this body with the exception that a proviso is added, the same exact provision which was finally made a part of the amendment adopted by this House as a part of the foreign aid appropriation bill last December.

The proviso would permit the President to make these export subsidy payments if he makes a determination that such guarantees would be in the national interest. He may or may not make such a determination. But this proviso would make possible the flexibility which the gentleman from Mississippi seems to find desirable. If I recall his remarks correctly, he stated objection to selling wheat to Russia but he felt it was unwise to be inflexible in the wording of the amendment, and therefore I offer this new amendment which does permit the President to make the same sort of determination that he made in the case of the Export-Import Bank credit guarantees. Since the action of the House in adopting this similar amendment of Export-Import Bank guarantees, the taxpayers of the United States have kicked in \$42 million in export subsidy payments for sales to Communists and I think it is time to call a halt to this nonsense. But I am willing to leave the discretion up to the President.

Mr. WHITTEN. Mr. Chairman, may I be recognized on the point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. WHITTEN. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from Illinois on the ground that it is legislation on an appropriation bill.

I will say that I have not had a chance to review the authorities, but it is my recollection during the years that I have served in this capacity handling this bill on the floor of the House, when any provision requires extra duties and imposes those extra duties on the executive department, the President in this instance, such a proposal goes beyond being a restriction on the expenditure of money and amounts to legislation. For that reason, Mr. Chairman, I believe the point of order should be sustained.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order?

Mr. FINDLEY. Yes, Mr. Chairman, simply to say that in my opinion, the amendment amounts to a limitation on the use of funds and, therefore, comes within the rules.

The CHAIRMAN (Mr. KEOGH). The Chair is ready to rule.

The gentleman from Illinois [Mr. FINDLEY] has offered an amendment to the language appearing at page 31, line 8, to insert the following language:

Provided further, That no part of the funds herein appropriated shall be available for any expense incident to making export payments or export subsidies on any agricultural commodities being sold or sold to the government of any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or to any agency or national thereof, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 30 days after such determination.

In the opinion of the Chair, the language last read, beginning with the words "except when the President determines" does impose additional duties upon the

President, and is, therefore, legislation on an appropriation bill.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I take this time—and I have no desire to use a full 5 minutes—to ask the gentleman from Mississippi [Mr. WHITTEN] if it will be his purpose to seek a vote on the amendment which was adopted yesterday with respect to the establishment of a peanut laboratory or research center in Georgia.

Mr. WHITTEN. I say to my colleague from Iowa that it will be my purpose to ask for a rollcall vote. If he will yield, I will explain why.

Mr. GROSS. I am glad to yield to my friend, the gentleman from Mississippi.

Mr. WHITTEN. Our committee made three different efforts to solve this problem. We first provided \$450,000 for a laboratory in this area, the purpose of which was not to get into the quality research field where there is great competition. That did not work.

At the instance of the leadership of both the House and the Senate, with all of our colleagues trying to get through at about 3:30 in the morning just before Christmas, our committee yielded and gave Georgia a \$9.5 million laboratory in this same general area. It is eminently qualified to do whatever needs to be done.

By that time, unfortunately, our colleague, the gentleman from Georgia [Mr. FORRESTER] had gone home. In order to get some agreement, we agreed to bring the original provision back intact—not to pass it, but to bring it back. Then we suddenly discovered that after the \$9.5 million authorization and the \$450,000 for the laboratory we were faced with this \$1.6 million laboratory, and no one on this floor can tell us one thing for which there is any need to use it.

I hope my colleagues will stand by the committee and will vote against the amendment. If they do, there will be in this bill \$450,000 for a laboratory at Dawson, Ga., which was not in the budget estimates and which the committee put in in the endeavor to do the best it could to help our friends to deal with their essential problems.

I hope our friends will stand by the committee and vote against the amendment, when that is called up.

Mr. GROSS. I am pleased to be assured that the gentleman will seek a rollcall vote on that amendment.

I say to the Members of the House that I hold the gentleman from Georgia [Mr. FORRESTER] in high esteem, but I believe that a \$1.6 million laboratory or

research center which apparently will wind up costing \$10 million, is a pretty push going away present for my friend from Georgia.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I am glad to yield to the gentleman from Mississippi.

Mr. WHITTEN. I do not know—considering the \$450,000 now in the bill and the \$9.5 million laboratory provided last year—what under the sun they would do if they had the additional money for the laboratory.

Mr. GROSS. I thank the gentleman and say that I agree with him completely.

(Mr. ALGER (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ALGER. Mr. Chairman, I cannot agree to the agriculture appropriation bill for several very fundamental reasons. Most fundamental and never to be forgotten, before other specific criticisms, is my disbelief in the present control of the farmer and farm products. My fundamental objection goes, therefore, to the unconstitutional nature of the present farm law, wherein the farmer cannot do what he wants with his own land, and must suffer in the marketplace by the distorting influence of the Federal subsidies, crop controls, and surplus commodities in a variety of Federal programs.

Now, in addition, there are several specific objections which, to me, must result in disapproval of this bill.

First. There is a conflict between sections 32 and 22 of the Agriculture Act. Even as Government is buying \$400 million of meats, between 1936 and 1962, as surplus, under section 32, we find the United States being flooded with foreign meats under section 22. The fact is, there is too much Federal Government imposed on our people by both sections. Both are working to the detriment of our Nation. There is a question in my mind whether bad law can be made to work effectively at best. These points are effectively developed on pages 16, 17, and 19 of the report.

Second. There is overlapping jurisdiction and expenditures in Public Law 480, funded in this bill, and the AID, Agency for International Development, in the foreign-aid bill. Under AID loans, guarantees and subsidies business endeavors are encouraged overseas, presumably some agricultural, and yet our Government does not protect American lives and property overseas, either from death or expropriation.

Third. There is an increase of \$167 million in Public Law 480 funds to give away or sell short agricultural products overseas. This is related to foreign aid and should be so considered. In the \$1,887 million involved is the usual double play of economizing and spending more, by spending more than last year but cutting the budget request.

Fourth. The REA is granted \$450 million more when the great bulk of rural electrification is behind us and private enterprise can take over the job. Instead, we perpetuate and build this Fed-

eral Government giant business operation, an empire resting on Government subsidy.

In addition, there is room for reasonable doubts on other sections of this bill, including Federal aids for land conservation when we are retiring land from use, Federal food stamp plan, Federal school milk and lunch, illegal grain shipment diversion, Farm Home Administration, Government loans to farmers, Federal rural renewal, Federal rural public housing for the elderly, to name a few.

Finally, I can see no reason for Federal subsidy of Communist countries by using the taxpayers' money to give or ship grain and other products to Communist countries.

The CHAIRMAN. The Clerk will read. The Clerk concluded the reading of the bill.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

Is a separate vote demanded on the amendment?

Mr. WHITTEN. Mr. Speaker, I demand a separate vote on the amendment.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment on page 3, line 12: Strike out \$97,656,000 and insert \$99,256,000, of which \$1,600,000 for the construction of a national peanut research facility at Dawson, Ga., and the acquisition of land therefor by donation.

The SPEAKER. The question is on the amendment.

Mr. WHITTEN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 181, nays 198, answered "present" 1, not voting 51, as follows:

[Roll No. 130]

YEAS—181

Abernethy	Broomfield	Daddarlo
Adair	Brown, Calif.	Davis, Ga.
Albert	Burke	Davis, Tenn.
Ashley	Burton, Calif.	Dawson
Aspinall	Byrne, Pa.	Delaney
Auchincloss	Carey	Dent
Barrett	Celler	Denton
Becker	Chelf	Diggs
Bennett, Fla.	Chenoweth	Donohue
Bennett, Mich.	Clark	Dulski
Blatnik	Cohelan	Duncan
Boggs	Corbett	Edwards
Bolling	Corman	Everett
Bow	Cunningham	Evins
Brademas	Curtin	Fascell

Feighan	Lankford
Flood	Latta
Flynt	Libonati
Fraser	Long, La.
Friedel	McCulloch
Fulton, Tenn.	McDowell
Fuqua	McFall
Gallagher	McIntire
Gibbons	McMillan
Gilbert	Madden
Gill	Mathias
Glenn	Matthews
Gray	Miller, Calif.
Green, Oreg.	Mills
Green, Pa.	Monagan
Griffiths	Montoya
Gurney	Moore
Hagan, Ga.	Moorhead
Hagen, Calif.	Morgan
Haley	Morris
Hall	Morrison
Halpern	Moss
Hansen	Multer
Harding	Murphy, Ill.
Harris	Murphy, N.Y.
Harsha	Murray
Hawkins	Nix
Hays	O'Brien, N.Y.
Healey	O'Hara, Ill.
Hechler	O'Hara, Mich.
Herlong	O'Konski
Holifield	Olsen, Mont.
Holland	Olson, Minn.
Horton	O'Neill
Hull	Ostertag
Ichord	Passman
Johnson, Calif.	Pepper
Johnson, Wis.	Philbin
Karsten	Pilcher
Karth	Pirnie
Kelly	Price
Keogh	Rains
King, Calif.	Reuss
King, N.Y.	Rhodes, Pa.
Kluczynski	Riehlman
Landrum	Rivers, Alaska

NAYS—198

Abbutt	Findley	Mahon
Abele	Finnegan	Mailliard
Addabbo	Fino	Marsh
Alger	Fisher	Martin, Calif.
Anderson	Ford	Michel
Andrews, N. Dak.	Foreman	Miller, N.Y.
Arends	Fountain	Milliken
Ashbrook	Frelinghuysen	Minish
Ayres	Fulton, Pa.	Minshall
Baker	Gary	Morse
Baldwin	Gathings	Morton
Barry	Gialmo	Mosher
Bates	Gonzalez	Natcher
Battin	Goodell	Nedzi
Beckworth	Goodling	Nelsen
Beermann	Grabowski	Osmers
Belcher	Griffin	Patman
Bell	Gross	Patten
Berry	Grover	Pelly
Betts	Gubser	Perkins
Boland	Halleck	Pickle
Bolton	Hardy	Pike
Oliver P.	Harrison	Pillion
Bonner	Harvey, Ind.	Poage
Brock	Harvey, Mich.	Poff
Bromwell	Henderson	Pucinski
Brooks	Hoeven	Purcell
Brotzman	Horan	Quie
Brown, Ohio	Hosmer	Quillen
Broyhill, N.C.	Hutchinson	Randall
Broyhill, Va.	Jarman	Reid, Ill.
Bruce	Jennings	Reid, N.Y.
Burkhalter	Jensen	Reifel
Burleson	Joelson	Rhodes, Ariz.
Byrnes, Wis.	Johansen	Rlch
Cahill	Johnson, Pa.	Roberts, Tex.
Cameron	Jonas	Robison
Casey	Jones, Mo.	Rogers, Tex.
Cederberg	Kastenmeier	Roudebush
Chamberlain	Keith	Rumsfeld
Clancy	Kilburn	Ryan, Mich.
Clausen,	Kilgore	St. George
Don H.	Knox	Schadeberg
Clawson, Del	Kornegay	Schneebeli
Cleveland	Kunkel	Schwengel
Collier	Kyl	Scott
Conte	Laird	Shipley
Cooley	Langen	Short
Curtis	Lennon	Shriver
Dague	Lesinski	Sibal
Daniels	Lindsay	Sikles
Derounian	Lipscomb	Skubitz
Derwinski	Lloyd	Slack
Devine	Long, Md.	Smith, Calif.
Dingell	McClory	Smith, Iowa
Dole	McDade	Smith, Va.
Downing	McLoskey	Snyder
Dwyer	Macdonald	Stafford
	MacGregor	Stinson

Taft	Van Pelt	Wilson, Bob
Talcott	Wallhauser	Wilson,
Taylor	Watts	Charles H.
Teague, Calif.	Westland	Wilson, Ind.
Teague, Tex.	Whalley	Wright
Thompson, Tex.	Wharton	Wylder
Thomson, Wis.	Whitener	Young
Tuck	Whitten	
Udall	Widnall	

ANSWERED "PRESENT"—1

Steed

NOT VOTING—51

Andrews, Ala.	Farbstein	Norblad
Ashmore	Fogarty	Pool
Avery	Forrester	Powell
Baring	Garmatz	Roberts, Ala.
Bass	Grant	Rodino
Bolton,	Hanna	Ryan, N.Y.
Frances P.	Hébert	St Germain
Bray	Hoffman	Selden
Buckley	Huddleston	Sheppard
Burton, Utah	Jones, Ala.	Siler
Colmer	Kee	Stratton
Cramer	Kirwan	Toll
Dorn	Leggett	Utt
Dowdy	Martin, Mass.	Wickersham
Edmondson	Martin, Nebr.	Winstead
Elliott	Matsunaga	Younger
Ellsworth	May	
Fallon	Meader	

So the amendment was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Rhodes of Arizona against.

Mr. Dorn for, with Mrs. Frances P. Bolton against.

Mr. Hanna for, with Mr. Rodino against.

Mr. Garmatz for, with Mr. Ellsworth against.

Mr. Forrester for, with Mr. Steed against.

Mr. Hébert for, with Mr. Martin of Nebraska against.

Mr. Ryan of New York for, with Mrs. May against.

Mr. Leggett for, with Mr. Younger against.

Mr. Toll for, with Mr. Baring against.

Mr. Kirwan for, with Mr. Dowdy against.

Mr. Farbstein for, with Mr. Colmer against.

Until further notice:

Mr. Matsunaga with Mr. Avery.

Mr. Ashmore with Mr. Utt.

Mr. Elliott with Mr. Hoffman.

Mr. Grant with Mr. Burton of Utah.

Mr. Andrews of Alabama with Mr. Cramer.

Mr. Jones of Alabama with Mr. Siler.

Mr. Wickersham with Mr. Meader.

Mr. Sheppard with Mr. Norblad.

Mr. Huddleston with Mr. Martin of Massachusetts.

Mr. Selden with Mr. Bray.

Mr. Edmondson with Mrs. Kee.

Mr. Roberts of Alabama with Mr. Winstead.

Mr. Stratton with Mr. Bass.

Mr. Fallon with Mr. St Germain.

Mr. DAWSON and Mr. ROONEY of New York changed their votes from "nay" to "yea."

Mr. SCHADEBERG changed his vote from "yea" to "nay."

Mr. STEED. Mr. Speaker, I have a live pair with the gentleman from Georgia, Mr. FORRESTER. If he were present he would have voted "yea." I voted "nay." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

MOTION TO RECOMMIT

Mr. BOW Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am opposed to the bill, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bow moves to recommit the bill to the Committee on Appropriations with instructions to report the same back to the House forthwith with the following amendment:

Page 31, line 8, after the word "hereof" strike the period, insert a colon and the following:

"Provided further, That no part of the funds herein appropriated shall be available for any expense incident to making export payments or export subsidies on any agricultural commodities being sold or sold to the government of any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961) or to any agency or national thereof."

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. BOW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 186, nays 187, answered "present" 2, not voting 56, as follows:

[Roll No. 131]

YEAS—186

Abbitt	Dwyer	McLoskey
Abele	Fascell	MacGregor
Abernethy	Feighan	Marsh
Alger	Findley	Martin, Calif.
Anderson	Fino	Michel
Arends	Fisher	Miller, N.Y.
Ashbrook	Ford	Milliken
Auchincloss	Foreman	Minshall
Ayres	Fulton, Pa.	Moore
Baker	Gibbons	Morse
Baldwin	Gienn	Morton
Barry	Goodell	Mosher
Bates	Goodling	Nelsen
Battin	Griffin	O'Konski
Becker	Gross	Osners
Beermann	Grover	Ostertag
Belcher	Gubser	Pickert
Bell	Gurney	Pike
Bennett, Fla.	Haley	Pillion
Bennett, Mich.	Hall	Pirnie
Berry	Halleck	Poff
Betts	Halpern	Quile
Bolton,	Harrison	Quillen
Oliver P.	Harsha	Randall
Bow	Harvey, Ind.	Reid, Ill.
Brock	Harvey, Mich.	Reid, N.Y.
Bromwell	Herlong	Reifel
Broomfield	Hoeven	Rhodes, Ariz.
Brotzman	Horan	Rich
Brown, Ohio	Horton	Riehlman
Broyhill, N.C.	Hosmer	Robison
Broyhill, Va.	Hull	Rogers Colo.
Bruce	Hutchinson	Rogers, Fla.
Byrnes, Wis.	Ichord	Rogers, Tex.
Cahill	Jarman	Roudebush
Carey	Jensen	Rumsfeld
Casey	Johansen	St. George
Cederberg	Johnson, Pa.	Saylor
Chamberlain	Jonas	Schadeberg
Chenoweth	Keith	Schenck
Clancy	Kilburn	Schneebell
Clausen,	King, N.Y.	Schweiker
Don H.	Knox	Schwengel
Clawson, Del.	Kunkel	Scott
Cleveland	Kyl	Secret
Collier	Laird	Short
Conte	Langen	Shriver
Corbett	Latta	Sibal
Cunningham	Lennon	Skublitz
Curtin	Lesinski	Smith, Calif.
Curtis	Lipscomb	Smith, Va.
Dague	Lloyd	Snyder
Derounlan	McClory	Springer
Derwinski	McCulloch	Stafford
Devine	McDade	Staggers
Doie	McIntire	Stinson

Taft
Talcott
Teague, Calif.
Thomson, Wis.
Tollefson
Tuck
Tupper

Van Pelt
Waggonner
Wailhauser
Weaver
Westland
Whalley
Wharton

Widnall
Williams
Wilson, Bob
Wilson, Ind.
Wydler
Wyman

NAYS—187

Addabbo	Griffiths
Albert	Hagan, Ga.
Andrews,	Hagen, Calif.
N. Dak.	Hansen
Ashley	Harding
Aspinall	Hardy
Barrett	Harris
Beckworth	Hawkins
Blatnik	Healey
Boggs	Hechler
Bolland	Henderson
Bolling	Hollifield
Bonner	Holland
Brademas	Jennings
Brooks	Joelson
Brown, Calif.	Johnson, Calif.
Burke	Johnson, Wis.
Burkhalter	Jones, Mo.
Burleson	Karsten
Burton, Calif.	Karsh
Byrne, Pa.	Kastenmeier
Cameron	Kelly
Ceiler	Keogh
Chelf	King, Calif.
Clark	Kirwan
Cohelan	Kluczynski
Cooley	Kornegay
Corman	Landrum
Daddario	Lankford
Daniels	Libonati
Davis, Ga.	Lindsay
Davis, Tenn.	Long, La.
Dawson	Long, Md.
Delaney	McDowell
Dent	McFall
Denton	McMillan
Diggs	Macdonald
Dingell	Madden
Donohue	Mahon
Downing	Maillard
Duiski	Mathias
Duncan	Miller, Calif.
Edwards	Mills
Everett	Minish
Evins	Monagan
Finnegan	Montoya
Flood	Moorhead
Flynt	Morgan
Fountain	Morris
Fraser	Morrison
Frelinghuysen	Moss
Friedei	Multer
Fulton, Tenn.	Murphy, Ill.
Gary	Murphy, N.Y.
Gathings	Murray
Gialmo	Natcher
Gilbert	Nedzi
Gill	Nix
Gonzalez	O'Brien, N.Y.
Grabowski	O'Hara, Ill.
Gray	O'Hara, Mich.
Green, Oreg.	Olson, Mont.
Green, Pa.	Olson, Minn.

ANSWERED "PRESENT"—2

Fuqua Matthews

NOT VOTING—56

Adair	Fogarty	Pelly
Andrews, Ala.	Forrester	Pooi
Ashmore	Gallagher	Powell
Avery	Garmatz	Roberts, Ala.
Baring	Grant	Rodino
Bass	Hanna	Ryan, N.Y.
Bolton,	Hays	St Germain
Frances P.	Hébert	Selden
Bray	Hoffman	Sheppard
Buckley	Huddleston	Siler
Burton, Utah	Jones, Ala.	Toll
Colmer	Kee	Utt
Cramer	Kilgore	Watson
Dorn	Leggett	Wickersham
Dowdy	Martin, Mass.	Wilson,
Edmondson	Martin, Nebr.	Charles H.
Elliott	Matsunaga	Winstead
Ellsworth	May	Younger
Fallon	Meador	
Farbstein	Norblad	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Matthews for, with Mr. Hébert against.
Mr. Younger for, with Mr. Garmatz against.
Mr. Kilgore for, with Mr. Fallon against.
Mr. Fuqua for, with Mr. Forrester against.
Mr. Burton of Utah for, with Mr. Rodino against.

Mr. Pelly for, with Mr. Leggett against.
Mrs. May for, with Mr. Buckley against.
Mr. Hoffman for, with Mr. Powell against.
Mr. Utt for, with Mr. Toll against.
Mr. Martin of Nebraska for, with Mr. Matsunaga against.

Mr. Cramer for, with Mr. Hanna against.
Mr. Ellsworth for, with Mr. Farbstein against.
Mr. Colmer for, with Mr. Hays against.
Mr. Dowdy for, with Mr. Wickersham against.

Until further notice:

Mr. Ashmore with Mrs. Kee.
Mr. Jones of Alabama with Mr. Baring.
Mr. Roberts of Alabama with Mr. Edmondson.

Mr. Selden with Mr. Winstead.
Mr. Huddleston with Mr. Bray.
Mr. Andrews with Mr. Avery.
Mr. Grant with Mr. Siler.
Mr. Gallagher with Mr. Norblad.
Mr. Charles H. Wilson with Mr. Meador.
Mr. Dorn with Mrs. Frances P. Bolton.
Mr. Sheppard with Mr. Martin of Massachusetts.

Mr. St Germain with Mr. Ryan of New York.

Mr. Elliott with Mr. Watson.

Mr. Pool with Mr. Adair.

Mr. MILLER of California changed his vote from "yea" to "nay."

Mr. MARTIN of California changed his vote from "nay" to "yea."

Mr. MATTHEWS. Mr. Speaker, I have a live pair with the gentleman from Louisiana, Mr. HÉBERT. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. FUQUA. Mr. Speaker, I have a live pair with the gentleman from Georgia, Mr. FORRESTER. If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HORAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 311, nays 64, not voting 56, as follows:

[Roll No. 132]

YEAS—311

Abbitt	Bolling	Clark
Abele	Bolton,	Clausen,
Abernethy	Oliver P.	Don H.
Addabbo	Bonner	Cleveland
Albert	Brademas	Cohelan
Anderson	Bromwell	Cooley
Andrews,	Brooks	Corman
N. Dak.	Brotzman	Cunningham
Arends	Brown, Calif.	Daddario
Ashley	Brown, Ohio	Dague
Aspinall	Broyhill, N.C.	Daniels
Auchincloss	Broyhill, Va.	Davis, Ga.
Ayres	Burke	Davis, Tenn.
Baldwin	Burkhalter	Dawson
Barrett	Burleson	Delaney
Barry	Burton, Calif.	Dent
Battin	Byrne, Pa.	Denton
Beckworth	Byrnes, Wis.	Diggs
Belcher	Cameron	Dingell
Bennett, Mich.	Casey	Doie
Berry	Cederberg	Donohue
Betts	Ceiler	Downing
Blatnik	Chamberlain	Dulski
Boggs	Chelf	Duncan
Bolland	Chenoweth	Dwyer

Edwards
Everett
Evins
Feighan
Finnegan
Fino
Fisher
Flood
Flynt
Fogarty
Foreman
Fountain
Fraser
Friedel
Fulton, Tenn.
Fuqua
Gallagher
Gary
Gathings
Glaimo
Gibbons
Gilbert
Gill
Glenn
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Griffin
Griffiths
Gross
Gubser
Hagan, Ga.
Hagen, Calif.
Hall
Halleck
Halpern
Hansen
Harding
Hardy
Harris
Harrison
Harsha
Harvey, Ind.
Hawkins
Healey
Hechler
Henderson
Hoeven
Hollifield
Holland
Horan
Horton
Hull
Hutchinson
Ichord
Jarman
Jennings
Jensen
Joelson
Johnson, Calif.
Johnson, Pa.
Johnson, Wis.
Jonas
Jones, Mo.
Karsten
Karth
Kastenmeyer
Keith
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Knox
Kornegay
Kunkel
Kyl
Laird

Landrum
Langen
Lankford
Latta
Lennon
Lesinski
Llbonati
Lindsay
Long, La.
Long, Md.
McCulloch
McDade
McDowell
McFall
McIntire
McLoskey
McMillan
Macdonald
MacGregor
Madden
Mahon
Marsh
Martin, Calif.
Mathias
Matthews
Michel
Miller, Calif.
Milliken
Mills
Minish
Monagan
Montoya
Moore
Moorhead
Morgan
Morris
Morrison
Morse
Morton
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nedzi
Nelsen
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen Mont.
Olson, Minn.
O'Neill
Ostertag
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pilcher
Pillion
Plrnie
Poage
Poff
Price
Pucinski
Purcell
Quie
Quillen
Rains
Randall
Reid, Ill.
Reid, N.Y.
Reifel
Reuss
Rhodes, Ariz.
Rhodes, Pa.

Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Tex.
Robison
Rogers Colo.
Rogers, Tex.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roudebush
Roush
Roybal
Ryan Mich.
St. Onge
Schadeberg
Schwengel
Scott
Secrest
Senner
Shipley
Short
Shriver
Sickles
Sikes
Slisk
Skubitz
Slack
Smith, Iowa
Smith, Va.
Springer
Staabler
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Talcott
Taylor
Teague, Calif.
Teague, Tex.
Thomas
Thompson, La.
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Trimble
Tuck
Tupper
Tuten
Udall
Ullman
Van Deerlin
Vanik
Van Pelt
Vinson
Waggonner
Wallhauser
Watson
Watts
Weaver
Weltner
Westland
Wharton
White
Whitener
Whitten
Williams
Willis
Wilson, Bob
Wilson, Ind.
Wright
Wyman
Young
Zablocki

NAYS—64

Alger
Ashbrook
Baker
Bates
Becker
Beermann
Bell
Bennett, Fla.
Bow
Brock
Broomfield
Cabill
Carey
Clancy
Clawson, Del
Collier
Conte
Corbett
Curtin
Curtis
Derounian
Derwinski

Devine
Fascell
Flindley
Ford
Frelinghuysen
Fulton, Pa.
Goodell
Goodling
Grover
Gurney
Haley
Harvey, Mich.
Herlong
Hosmer
Johansen
Kilburn
King, N.Y.
Lipscomb
McClory
Mallhard
Miller, N.Y.
Minshall

Mosher
Osmers
Pike
Rich
Rogers, Fla.
Rumsfeld
St. George
Saylor
Schenck
Schneebeli
Schweiker
Sibal
Smith, Calif.
Snyder
Stinson
Taft
Tollefson
Whalley
Widnall
Wydler

NOT VOTING—56

Adair
Andrews, Ala.
Ashmore
Avery
Baring
Bass
Bolton,
Frances P.
Bray
Bruce
Buckley
Burton, Utah
Colmer
Cramer
Dorn
Dowdy
Edmondson
Elliott
Ellsworth
Fallon

Farbstein
Forrester
Garmatz
Grant
Hanna
Hays
Hébert
Hoffman
Huddleston
Jones, Ala.
Kee
Kilgore
Leggett
Lloyd
Martin, Mass.
Martin, Nebr.
Matsunaga
May
Meador
Norblad

Passman
Pelly
Pool
Powell
Roberts, Ala.
Rodino
Ryan, N.Y.
St Germain
Selden
Sheppard
Siler
Toll
Utt
Wickersham
Wilson,
Charles H.
Winstead
Younger

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mrs. May for, with Mr. Younger against.
Mr. Martin of Nebraska for, with Mr. Utt against.

Mr. Cramer for, with Mr. Pelly against.
Mr. Hébert for, with Mr. Hoffman against.

Until further notice:

Mr. Matsunaga with Mr. Bass.
Mr. Garmatz with Mrs. Kee.
Mr. Fallon with Mr. Baring.
Mr. Powell with Charles H. Wilson.
Mr. Farbstein with Mr. Dorn.
Mr. Ryan of New York with Mr. Winstead.
Mr. Rodino with Mr. Meador.
Mr. St Germain with Mr. Norblad.
Mr. Hanna with Mr. Burton of Utah.
Mr. Hays with Mr. Ellsworth.
Mr. Leggett with Mr. Huddleston.
Mr. Kilgore with Mr. Selden.
Mr. Buckley with Mr. Avery.
Mr. Forrester with Mr. Adair.
Mr. Colmer with Mr. Martin of Massachusetts.

Mr. Ashmore with Mr. Bruce.
Mr. Elliott with Mrs. Frances P. Bolton.
Mr. Andrews of Alabama with Mr. Sheppard.

Mr. Wickersham with Mr. Toll.
Mr. Edmondson with Mr. Grant.
Mr. Roberts of Alabama with Mr. Pool.
Mr. Jones of Alabama with Mr. Bray.
Mr. Passman with Mr. Siler.

Mr. WHALLEY changed his vote from "yea" to "nay."

Mr. CORMAN changed his vote from "nay" to "yea."

Mr. SCHWENGEL changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTION OF ROLL CALL VOTE

Mr. HALLECK. Mr. Speaker, I have just learned that on the rollcall vote on the motion to recommit which was offered by the gentleman from Ohio [Mr. Bow] my colleague, the gentleman from Indiana [Mr. BRAY] is recorded as having voted "no." I know that the gentleman from Indiana [Mr. BRAY] left town around 1 o'clock. He is not here and so could not have voted. Mr. Speaker, I ask unanimous consent that the RECORD be corrected in that regard.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1964.

HON. JOHN MCCORMACK,
Speaker of the House,
House of Representatives,

DEAR MR. SPEAKER: I hereby respectfully submit my resignation from the Committee on Veterans' Affairs of the House of Representatives.

Sincerely yours,

FRED B. ROONEY.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

RESIGNATION FROM A COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 19, 1964.

HON. JOHN W. MCCORMACK,
Speaker of the House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: I hereby respectfully submit my resignation from the Committee on Post Office and Civil Service of the House of Representatives.

Sincerely yours,

ALBERT WATSON,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

ELECTION OF MEMBERS TO COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. MILLS. Mr. Speaker, I offer a privileged resolution, House Resolution 729, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the following-named Members be, and they are hereby, elected members of the standing committee of the House of Representatives on Interstate and Foreign Commerce: ALBERT W. WATSON, South Carolina, and FRED B. ROONEY, of Pennsylvania.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Ohio makes the point of order that a quorum is not present. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

feller would win the primary with 34 percent of the vote.

To the Christian Science Monitor:

I feel it important that I comment on this paragraph which appeared in Godfrey Sperling's column dated March 18, 1964:

"Here, parenthetically, Mr. Harris disclosed something he had not told before. In 1956 I polled Wisconsin and found that [Senator Estes] Kefauver would beat [Adlai E.] Stevenson there. It was on the basis of this finding that Stevenson decided not to go into the Wisconsin primary."

In the first place, this paragraph represents a breach of confidence on the part of Mr. Harris—both as concerns our firm and Mr. Stevenson. The 1956 study he referred to was a confidential study undertaken by this organization for the Stevenson for President Committee. While Mr. Harris worked on this study, he was at that time working for this firm and thus bound to honor our policies. One of the cardinal policies of this firm (of which Mr. Harris is well aware) is to treat confidential information obtained on behalf of a client as confidential—with no statute of limitations running on it.

In the second place, the results of the study did not find that Senator Kefauver would beat Mr. Stevenson in the primary. In view of Mr. Harris' breach of confidence, Mr. Stevenson has given me permission to release the figures.

These were the preferences stated according to party affiliation:

[In percent]

	Democrat	Independent	Combined Democrat and independent	Republican
Kefauver....	30	44	36	44
Stevenson....	57	29	45	26
None.....	3	7	4	11
Other.....	(1)	1	1	1
Don't know..	10	19	14	18

¹ Less than 0.5 percent.

Thus, instead of a Kefauver victory, the study indicated a Stevenson victory—with the chance of a close vote only if enough Republicans crossed over to the Democratic primary in an effort to get rid of Stevenson. Mr. Stevenson elected not to enter the Wisconsin primary because of the burden on his time, strength, and resources of the Florida and California primaries where he was working vigorously and both of which he won. The Wisconsin study we did, in fact, reassured Mr. Stevenson in his belief he could win Wisconsin.

I might further comment that Mr. Harris' background look at the prediction in the Wisconsin primary bears some resemblance to his backward look at his predictions in the New Hampshire primary this year. Two sets of figures were published in Newsweek before election (one showing voter preferences if all candidates were listed on the ballot; the other showing how they said they would mark the ballots). Mr. Harris used neither of these sets of figures when he predicted on Walter Cronkite's program election eve: Goldwater and Lodge tied at 26 percent; Rockefeller 23 percent; Nixon 21 percent. Since the primary, his preelection estimate has become the 31-percent figure for Lodge in his set of figures showing preferences if all candidates were listed on the ballot, as published in Newsweek.—ELMO ROPER.

NEW YORK.

GATT ATTACK IGNORED BY PRESS

(Mr. MOORE (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point

in the RECORD and to include extraneous matter.)

Mr. MOORE. Mr. Speaker, not many days ago during the course of special orders under which the gentleman from South Dakota [Mr. BERRY], the gentleman from Florida [Mr. SIKES], the gentleman from Texas [Mr. FISHER] and I spoke on the GATT session that opened in Geneva on May 4, we were joined by some 75 other members of both political parties. Those who took part came from 38 of the 50 States of the United States. The time consumed was 2 hours on April 28 and an hour and a half on April 29.

Mr. Speaker, I know of no other occasion when such a massive expression of opinion, outside of speeches made in the course of legislation, has been poured out on any other subject on the floor of this House.

Let us get the setting. Two years ago the trade expansion bill of 1962 came before Congress with a fanfare also seldom equaled in peacetime. This bill was booked as the supreme piece of legislation during that session of Congress. The whole executive branch of the Government, including all the departments of the Government that have an interest in the subject of tariffs and trade, were mobilized to a high pitch. They engaged in the most unabashed executive lobbying in promotion of a bill before Congress that many of us can remember, both in the months preceding the submission of the bill and during the many months that the bill was before us.

The metropolitan press featured numerous speeches by the President, Secretaries, Under Secretaries, and other high officials of the Cabinet in support of the legislation. These speeches had no difficulty in finding their way to the front pages under prominent headlines. The same was true of speeches made by interested prominent citizens whose support was enlisted for the legislation.

Expressions of opposition fared remarkably less favorably in point of frequency of coverage and display in the news columns. They seldom gained a first-page position and the news lineage was, by comparison with that of the proponents, very condensed. The reasoning and philosophy of their opposition was never spelled out in detail but confined to a few selected brief quotations. By contrast the reasoning and philosophy of the proponents often ran columns at a time.

Altogether the amount of newsprint devoted to the promotion of the legislation reached the point of supersaturated reporting and publication.

In pursuit of the legislation, far-reaching deals were made by the executive branch in order to build up support and to weaken the opposition. This part was treated with remarkable indulgence by the press which in other instances is not so passive a bystander or winker at improprieties. A handful of mild editorial remonstrances appeared in the metropolitan press. No outburst. No thunder or lightning. A remarkable restraint of the editorial conscience.

As everyone knows, thanks to a few under-the-table deals, the bill was passed

with votes to spare. Its success was hailed as something approaching the millennium. It marked the crowning achievement, it was said, of the 87th Congress.

Now, after a year and a half and much time for observation of the legislation as its course was marked by failure after failure to do what it was supposed to do; after taking note of the course of our trade, including our creeping export trade—that is, exports minus the part attributable to subsidies, grants, and give-aways—the sharp increase in the imports of many manufactured and semi-manufactured products, bringing distress to a number of industries that had previously been virtually immune to import competition—such as steel, beef, shoes, chemicals, woolens, electronics, and so forth—after seeing the continuing outward flow of American investments and the continuing accumulation of deficits in our foreign account; Mr. Speaker, after noting all this and more, many Members began to have the greatest misgivings not only about the further slashing of tariff rates but about our existing position.

They had seen the sharp gains in productivity abroad hand in hand with the still lagging wage costs, not only threatening but actually pushing many of our industries into premature and unseasonal automation that only fed our unemployment rolls. They had seen the abject failure of the bright new and much-touted adjustment assistance provisions of the Trade Act to come to the rescue of distressed industries. They had seen the long trail of industries that filed before the Tariff Commission with plea after plea against further tariff cuts from early December through March of this year. They had reflected on the futility of these pleas because the Tariff Commission had been stripped by the Trade Expansion Act of 1962 of its earlier function of finding peril points. Also they had taken note of the determination of the trade policy-makers to go forward with broad category tariff reductions and saw that this policy belied the industry-by-industry and item-by-item approach of the Tariff Commission hearings.

Mr. Speaker, many of the Members had had a bellyful of the professions of concern expressed on occasion after occasion by the high members of the executive branch toward the distress of the industries that called on them. These members were aware of the many avowals of sympathy and promises of help, very few of which ever materialized.

On April 28 and 29 the outbursts represented a reaction against the occurrences since October 1962 when the Trade Expansion Act was passed. The hypocritical sympathies and words of comfort expressed on numerous occasions by executive spokesmen had palled. It became obvious to many as a result of climbing imports that one after another of our industries are already overexposed.

The general rise in business activity, Mr. Speaker, is no answer to anyone who reads the underlying trend of our international economic position. The an-

nounced narrowing of the payments deficit has done nothing to reduce the accumulated claims against us. These are high enough to wipe out our entire gold supply, and the mountainous claims are still there, though apparently growing less rapidly, at least for the time being, than formerly. The foreign claims still tower over the dollar and have not been whittled back 1 cent.

Mr. Speaker, the time for juggling is past. It is time that we assess our true international competitive position as it actually stacks up. More than half a dozen important industries that long were net exporters have shifted to the net import position. Among these are steel, textiles, automobiles, petroleum, shoes, typewriters, sewing machines, and so forth. In other industries the net export position is narrowing, such as machine tools, synthetic chemicals, man-made fibers, and so forth. In yet other instances imports in the past 10 or 15 years have reached a level of supplying more than half of our market, such as in the New England fisheries, tuna on the west coast; also in ceramic mosaic tile, nails, barbed wire, hardwood plywood, lead and zinc, iron screws, radio sets, and so forth.

Mr. Speaker, the speed with which the tide of imports has risen in numerous instances in the past dozen years has been such that no domestic industry can be regarded as immune even if it has not yet been seared; nor can the industries that are now under pressure look to a surcease of their affliction in the normal course of events. The only industry that has successfully withstood the import onslaught without help has been the automobile industry. Few other industries have the vast resources of this industry. Even so, our automobile industry has invested heavily in Europe, thus hedging in part its capital position against future retreat.

Several industries have virtually been driven from their manufacturing activities in the country that gave them birth and conferred success upon them. I refer to the watch industry, the sewing machine industry, and now the typewriter industry. Their avenue of self-preservation lay in emigration. Recently one of the lesser automobile companies threw up the sponge and moved to Canada. This was the Studebaker Corp.

The trend, indeed, has been running in that direction ominously in the past 4 or 5 years. Unless something is done to protect their economic flanks, the steel industry, the textile industry, and the chemical industry will follow a similar trail. The cotton textile industry, it is true, has gained a respite that will last another 3 years. Then, unless something is done, it will be back where it was, or worse, should the tariff meantime be reduced.

The great executive branch seems to have the capacity to view with complete equanimity this emigration of our industries. At the same time it undertakes to attack poverty as if the untenable competitive position of many of our great industries, face to face with their foreign rivals, had nothing to do with the

impoverishment that we see in Appalachia and elsewhere.

Mr. Speaker, much of this is ascribed to technological developments and automation, as in the case of the coal industry; but I ask whence comes the great pressure for unseasonal automation if not from imports? Why, for example, must the steel industry, which in 1962 provided 5½ percent more steel with 22½ percent fewer workers than 10 years earlier, rush headlong into more automation and higher production per man-hour except for pressure from imports? The industry will, if it can, save its position by disgorging additional tens of thousands of workers whom it will not be able to rehire.

What, Mr. Speaker, is the great and lofty virtue that resides in import trade that it should make such unrelenting exactions on our labor force? What do we worship when we make endless sacrifices to please some outworn doctrine such as free trade, outmoded as it has become as a result of modern technology and the cost disparities of the world?

If the purpose is to ward off evil spirits, let us say so; but let us identify the evil spirits and determine whether they can be satisfied or whether their hunger will grow as we feed them. I think we have accumulated ample evidence to demonstrate that they are insatiable.

I think it is time that we stopped driving our industries abroad and leaving our workers to take the brunt of the industrial exodus. It is also time that we were relieving our workers of the backlash of automation that is the frantic resort of industries seeking to save themselves through greater mechanical efficiency.

I say that we have already gone too far. Thanks to our eager tariff reductions, many of our industries are now competitively outflanked; and it seems that it is we who are forced to make the adjustments to the rest of the world.

Why? It was this country that led the world to mass production, mass consumption, and industrial efficiency. Now other countries confront us with the results of their adoption of our system. Why should we now suffer the consequences of our leadership as if we had inflicted something evil on the world? It is a ridiculous demand but it is embodied in our intemperate trade policy as represented by the senseless Trade Expansion Act of 1962. Why should we be penalized, held back and busted, for leading the other countries into hot pursuit of our industrial example?

We gave them something they did not have. They found it good and "bought" it. If what this country accomplished industrially is worthy of feverish imitation by others, why, I ask again, should the burden of adjustment fall on us? Yet that is exactly what is demanded by the trade policy. What style of reward is this?

I do not say that other countries should be penalized. Nothing of the kind is implied in making safe our economic flank so that we can continue to gain the benefits of industrial advancement, without being eked out of the benefits

by low-cost imports. To demand fairness of competition from imports is no more and no less than what we demand of competition at home, and for the same salutary reason.

With respect to imports there is no other way of drawing the sting of unfairness than through tariffs or quotas and we should be free to use these according to the requirements of fairness. We now lack this recourse almost completely.

Now, Mr. Speaker, I wish to call attention to a phenomenon of this trade battle that has weighed heavily against the interests of domestic industry.

In the beginning I made reference to the vast amount of newspaper publicity by which the trade bill was supported, and the niggardly treatment of those who were opposed to the intemperance of the legislation.

I must confess that I was not surprised a couple of weeks ago, because of past experience, over the deep silence of the metropolitan press after the phenomenal attack that was launched on this floor against the Trade Expansion Act and its offspring, the Geneva GATT Conference. Such an outburst against what has been described as a great stroke of legislation, in fact the highlight of the 87th Congress, went virtually unnoticed in the national press.

One wonders what is the anatomy of news. Is news merely something that the newspapers wish to print, something that furthers their own philosophy? When is that which would be news if uttered under some circumstances not news when uttered under different circumstances?

Is there no semblance of obligation to report what happens on this floor when the news media do not subscribe to what is said? By what license do the news media make far-reaching rejection of news on their own account?

Is there no recourse against such self-appointed censorship of the news?

Mr. Speaker, the press occupies a strategic position in the dissemination of news and it owes it to the public to let it know what their Representatives say in Congress when 80 Members from 38 States express themselves on a subject of great importance to the country—a subject that itself has been much in the news. This was especially true in this instance which was on the eve of the most far reaching and most highly publicized tariff-cutting conference in the history of the trade agreements program.

I do not know what answer the press may have other than to ignore this protest. This would be in keeping with its almost undeviating practice with respect to expressions made in opposition to the Government's policy. We see here the totalitarian effect produced in treatment of news when big press agrees with big government.

It is a blot of ignominy on our journalism that should be erased.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS BILL, 1965

(Mr. FOREMAN (at the request of Mr. HARVEY of Michigan) was given permis-

sion to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FOREMAN. Mr. Speaker, I commend the Appropriations Subcommittee for their diligence in making many of the reductions they did in this bill H.R. 11202; however, there are many more cuts that could and should have been made in this costly bill. By my votes on the amendments to this bill, I have worked to reduce its cost and control—such as voting for eliminating the proposed peanut laboratory and against money for guarantees for sales of agricultural products to Communist nations. I am glad to see this bill has been reduced \$1,059,632,215 below the 1964 appropriation. There are many good programs in this bill such as, Agriculture Research Service, Soil Conservation Service, and the Great Plains soil conservation program. We must exercise all reasonable efforts to conserve our water and soil resources in this country. Because of my feeling and support for such conservation practices, I reluctantly support this overall bill today.

COMMITTEE ON INCREASED MINORITY STAFFING

(Mr. SCHWENGEL (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCHWENGEL. Mr. Speaker, at the time our distinguished colleague, the gentleman from Michigan [Mr. FORD] was elected chairman of the Republican conference in the House of Representatives in January 1963, he established a special committee of the conference to study the problem of committee staffing imbalance and to make periodic reports based on what they found out.

The Committee on Increased Minority Staffing has been hard at work since the beginning of the 1st session of the 88th Congress. With a limited staff, much help from many interested people, and a lot of time spent by volunteer help, the committee has developed a strong case for more committee staff help for the minority. Through study and documentation, they have shown how the spirit of the Legislative Reorganization Act of 1946 in regard to committee staffs has been almost completely ignored by the committee chairmen and the majority.

The Legislative Reorganization Act of 1946 provided for nonpartisan staffing. Everyone agrees on that point. The distinguished majority leader of the House, the gentleman from Oklahoma [Mr. ALBERT], on the floor of this very Chamber, on February 27, 1963, said:

The staffs of the committees of the Congress should not be partisan or under partisan control * * * but should be nonpartisan.

But, Mr. Speaker, that is not the situation today. For the most part, the staffs of the committees of Congress are under the direct control of the chairman. Are committee staffs nonpartisan, do

they offer equal service to members of the majority and the minority, when, as we have found on one committee, nine staff members are in the chairman's congressional district engaged in political work and not available to the other members of the committee? Are committee staffs nonpartisan, when no member of the minority on one committee of the House may assign them work without prior clearance with the committee chairman? This certainly cannot be called nonpartisan. The point is, Mr. Speaker, that if the committee chairmen of the Congress did abide by the Legislative Reorganization Act, we would have no problem of minority staffing.

The rules indicate that professional staff members are to be nonpartisan. I do not want partisan staffing. I only want more and enough staff members who are solely responsible to the minority membership of congressional committees, regardless of who constitutes the minority. We do not advocate a violation of the intent of the Reorganization Act, but rather to go back to that original intent of nonpartisan staffing. We endorse the principle of truly professional staff who are completely nonpartisan. But we have found that this is not the case. We have labored for 18 years under the Reorganization Act, and it is clear that the minority must have an adequate number of committee staff responsible to it.

A minority party that is handcuffed because of a lack of staff assistance on which it must depend for researching and writing tends to make a less effective Congress. The party in opposition in our form of government must be constructive, articulate, and above all, it must offer sound criticism of majority proposals. This it cannot do without adequate staff assistance.

Let me read you a section from "Toward a More Responsible Two-Party System," the American Political Science Review, 1950:

Committee staff: Staff assistance should be available to minority as well as majority members of a committee whenever they want it. It should not be within the power of the majority, as it is now, to deny this assistance. The excellent work of the Legislative Reference Service of the Library of Congress should not be expected to take the place of the more intensive type of analysis best done by committee staffs. Committee staff for members of both parties is essential to provide a basis for sound party operations. It also contributes to the needed minimum of occupational security for professional staff members.

I have attempted to point this out many times during speeches, articles I have written and letters I have written. We have received much editorial comment throughout the country. Mr. Roscoe Drummond, nationally syndicated columnist has many times pointed out that the committee staffing imbalance is thwarting good government. The Republican Governors have all indicated their interest in and their support of minority staffing. But, this should not be an issue that divides Republicans and Democrats, liberals and conservatives, isolationists or internationalists. It

should have the support of all Americans interested in sound, effective government, as I am sure we all are.

Mr. Speaker, at this time, I would like to pay tribute to my colleague, the gentleman from New Hampshire [Mr. CLEVELAND], who has devoted much time and a lot of work to an article he wrote concerning this very problem. This article is due to be published in the George Washington University Law Review in June, and I am sure many of you will want to read it.

In his article, the gentleman from New Hampshire [Mr. CLEVELAND] points to a staff abuse about which all of you have no doubt heard by now. As the result of careful examination of available payroll records, our colleague, the gentleman from New Hampshire [Mr. CLEVELAND] pointed out that during 1963, \$62,419.44 was spent by the taxpayer-financed Public Works Committee to pay the salaries of nine so-called committee staff employees, who, as stated under the Legislative Reorganization Act, "shall not engage in any work other than committee business and no other duties may be assigned to them," and who during 1963 and previous years were rarely seen in Washington and made no contribution to the work of the Public Works Committee. These nonpartisan staff members of the Public Works Committee were in New York engaged in political work for the chairman.

I have done some checking since this abuse was first brought out in the newspapers and find that from January through March of the 2d session of the 88th Congress \$14,938.59 has been paid to Public Works staff members who maintain similar status. This intolerable padding of the payroll must stop. It is time for the Congress itself to set the example of economy and assure the taxpayers that they will get the full value of their dollar. It is a fact that these nine staff members who are engaged in political work in the chairman's congressional district equal the total number of staff members allotted to the minority membership of the Public Works Committee. This is grossly unfair, and it is totally inexcusable.

I am asking that the House Public Works Committee, the members of the House Administration Committee and the responsible leaders of this House to give immediate consideration to this matter and to investigate the facts relative to this matter and find ways and means to correct this most glaring abuse of the taxpayer's money.

Mr. Speaker, before I conclude, I should like to say that the Committee on Increased Minority Staffing met yesterday and unanimously adopted a resolution calling on the Committee on House Administration to investigate all the facts concerning this matter since all the authorization of budgets of the committees of the House must be approved by that committee. The resolution also asks that the House Administration Committee proceed to make a study of this general subject and to determine whether or not and to what extent this and other improper practices are carried

on in other committees and to make rules to properly supervise and direct the staff members in matters of this kind.

The complete text of our resolution follows:

RESOLUTION UNANIMOUSLY ADOPTED BY THE COMMITTEE ON INCREASED MINORITY STAFFING OF THE REPUBLICAN CONFERENCE IN THE HOUSE OF REPRESENTATIVES, TUESDAY, MAY 19, 1964

(FRED SCHWENDEL, chairman; JOHN ANDERSON; JAMES CLEVELAND; THOMAS CURTIS; CHARLES GOODELL; ROBERT GRIFFIN; JOHN LINDSAY; CATHERINE MAY; ROBERT MCCLORY; ALBERT QUIGLEY; JOHN RHODES; PAUL SCHENCK.)
To the House Administration Committee:

Whereas the authorization for all moneys of the committees of the House must be approved by this committee; and

Whereas this committee has set a precedent and has properly investigated and made rules for the proper expenditure of moneys to be used by standing committees and special committees of the House; and

Whereas under the provisions of the Legislative Reorganization Act of 1946 it was intended that professional members of committee staffs would "not be partisan or under partisan control" as stated by the majority leader of the House, the gentleman from Oklahoma [Mr. ALBERT], on February 27, 1963 (CONGRESSIONAL RECORD, p. 2893) but, in fact, committee staff members in practice do not always abide by that practice which has forced the minority to ask for adequate staff representation on a formula basis or other basis; and

Whereas it is now known that certain members on the Public Works Committee payroll have never been in the Washington office and are not working directly or indirectly on any projects under consideration by the Public Works Committee; and

Whereas in the 1st session of the 88th Congress, over \$60,000 has been spent by the Public Works Committee for work about which the minority of the committee have not been informed; and

Whereas it is the obligation of the minority to be articulate and constructive in its contribution to the work of the committee, and that the minority is willing to give full accounting of their staff work; and

Whereas it is impossible for the minority to function without adequate staff and space; Now, therefore, be it

Resolved, That the Committee on Increased Minority Staffing petition the Committee on House Administration to investigate the facts relative to this matter which have been revealed and set out in detail in an article on minority staffing written by Congressman JAMES C. CLEVELAND for the George Washington Law Review and cited in the principal papers of New York City; namely, the New York Times, New York Herald-Tribune, New York Daily News, New York World-Telegram & Sun, New York Post, New York Journal-American, and others; and be it further

Resolved, That when these facts are considered and if found to be true the Committee on House Administration take proper action to correct abuse of public funds; and, be it further

Resolved, That the House Administration Committee proceed forthwith to make a study of this general subject to determine whether or not and to what extent this and other improper practices are carried on in other committees and to make rules to properly supervise and direct the staff members in matters of this kind.

point in the record and to include extraneous matter.)

Mr. RUMSFELD. Mr. Speaker, today the Cuban people will remember that 62 years ago they won independence from Spain. They will remember that the United States helped them in their fight for freedom. And they will remind themselves that the major struggle in the world today, as in Cuba, is between liberty and tyranny. Five years ago the Cuban people who believed that a new dawn of freedom had come to their land soon recognized that Castroism was the cloak for communism and tyranny. But we have news today that the spark of freedom and the hopes of the Cuban people for regaining their liberty still burn fiercely within their hearts. And, Mr. Speaker, those who still live in freedom must sustain that flame and must pledge anew their support for the right of all captive people to the unabridged enjoyment of human rights and liberty.

It must be disheartening to the Cubans and other captive peoples throughout the world to see the Western nations, including our own United States, placing their hopes in a change of heart of the Communist despots, rather than in an allegiance to the ideals of liberty and justice that still lives in their hearts. These people know and understand the menace and the objectives of communism. They are fighting the war against communism—they are fighting to keep freedom alive in the world. And unless we strengthen the bond of unity between those who today are resisting Communist tyranny and those who still have their freedom, and give them promise and hope, the forces of Communist despotism may engulf all mankind.

Free nations do not support the enemies of tyranny when we appease the Communist dictators and compete with one another to come to the rescue of the Communist regimes whose economies are in a state of disarray. It is incomprehensible to me why the free nations rush to supply these Communist countries with food when their supplies are inadequate—why we send entire industrial plants to Communist countries to help strengthen their economies and thus provide the muscle to extend their rule. And, more surprising, we make sure that easy credit terms are extended—and so provide the means for an expansion of communism. Where once communism could not enter, the way is being made easy through the policies of the Western nations.

Mr. Speaker, on this anniversary of Cuban independence from Spain, we cannot and must not stand silent. We must reassure those who continue bravely to hope and aspire for freedom and self-determination that we are with them. We cannot dim their hopes—we cannot abandon them to fight alone, if indeed we do cherish freedom and liberty as we profess.

THE JOHNSON POVERTY TOUR

(Mr. SNYDER (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SNYDER. Mr. Speaker, in yesterday morning's Louisville Courier-Journal there appears an editorial which is another example that the editorial writers of this newspaper are either woefully ignorant, stupidly irresponsible, or congenital liars.

In this editorial concerning the "poverty tour" taken by the gentleman from Nebraska and me, they would lead their readers to believe that all the tenants on the Johnson property in Atagua County, Ala., are elderly. The fact is that of the five houses on Johnson property which we visited, one was occupied by an elderly couple and four by young families with infant children.

These same editorial writers would have their readers believe that all these tenants pay only rent of \$5 per month. Their own newspaper correctly reported that some tenants sharecrop. One that we visited gave the landlord 1,000 pounds of cotton out of 4,000 raised for his rent. Cotton is 32½ cents per pound. The First Lady received from this one tenant alone \$325 for his 10-acre crop, more than three-fourths of the taxes on the entire 2,860 acres in this one county. U.S. News & World Report says there are around a dozen tenants—we know nothing about the living conditions of the others.

The statement that "worse instances of poverty exist in the Third Congressional District of Kentucky" is nothing short of a blatant misrepresentation. I have covered this district from one end to the other—up the alleys in the city—down the creeks in the country—and while living conditions in some places leave much to be desired—nothing approaches the deplorable condition of the dwellings we visited on the Johnson property.

Now, Mr. Speaker, these editorial writers say that the "poverty bill" is not to give people anything—but to help them become productive. How nice it would be if they would read the bill.

Mr. Speaker, if "ignorance is bliss," these editorial writers are "living it up."

NEW ENGLAND AGRICULTURE SERIOUSLY THREATENED BY UNEQUAL GRAIN FREIGHT RATES

(Mr. CLEVELAND (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CLEVELAND. Mr. Speaker, New England suffers from a discriminatory differential in rail freight rates for feed grains that threatens to destroy our poultry and dairy industry. The extra transportation fees that New England users have to pay for their feed grains shipped from the Midwest give livestock producers in the States of Pennsylvania, Maryland, Delaware, and Virginia an unfair advantage in the competition for the big eastern markets. The railroads have seen fit not to act on this critical situation despite its injurious effects and despite the vigorous and continued protests made from all over New England. This unequal freight rate differential has severely hit New England's poultry in-

ANNIVERSARY OF CUBAN INDEPENDENCE FROM SPAIN

(Mr. RUMSFELD (at the request of Mr. HARVEY of Michigan) was given permission to extend his remarks at this

88TH CONGRESS
2^D SESSION

H. R. 11202

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1965, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quarantine
9 and regulatory work, and meat inspection: *Provided*, That
10 appropriations hereunder shall be available for field employ-
11 ment pursuant to the second sentence of section 706 (a) of
12 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
13 \$75,000 shall be available for employment under section 15
14 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
15 *further*, That appropriations hereunder shall be available for
16 the operation and maintenance of aircraft and the purchase of
17 not to exceed two for replacement only: *Provided further*,
18 That appropriations hereunder shall be available pursuant to
19 title 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$20,000, except for five buildings to be con-
24 structed or improved at a cost not to exceed \$45,000
25 each, and the cost of altering any one building during the

1 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
2 cost of the building, whichever is greater: *Provided further,*
3 That the limitations on alterations contained in this Act
4 shall not apply to a total of \$100,000 for facilities at Belts-
5 ville, Maryland:

6 Research: For research and demonstrations on the pro-
7 duction and utilization of agricultural products; agricultural
8 marketing and distribution, not otherwise provided for; home
9 economics or nutrition and consumer use of agricultural and
10 associated products; and related research and services; and
11 for acquisition of land by donation, exchange, or purchase at a
12 nominal cost not to exceed \$100, \$97,656,000: *Provided,*
13 That the limitations contained herein shall not apply
14 to replacement of buildings needed to carry out the Act of
15 April 24, 1948 (21 U.S.C. 113 (a)) ;

16 Plant and animal disease and pest control: For oper-
17 ations and measures, not otherwise provided for, to control
18 and eradicate pests and plant and animal diseases and for
19 carrying out assigned inspection, quarantine, and regulatory
20 activities, as authorized by law, including expenses pursuant
21 to the Act of February 28, 1947, as amended (21 U.S.C.
22 114b-c), \$65,255,000, of which \$1,500,000 shall be ap-
23 portioned for use pursuant to section 3679 of the Revised
24 Statutes, as amended, for the control of outbreaks of insects
25 and plant diseases to the extent necessary to meet emergency
26 conditions: *Provided,* That no funds shall be used to formu-

1 late or administer a brucellosis eradication program for the
2 current fiscal year that does not require minimum matching
3 by any State of at least 40 per centum: *Provided further,*
4 That no funds in excess of \$250,000 shall be available for
5 carrying out the screwworm eradication program that does
6 not require minimum matching by State or local sources of
7 at least 50 per centum of the expenses of production, irradiation,
8 and release of the screwworm flies: *Provided further,*
9 That, in addition, in emergencies which threaten the livestock
10 or poultry industries of the country, the Secretary may transfer
11 from other appropriations or funds available to the agencies
12 or corporations of the Department such sums as he may
13 deem necessary, to be available only in such emergencies for
14 the arrest and eradication of foot-and-mouth disease, rinderpest,
15 contagious pleuropneumonia, or other contagious or
16 infectious diseases of animals, or European fowl pest and
17 similar diseases in poultry, and for expenses in accordance
18 with the Act of February 28, 1947, as amended, and any
19 unexpended balances of funds transferred under this head in
20 the next preceding fiscal year shall be merged with such
21 transferred amounts;

22 Meat inspection: For carrying out the provisions of
23 laws relating to Federal inspection of meat, and meat-food
24 products, and the applicable provisions of the laws relating
25 to process or renovated butter, \$30,454,000;

26 Special fund: To provide for additional labor to be em-

1 ployed under contracts and cooperative agreements to
2 strengthen the work at research installations in the field,
3 not more than \$1,000,000 of the amount appropriated under
4 this head for the previous fiscal year may be used by the
5 Administrator of the Agricultural Research Service in de-
6 partmental research programs in the current fiscal year,
7 the amount so used to be transferred to and merged with
8 the appropriation otherwise available under "Salaries and
9 expenses, Research".

10 COOPERATIVE STATE RESEARCH SERVICE

11 PAYMENTS AND EXPENSES

12 For payments to agricultural experiment stations, for
13 grants for cooperative forestry research, and for other ex-
14 penses, including \$40,863,000 to carry into effect the provi-
15 sions of the Hatch Act, approved March 2, 1887, as amended
16 by the Act approved August 11, 1955 (7 U.S.C. 361a-
17 361i), including administration by the United States De-
18 partment of Agriculture; \$1,000,000 for grants for coopera-
19 tive forestry research under the Act approved October 10,
20 1962 (16 U.S.C. 582a-582a-7); \$310,000 for penalty
21 mail costs of agricultural experiment stations under section
22 6 of the Hatch Act of 1887, as amended; and \$267,000 for
23 necessary expenses of the Cooperative State Research Serv-
24 ice, including administration of payments to State agricultural
25 experiment stations, funds for employment pursuant to the

1 second sentence of section 706 (a) of the Organic Act of
2 1944 (5 U.S.C. 574), and not to exceed \$30,000 for em-
3 ployment under section 15 of the Act of August 2, 1946 (5
4 U.S.C. 55a) ; in all, \$42,440,000.

5 EXTENSION SERVICE

6 COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

7 Payments to States and Puerto Rico: For payments
8 for cooperative agricultural extension work under the Smith-
9 Lever Act, as amended by the Act of June 26, 1953, the Act
10 of August 11, 1955, and the Act of October 5, 1962 (7
11 U.S.C. 341-349), \$65,725,000; and payments and contracts
12 for such work under section 204 (b) -205 of the Agricultural
13 Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000;
14 in all, \$67,295,000: *Provided*, That funds hereby appropri-
15 ated pursuant to section 3 (c) of the Act of June 26, 1953,
16 shall not be paid to any State or Puerto Rico prior to avail-
17 ability of an equal sum from non-Federal sources for expendi-
18 ture during the current fiscal year.

19 Retirement and Employees' Compensation costs for ex-
20 tension agents: For cost of employer's share of Federal
21 retirement and for reimbursement for benefits paid from the
22 Employees' Compensation Fund for cooperative extension
23 employees, \$7,410,000.

24 Penalty mail: For costs of penalty mail for cooperative
25 extension agents and State extension directors, \$3,113,000.

1 Federal Extension Service: For administration of the
2 Smith-Lever Act, as amended by the Act of June 26,
3 1953, the Act of August 11, 1955, and the Act of October 5,
4 1962 (7 U.S.C. 341-349), and extension aspects of the
5 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627),
6 and to coordinate and provide program leadership for the
7 extension work of the Department and the several States
8 and insular possessions, \$2,451,000.

9 FARMER COOPERATIVE SERVICE

10 SALARIES AND EXPENSES

11 For necessary expenses to carry out the Act of July 2,
12 1926 (7 U.S.C. 451-457), and for conducting research
13 relating to the economic and marketing aspects of farmer
14 cooperatives, as authorized by the Agricultural Marketing
15 Act of 1946 (7 U.S.C. 1621-1627), \$1,082,000.

16 SOIL CONSERVATION SERVICE

17 CONSERVATION OPERATIONS

18 For necessary expenses for carrying out the provisions of
19 the Act of April 27, 1935 (16 U.S.C. 590a-590f), includ-
20 ing preparation of conservation plans and establishment of
21 measures to conserve soil and water (including farm irriga-
22 tion and land drainage and such special measures as may be
23 necessary to prevent floods and the siltation of reservoirs);
24 operation of conservation nurseries; classification and map-
25 ping of soil; dissemination of information; purchase and erec-

1 tion or alteration of permanent buildings; and operation and
2 maintenance of aircraft, \$100,511,000: *Provided*, That the
3 cost of any permanent building purchased, erected, or as
4 improved, exclusive of the cost of constructing a water
5 supply or sanitary system and connecting the same to any
6 such building and with the exception of buildings acquired in
7 conjunction with land being purchased for other purposes,
8 shall not exceed \$2,500, except for one building to be con-
9 structed at a cost not to exceed \$25,000 and eight build-
10 ings to be constructed or improved at a cost not to exceed
11 \$15,000 per building and except that alterations or im-
12 provements to other existing permanent buildings cost-
13 ing \$2,500 or more may be made in any fiscal year in an
14 amount not to exceed \$500 per building: *Provided further*,
15 That no part of this appropriation shall be available for the
16 construction of any such building on land not owned by the
17 Government: *Provided further*, That no part of this appro-
18 priation may be expended for soil and water conservation
19 operations under the Act of April 27, 1935 (16 U.S.C.
20 590a-590f), in demonstration projects: *Provided further*,
21 That this appropriation shall be available for field employ-
22 ment pursuant to the second sentence of section 706 (a) of
23 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
24 \$5,000 shall be available for employment under section 15

1 be available for employment under section 15 of the Act of
2 August 2, 1946 (5 U.S.C. 55a) : *Provided further*, That
3 not to exceed \$4,000,000, together with the unobligated
4 balance of funds previously appropriated for loans and related
5 expense, shall be available for such purposes.

6 FLOOD PREVENTION

7 For necessary expenses, in accordance with the Flood
8 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
9 16 U.S.C. 1006a), as amended and supplemented, and in
10 accordance with the provisions of laws relating to the activ-
11 ities of the Department, to perform works of improvement,
12 including funds for field employment pursuant to the second
13 sentence of section 706 (a) of the Organic Act of 1944
14 (5 U.S.C. 574), and not to exceed \$100,000 for employ-
15 ment under section 15 of the Act of August 2, 1946 (5
16 U.S.C. 55a), to remain available until expended;
17 \$25,423,000, with which shall be merged the unexpended
18 balances of funds heretofore appropriated or transferred to
19 the Department for flood prevention purposes: *Provided*,
20 That no part of such funds shall be used for the purchase
21 of lands in the Yazoo and Little Tallahatchie watersheds
22 without specific approval of the county board of supervisors
23 of the county in which such lands are situated: *Provided*
24 *further*, That not to exceed \$1,000,000, together with the
25 unobligated balance of funds previously appropriated for

1 loans and related expense, shall be available for such
2 purposes.

3 GREAT PLAINS CONSERVATION PROGRAM

4 For necessary expenses to carry into effect a program of
5 conservation in the Great Plains area, pursuant to section
6 16 (b) of the Soil Conservation and Domestic Allotment
7 Act, as added by the Act of August 7, 1956 (16 U.S.C.
8 590p), \$14,176,000, to remain available until expended.

9 RESOURCE CONSERVATION AND DEVELOPMENT

10 For necessary expenses in planning and carrying out
11 projects for resource conservation and development, and for
12 sound land use, pursuant to the provisions of section 32 (e)
13 of title III of the Bankhead-Jones Farm Tenant Act, as
14 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
15 of the Act of April 27, 1935 (16 U.S.C. 590a-f),
16 \$1,496,000, to remain available until expended: *Provided*,
17 That not to exceed \$500,000 of such amount shall be avail-
18 able for loans and related expenses under subtitle A of the
19 Consolidated Farmers Home Administration Act of 1961,
20 as amended: *Provided further*, That this appropriation shall
21 be available for field employment pursuant to the second
22 sentence of section 706 (a) of the Organic Act of 1944 (5
23 U.S.C. 574), and not to exceed \$50,000 shall be available

1 for employment under section 15 of the Act of August 2,
2 1946 (5 U.S.C. 55a).

3 ECONOMIC RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For necessary expenses of the Economic Research Serv-
6 ice in conducting economic research and service relating to
7 agricultural production, marketing, and distribution, as
8 authorized by the Agricultural Marketing Act of 1946 (7
9 U.S.C. 1621-1627), and other laws, including economics
10 of marketing; analyses relating to farm prices, income and
11 population, and demand for farm products, use of resources
12 in agriculture, adjustments, costs and returns in farming, and
13 farm finance; and for analyses of supply and demand for
14 farm products in foreign countries and their effect on pros-
15 pects for United States exports, progress in economic de-
16 velopment and its relation to sales of farm products,
17 assembly and analysis of agricultural trade statistics and
18 analysis of international financial and monetary programs
19 and policies as they affect the competitive position of United
20 States farm products; \$9,476,000: *Provided*, That not less
21 than \$350,000 of the funds contained in this appropriation
22 shall be available to continue to gather statistics and conduct
23 a special study on the price spread between the farmer and
24 consumer: *Provided further*, That this appropriation shall
25 be available for employment pursuant to the second sentence

1 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
2 574), and not to exceed \$75,000 shall be available for em-
3 ployment under section 15 of the Act of August 2, 1946
4 (5 U.S.C. 55a) : *Provided further*, That not less than
5 \$145,000 of the funds contained in this appropriation shall
6 be available for analysis of statistics and related facts on
7 foreign production and full and complete information on
8 methods used by other countries to move farm commodities
9 in world trade on a competitive basis.

10 STATISTICAL REPORTING SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses of the Statistical Reporting
13 Service in conducting statistical reporting and service work,
14 including crop and livestock estimates, statistical coordination
15 and improvements, and marketing surveys, as authorized
16 by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621--
17 1627) and other laws, \$11,431,000: *Provided*, That no part
18 of the funds herein appropriated shall be available for any
19 expense incident to publishing estimates of apple production
20 for other than the commercial crop.

21 AGRICULTURAL MARKETING SERVICE

22 MARKETING SERVICES

23 For expenses necessary to carry on services related to
24 agricultural marketing and distribution as authorized by the
25 Agricultural Marketing Act of 1946 (7 U.S.C. 1621--

1 1627) and other laws, including the administration of mar-
2 keting regulatory acts connected therewith and for adminis-
3 tration and coordination of payments to States; and this ap-
4 propriation shall be available for field employment pursuant
5 to section 706 (a) of the Organic Act of 1944 (5 U.S.C.
6 574), and not to exceed \$25,000 shall be available for em-
7 ployment at rates not to exceed \$75 per diem under section
8 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying
9 out section 201 (a) to 201 (d), inclusive, of title II of the
10 Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and
11 section 203 (j) of the Agricultural Marketing Act of 1946;
12 \$39,389,000.

13 PAYMENTS TO STATES AND POSSESSIONS

14 For payments to departments of agriculture, bureaus and
15 departments of markets, and similar agencies for marketing
16 activities under section 204 (b) of the Agricultural Market-
17 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,500,000.

18 SPECIAL MILK PROGRAM

19 For necessary expenses to carry out the Special Milk
20 Program, as authorized by the Act of August 8, 1961 (7
21 U.S.C. 1446, note), \$99,831,000, to be derived by trans-
22 fer from funds available under section 32 of the Act of
23 August 24, 1935 (7 U.S.C. 612c).

1 SCHOOL LUNCH PROGRAM

2 For necessary expenses to carry out the provisions of
3 the National School Lunch Act, as amended (42 U.S.C.
4 1751-1760), \$146,400,000: *Provided*, That no part of
5 this appropriation shall be used for nonfood assistance under
6 section 5 of said Act: *Provided further*, That \$45,000,000
7 shall be transferred to this appropriation from funds avail-
8 able under section 32 of the Act of August 24, 1935, for
9 purchase and distribution of agricultural commodities and
10 other foods pursuant to section 6 of the National School
11 Lunch Act.

12 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

13 (SECTION 32)

14 No funds available under section 32 of the Act of
15 August 24, 1935 (7 U.S.C. 612c) shall be used for any
16 purpose other than commodity program expenses as author-
17 ized therein, and other related operating expenses, except
18 for (1) transfers to the Department of the Interior as
19 authorized by the Fish and Wildlife Act of August 8, 1956,
20 (2) transfers otherwise provided in this Act, (3) not more
21 than \$2,924,000 for formulation and administration of mar-
22 keting agreements and orders pursuant to the Agricultural
23 Marketing Agreement Act of 1937, as amended, and the

1 Agricultural Act of 1961, (4) not more than \$45,000,000
2 for expenses for the Pilot Food Stamp Program and
3 (5) not in excess of \$25,000,000 to be used to increase
4 domestic consumption of farm commodities pursuant to au-
5 thority contained in Public Law 88-250, the Department
6 of Agriculture and Related Agencies Appropriation Act,
7 1964, of which amount \$2,000,000 shall remain available
8 until expended for construction, alteration and modification
9 of research facilities.

10 FOREIGN AGRICULTURAL SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses for the Foreign Agricultural
13 Service, including carrying out title VI of the Agricultural
14 Act of 1954 (7 U.S.C. 1761-1768), market development
15 activities abroad, and for enabling the Secretary to coordinate
16 and integrate activities of the Department in connection
17 with foreign agricultural work, including not to exceed
18 \$35,000 for representation allowances and for expenses pur-
19 suant to section 8 of the Act approved August 3, 1956 (7
20 U.S.C. 1766), \$18,790,000: *Provided*, That not less than
21 \$255,000 of the funds contained in this appropriation shall
22 be available to obtain statistics and related facts on foreign
23 production and full and complete information on methods
24 used by other countries to move farm commodities in world
25 trade on a competitive basis: *Provided further*, That, in

1 addition, not to exceed \$3,117,000 of the funds appropriated
2 by section 32 of the Act of August 24, 1935, as amended
3 (7 U.S.C. 612c), shall be merged with this appropriation
4 and shall be available for all expenses of the Foreign Agri-
5 cultural Service.

6 COMMODITY EXCHANGE AUTHORITY

7 SALARIES AND EXPENSES

8 For necessary expenses to carry into effect the pro-
9 visions of the Commodity Exchange Act, as amended (7
10 U.S.C. 1-17a), \$1,100,000.

11 AGRICULTURAL STABILIZATION AND CONSERVATION

12 SERVICE

13 EXPENSES, AGRICULTURAL STABILIZATION AND

14 CONSERVATION SERVICE

15 For necessary administrative expenses of the Agricultural
16 Stabilization and Conservation Service, including expenses
17 to formulate and carry out programs authorized by title III
18 of the Agricultural Adjustment Act of 1938, as amended (7
19 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7
20 U.S.C. 1101-1161); sections 7 to 15, 16 (a), 16 (d), 16 (e),
21 16 (f), and 17 of the Soil Conservation and Domestic Allot-
22 ment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C.
23 1010-1011) as added by section 132 of the Act of August 8,
24 1961; subtitles B and C of the Soil Bank Act (7 U.S.C.

1 1831-1837, 1802-1814, and 1816); and laws pertaining
2 to the Commodity Credit Corporation, \$105,602,000: *Pro-*
3 *vided*, That, in addition, not to exceed \$87,508,000 may be
4 transferred to and merged with this appropriation from the
5 Commodity Credit Corporation fund (including not to exceed
6 \$35,668,000 under the limitation on Commodity Credit
7 Corporation administrative expenses): *Provided further*,
8 That other funds made available to Agricultural Stabilization
9 and Conservation Service for authorized activities may be
10 advanced to and merged with this appropriation.

11 SUGAR ACT PROGRAM

12 For necessary expenses to carry into effect the pro-
13 visions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
14 \$86,400,000, to remain available until June 30 of the next
15 succeeding fiscal year.

16 AGRICULTURAL CONSERVATION PROGRAM

17 For necessary expenses to carry into effect the program
18 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
19 Conservation and Domestic Allotment Act, approved Feb-
20 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
21 590p (a), and 590q), including not to exceed \$6,000 for
22 the preparation and display of exhibits, including such dis-
23 plays at State, interstate, and international fairs within
24 the United States, \$225,000,000, to remain available
25 until December 31 of the next succeeding fiscal year
26 for compliance with the programs of soil-building and soil-

1 and water-conserving practices authorized under this head
2 in the Department of Agriculture and Related Agencies
3 Appropriation Acts, 1963 and 1964, carried out during the
4 period July 1, 1962, to December 31, 1964, inclusive:
5 *Provided*, That none of the funds herein appropriated shall
6 be used to pay the salaries or expenses of any regional in-
7 formation employees or any State information employees, but
8 this shall not preclude the answering of inquiries or supply-
9 ing of information at the county level to individual farmers:
10 *Provided further*, That no portion of the funds for the current
11 year's program may be utilized to provide financial or techni-
12 cal assistance for drainage on wetlands now designated as Wet-
13 land Types 3 (III), 4 (IV), and 5 (V) in United States
14 Department of the Interior, Fish and Wildlife Service Circu-
15 lar 39, Wetlands of the United States, 1956: *Provided fur-*
16 *ther*, That necessary amounts shall be available for adminis-
17 trative expenses in connection with the formulation and ad-
18 ministration of the 1965 program of soil-building and soil-
19 and water-conserving practices, including related wildlife
20 conserving practices, under the Act of February 29, 1936, as
21 amended (amounting to \$220,000,000, excluding administra-
22 tion, except that no participant shall receive more than
23 \$2,500, except where the participants from two or more
24 farms or ranches join to carry out approved practices designed
25 to conserve or improve the agricultural resources of the com-

1 munity) : *Provided further*, That not to exceed 5 per centum
2 of the allocation for the current year's agricultural conserva-
3 tion program for any county may, on the recommendation
4 of such county committee and approval of the State com-
5 mittee, be withheld and allotted to the Soil Conservation
6 Service for services of its technicians in formulating and
7 carrying out the agricultural conservation program in the
8 participating counties, and shall not be utilized by the Soil
9 Conservation Service for any purpose other than technical
10 and other assistance in such counties, and in addition, on the
11 recommendation of such county committee and approval of
12 the State committee, not to exceed 1 per centum may be
13 made available to any other Federal, State, or local public
14 agency for the same purpose and under the same conditions:
15 *Provided further*, That for the current year's program \$2,-
16 500,000 shall be available for technical assistance in formu-
17 lating and carrying out agricultural conservation practices:
18 *Provided further*, That such amounts shall be available for
19 the purchase of seeds, fertilizers, lime, trees, or any other
20 farming material, or any soil-terracing services, and making
21 grants thereof to agricultural producers to aid them in carry-
22 ing out farming practices approved by the Secretary under

1 programs provided for herein: *Provided further*, That no
2 part of any funds available to the Department, or any bureau,
3 office, corporation, or other agency constituting a part of
4 such Department, shall be used in the current fiscal year for
5 the payment of salary or travel expenses of any person who
6 has been convicted of violating the Act entitled "An Act to
7 prevent pernicious political activities", approved August 2,
8 1939, as amended, or who has been found in accordance with
9 the provisions of title 18, United States Code, section 1913,
10 to have violated or attempted to violate such section which
11 prohibits the use of Federal appropriations for the payment
12 of personal services or other expenses designed to influence
13 in any manner a Member of Congress to favor or oppose any
14 legislation or appropriation by Congress except upon request
15 of any Member or through the proper official channels.

16 CONSERVATION RESERVE PROGRAM

17 For necessary expenses to carry out a conservation
18 reserve program as authorized by subtitles B and C of the
19 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
20 1816), and to carry out liquidation activities for the acreage
21 reserve program, to remain available until expended,
22 \$194,000,000, with which may be merged the unexpended

1 balances of funds heretofore appropriated for soil bank pro-
 2 grams: *Provided*, That no part of these funds shall be paid
 3 on any contract which is illegal under the law due to the
 4 division of lands for the purpose of evading limits on annual
 5 payments to participants.

6 CROPLAND CONVERSION PROGRAM

7 For necessary expenses to promote the conservation and
 8 economic use of land pursuant to the provisions of section
 9 16(e) of the Soil Conservation and Domestic Allotment
 10 Act (16 U.S.C. 590h, 590p), as amended, \$7,200,000, to
 11 remain available until expended.

12 OFFICE OF RURAL AREAS DEVELOPMENT

13 SALARIES AND EXPENSES

14 For necessary expenses, not otherwise provided for, of
 15 the Office of Rural Areas Development in providing leader-
 16 ship, coordination, liaison, and related services in the rural
 17 areas development activities of the Department, \$124,000:
 18 *Provided*, That this appropriation shall be available for field
 19 employment pursuant to the second sentence of section 706
 20 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not
 21 to exceed \$3,000 shall be available for employment under
 22 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

1 OFFICE OF THE INSPECTOR GENERAL

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Inspector
4 General, including employment pursuant to the second sen-
5 tence of section 706 (a) of the Organic Act of 1944 (5
6 U.S.C. 574), \$9,874,000.

7 OFFICE OF THE GENERAL COUNSEL

8 SALARIES AND EXPENSES

9 For necessary expenses, including payment of fees or
10 dues for the use of law libraries by attorneys in the field
11 service, \$3,784,000.

12 OFFICE OF INFORMATION

13 SALARIES AND EXPENSES

14 For necessary expenses of the Office of Information for
15 the dissemination of agricultural information and the co-
16 ordination of informational work and programs authorized
17 by Congress in the Department, \$1,648,000, of which
18 total appropriation not to exceed \$537,000 may be used
19 for farmers' bulletins, which shall be adapted to the interests
20 of the people of the different sections of the country, an
21 equal proportion of four-fifths of which shall be available to
22 be delivered to or sent out under the addressed franks fur-

1 nished by the Senators, Representatives, and Delegates in
2 Congress, as they shall direct (7 U.S.C. 417), and not less
3 than two hundred and thirty-two thousand two hundred and
4 fifty copies for the use of the Senate and House of Repre-
5 sentatives of part 2 of the annual report of the Secretary
6 (known as the Yearbook of Agriculture) as authorized by
7 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
8 *Provided*, That in the preparation of motion pictures or ex-
9 hibits by the Department, this appropriation shall be avail-
10 able for employment pursuant to the second sentence of sec-
11 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
12 and not to exceed \$10,000 shall be available for employment
13 under section 15 of the Act of August 2, 1946 (5 U.S.C.
14 55a).

15 NATIONAL AGRICULTURAL LIBRARY

16 SALARIES AND EXPENSES

17 For necessary expenses of the National Agricultural
18 Library, \$1,347,000: *Provided*, That this appropriation shall
19 be available for employment pursuant to the second sentence
20 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
21 574), and not to exceed \$35,000 shall be available for
22 employment under section 15 of the Act of August 2, 1946
23 (5 U.S.C. 55a).

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, \$2,482,000.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,530,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

1 TITLE II—CREDIT AGENCIES

2 RURAL ELECTRIFICATION ADMINISTRATION

3 To carry into effect the provisions of the Rural Elec-
4 trification Act of 1936, as amended (7 U.S.C. 901-924),
5 as follows:

6 LOAN AUTHORIZATIONS

7 For loans in accordance with said Act, and for carrying
8 out the provisions of section 7 thereof, to be borrowed from
9 the Secretary of the Treasury in accordance with the pro-
10 visions of section 3 (a) of said Act, as follows: Rural elec-
11 trification program, \$365,000,000, of which \$90,000,000
12 shall be placed in reserve to be borrowed under the same
13 terms and conditions to the extent that such amount is re-
14 quired during the current fiscal year under the then existing
15 conditions for the expeditious and orderly development of
16 the rural electrification program; and rural telephone pro-
17 gram, \$70,000,000, of which \$7,000,000 shall be placed in
18 reserve to be borrowed under the same terms and conditions
19 to the extent that such amount is required during the current
20 fiscal year under the then existing conditions for the expedi-
21 tious and orderly development of the rural telephone
22 program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$11,641,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$60,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

RURAL RENEWAL

1
2 For necessary expenses, including administrative ex-
3 penses, in carrying out rural renewal activities under section
4 32 (e) of title III of the Bankhead-Jones Farm Tenant
5 Act, as amended, \$1,200,000, to remain available until
6 expended.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

7
8 For loans pursuant to section 515 (a) of the Housing
9 Act of 1949, as amended (42 U.S.C. 1485), including ad-
10 vances pursuant to section 335 (a) of the Consolidated
11 Farmers Home Administration Act of 1961 (7 U.S.C.
12 1985) in connection with security for such loans,
13 \$3,500,000.

SALARIES AND EXPENSES

14
15 For necessary expenses of the Farmers Home Admin-
16 istration, not otherwise provided for, in administering the
17 programs authorized by the Consolidated Farmers Home
18 Administration Act of 1961 (7 U.S.C. 1921), as amended,
19 title V of the Housing Act of 1949, as amended (42 U.S.C.
20 1471-1484), and the Rural Rehabilitation Corporation Trust
21 Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-
22 444) ; \$39,544,000, together with not more than \$2,000,000
23 of the charges collected in connection with the insurance of
24 loans as authorized by section 309 (e) of the Consolidated
25 Farmers Home Administration Act of 1961, as amended,

1 and section 514 (b) (3) of the Housing Act of 1949, as
 2 amended: *Provided*, That, in addition, not to exceed
 3 \$500,000 of the funds available for the various programs
 4 administered by this Agency may be transferred to this
 5 appropriation for temporary field employment pursuant to
 6 the second sentence of section 706 (a) of the Organic Act
 7 of 1944 (5 U.S.C. 574) to meet unusual or heavy workload
 8 increases.

9 TITLE III—CORPORATIONS

10 The following corporations and agencies are hereby
 11 authorized to make such expenditures, within the limits of
 12 funds and borrowing authority available to each such cor-
 13 poration or agency and in accord with law, and to make
 14 such contracts and commitments without regard to fiscal
 15 year limitations as provided by section 104 of the Govern-
 16 ment Corporation Control Act, as amended, as may be
 17 necessary in carrying out the programs set forth in the
 18 budget for the current fiscal year for such corporation or
 19 agency, except as hereinafter provided:

20 FEDERAL CROP INSURANCE CORPORATION

21 ADMINISTRATIVE AND OPERATING EXPENSES

22 For administrative and operating expenses, \$6,942,000.

23 FEDERAL CROP INSURANCE CORPORATION FUND

24 Not to exceed \$3,638,000 of administrative and oper-
 25 ating expenses may be paid from premium income.

1 COMMODITY CREDIT CORPORATION

2 REIMBURSEMENT FOR NET REALIZED LOSSES

3 To partially reimburse the Commodity Credit Corpora-
4 tion for net realized losses sustained during the fiscal year
5 ending June 30, 1963, pursuant to the Act of August 17,
6 1961 (15 U.S.C. 713a-11, 713a-12), \$1,724,000,000.

7 LIMITATION ON ADMINISTRATIVE EXPENSES

8 Nothing in this Act shall be so construed as to prevent
9 the Commodity Credit Corporation from carrying out any ac-
10 tivity or any program authorized by law: *Provided*, That
11 not to exceed \$37,351,000 shall be available for administra-
12 tive expenses of the Corporation: *Provided further*, That
13 \$945,000 of this authorization shall be available only to
14 expand and strengthen the sales program of the Corporation
15 pursuant to authority contained in the Corporation's charter:
16 *Provided further*, That not less than 7 per centum of this
17 authorization shall be placed in reserve to be apportioned
18 pursuant to section 3679 of the Revised Statutes, as amended,
19 for use only in such amounts and at such times as may become
20 necessary to carry out program operations: *Provided further*,
21 That all necessary expenses (including legal and special
22 services performed on a contract or fee basis, but not includ-

1 ing other personal services) in connection with the acqui-
2 tion, operation, maintenance, improvement, or disposition
3 of any real or personal property belonging to the Corporation
4 or in which it has an interest, including expenses of collec-
5 tions of pledged collateral, shall be considered as nonadminis-
6 trative expenses for the purposes hereof.

7 PUBLIC LAW 480

8 For expenses during fiscal year 1965, not otherwise
9 recoverable, and unrecovered prior years' costs, includ-
10 ing interest thereon, under the Agricultural Trade Develop-
11 ment and Assistance Act of 1954, as amended (7 U.S.C.
12 1701-1709, 1721-1724, 1731-1736), to remain available
13 until expended, as follows: (1) Sale of surplus agricultural
14 commodities for foreign currencies pursuant to title I of said
15 Act, \$1,612,000,000; (2) commodities disposed of for
16 emergency famine relief to friendly peoples pursuant to title
17 II of said Act, \$220,453,000; and (3) long-term supply
18 contracts pursuant to title IV of said Act, \$55,000,000.

19 INTERNATIONAL WHEAT AGREEMENT

20 For expenses during fiscal year 1965 and unrecovered
21 prior years' costs, including interest thereon, under the Inter-
22 national Wheat Agreement Act of 1949, as amended (7

1 U.S.C. 1641-1642), \$31,838,000, to remain available until
2 expended.

3 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

4 For expenses during fiscal year 1965 and unrecovered
5 prior years' costs related to strategic and other materials
6 acquired as a result of barter or exchange of agricultural
7 commodities or products and transferred to the supplemental
8 stockpile pursuant to Public Law 540, Eighty-fourth Con-
9 gress (7 U.S.C. 1856), \$82,860,000, to remain available
10 until expended.

11 TITLE IV—RELATED AGENCIES

12 FARM CREDIT ADMINISTRATION

13 LIMITATION ON ADMINISTRATIVE EXPENSES

14 Not to exceed \$2,876,000 (from assessments collected
15 from farm credit agencies) shall be obligated during the cur-
16 rent fiscal year for administrative expenses.

17 TITLE V—GENERAL PROVISIONS

18 SEC. 501. Within the unit limit of cost fixed by law,
19 appropriations and authorizations made for the Department
20 under this Act shall be available for the purchase, in addition
21 to those specifically provided for, of not to exceed four hun-
22 dred and seventy-two passenger motor vehicles, of which
23 four hundred and fifty-two shall be for replacement only,
24 and for the hire of such vehicles.

1 SEC. 502. Provisions of law prohibiting or restricting
2 the employment of aliens shall not apply to employment
3 under the appropriation for the Foreign Agricultural Service.

4 SEC. 503. Funds available to the Department of Agricul-
5 ture shall be available for uniforms or allowances therefor as
6 authorized by the Act of September 1, 1954, as amended (5
7 U.S.C. 2131).

8 SEC. 504. No part of the funds appropriated by this Act
9 shall be used for the payment of any officer or employee of
10 the Department who, as such officer or employee, or on
11 behalf of the Department or any division, commission, or
12 bureau thereof, issues, or causes to be issued, any prediction,
13 oral or written, or forecast, except as to damage threatened
14 or caused by insects and pests, with respect to future prices
15 of cotton or the trend of same.

16 SEC. 505. Except to provide materials required in or
17 incident to research or experimental work where no suitable
18 domestic product is available, no part of the funds appro-
19 priated by this Act shall be expended in the purchase of
20 twine manufactured from commodities or materials pro-
21 duced outside of the United States.

22 SEC. 506. Not less than \$1,500,000 of the appropria-
23 tions of the Department for research and service work author-
24 ized by the Acts of August 14, 1946, July 28, 1954, and

1 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
2 1891-1893), shall be available for contracting in accordance
3 with said Acts.

4 This Act may be cited as the "Department of Agricul-
5 ture and Related Agencies Appropriation Act, 1965".

Passed the House of Representatives May 20, 1964.

Attest: RALPH R. ROBERTS,
Clerk.

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

MAY 21 (legislative day, March 30), 1964

Read twice and referred to the Committee on Appropriations

5. TAXATION. Both Houses agreed to the conference report on H. R. 11376, to provide a one-year extension of certain excise-tax rates. This bill will now be sent to the President. pp. 14926-31, 14955-6
6. TRANSPORTATION. By a vote of 47 to 36, agreed to the House amendment to S. 6, the proposed Urban Mass Transportation Act of 1964. This bill will now be sent to the President. pp. 14931-2, 14935-49
7. LANDS. Passed as reported S. 1509, to authorize reimbursement to owners and tenants of certain lands or interests therein acquired by the U. S. for certain moving expenses, losses, and damages. pp. 14949-50
8. RECLAMATION. Passed as reported S. 1123, to provide for construction of the lower Teton division of the Teton Basin project, Idaho. pp. 14950-2
9. NOMINATION. Received the nomination of John A. Schnittker to be a member of the CCC Board of Directors. p. 14953
10. APPROPRIATIONS. Sen. Johnston submitted an amendment intended to be proposed to H. R. 11202, the agricultural appropriation bill, to provide that after July 1, 1964, appropriations available for classing or grading cotton without charge to producers shall be available for providing micronaire readings on cotton without charge to producers and to authorize transfer of CCC funds for this purpose. p. 14885
11. ESTES INVESTIGATION. At the request of Sen. McClellan, the Government Operations Committee was granted an extension until Sept. 30, 1964, to file a report on the Bilie Sol Estes investigation. p. 14883
12. PERSONNEL. Sen. McCarthy commended the public service of Williard W. Cochrane, for Director of Agricultural Economics. pp. 14895-6
Both Houses received from the State Department a proposed bill "to encourage and facilitate details and transfers of Federal employees for service with international organizations"; to H. Foreign Affairs and S. Foreign Relations Committees. pp. 14883, 15022
13. ELECTRIFICATION. Received from the Administrator of REA reports on the approval of a loan to the Colorado-Ute Electric Association, Inc., Montrose, Colo., for \$5,352,000 and a loan to the Golden Valley Electric Association, Inc., Fairbanks, Alaska, for \$18,930,000; to Appropriations Committee. p. 14883
Sen. Lausche discussed and inserted several items on the development of nuclear power for civilian purposes. pp. 14889-92
Sen. Jackson reviewed and inserted several items on the proposed plan for joint Government-industry development of an electric-power intertie between the Pacific Northwest and Southwest. pp. 14896-9

HOUSE

14. APPROPRIATIONS. Began debate on H. R. 11812, the foreign aid appropriation bill. Previously adopted by a vote of 222 to 162, a resolution waiving points of order on the bill. pp. 14959-96
15. CIVIL RIGHTS. The Rules Committee reported a resolution to concur in the Senate amendments to H. R. 7152, the civil rights bill. p. 14996

16. TRAVEL; PERSONNEL. The Rules Committee reported without amendment H. Res. 792, to grant additional travel authority to the Agriculture Committee (H. Rept. 1528). p. 14996
17. FARM LABOR. Rep. Talcott inserted a letter from the City Council of King City, Calif., discussing farm labor problems and urging the delaying of the elimination of braceros. pp. 15007-8
18. FOREIGN TRADE. Rep. Udall stated that he does not "endorse sweeping changes in the Trade Expansion Act" but joins "in the expression of concern that tariff negotiations proceed with caution...and attention to the interests of America's producers as well as its consumers." p. 15011
19. MUSHROOM INDUSTRY. Received a Pa. State Legislature memorial urging action to protect the declining domestic mushroom industry. p. 15024
20. FOREST LANDS. A subcommittee of the Agriculture Committee voted to report to the full committee H. R. 10069, to authorize exchange of lands adjacent to the Lassen National Forest, Calif., and S. 2218, to authorize the Secretary of the Interior to accept certain national forest lands in Cocke County, Tenn p. D530
21. ELECTRIFICATION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 9752, with amendment, to preserve the jurisdiction of the Congress over construction of hydroelectric projects on the Colorado River. p. D531
22. CONTAINERS. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 5673, with amendment, the proposed Steel Shipping Container Identification Act. p. D531
23. WATER RESEARCH. Received the conference report on S. 2, the proposed "Water Resources Research Act of 1964" (H. Rept. 1526). Authorizes appropriations rising to \$100,000 annually to assist each State in establishing a water research agency, generally the land-grant college. Authorizes appropriations to the Interior Department of \$1,000,000 for 1965, rising to \$5,000,000 for 1969 and succeeding years, to aid these agencies on a dollar-for-dollar matching basis. Authorizes appropriation of \$1,000,000 annually for 10 years to Interior to assist other educational institutions in water research, subject to veto by the Interior and Insular Affairs Committees. Requires Interior to obtain advice and cooperation from other Federal water agencies and not to duplicate their work. Provides for a Government-wide center to catalog current and projected water-resources research. Requires the President to coordinate water-research programs. pp. 14997-8

ITEMS IN APPENDIX

24. FEDERAL-STATE RELATIONS. Extension of remarks of Sen. Mundt inserting an article written by Idaho Gov. Smylie "pointing up some problems of the smaller States in their contemporary relationships with the Federal Government...and urging that States be given a greater voice in the coordinated planning of Federal-State-local cooperative programs." pp. A355-7
25. ELECTRICICATION; POVERTY. Extension of remarks of Rep. Saylor suggesting ways to aid the Appalachian area by restricting residual oil imports, reject further proposals to build uneconomic hydroelectric plants and stop Federal subsidies for atomic electric power. pp. A 3568-9

prove the economic and social conditions of the tribal membership.

The proposed legislation will allow program flexibility looking toward permanent economic growth and development of the reservation. We concur with the principles of the tribe's program and recommend that the judgment funds be made available to the tribe for more detailed planning as proposed in the enclosed bill.

The Bureau of the Budget has advised us that there is no objection to the submission of this proposed legislation to the Congress.

Sincerely yours,

D. OTIS BEASLEY,
Assistant Secretary of the Interior.

AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1965—AMENDMENT (AMENDMENT NO. 1082)

Mr. JOHNSTON. Mr. President, I submit an amendment, intended to be proposed by me, to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, and ask that it be printed and appropriately referred. I ask unanimous consent to have printed in the RECORD a letter from R. V. Segars, addressed to me, and requesting the proposed amendment.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and appropriately referred; and, without objection, the letter and proposed amendment will be printed in the RECORD.

The amendment was referred to the Committee on Appropriations.

The letter and amendment presented by Mr. JOHNSTON are as follows:

WOODROW, S.C., June 24, 1964.

Senator OLIN D. JOHNSTON,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR JOHNSTON: It was good to talk to you over the telephone the other night. All of us in South Carolina are proud of you for the way you fought the civil rights bill and I know that you were disappointed to see it pass.

We missed you at our reception but we certainly understood your not being there and we appreciated very much your sending Tom and Bob. It was a pleasure to have them both.

I called your office earlier this week and in your absence talked to Tom Chadwick about a problem that the cotton farmers are facing.

The Department of Agriculture has added another factor called micronaire reading in addition to the classification of grade and staple for establishing the value of cotton in the loan. It is their intention to charge the farmers 6 cents per bale for this service. We feel that the Government should not place any more expense on the farmer and I am sure you agree.

Briefly this cost could be removed from the farmers by obtaining an amendment to H.R. 11202 now pending before the Senate Committee on Appropriations, to provide an increase in funds and authorize usage of them to provide micronaire readings without charge to farmers, in the section of the bill having to do with Agricultural Marketing Service. The suggested language of such an amendment is attached hereto.

Senators from other cotton States are being contacted by their constituents along these same lines.

We would certainly appreciate your help

on this matter and we hope that the cotton farmers can be spared any more loss of income.

With kindest personal regards.

Yours very truly,

RAY V. SEGARS, JR.

ENCLOSURE TO SENATOR OLIN D. JOHNSTON,
JUNE 24, 1964

"On page 14, line 12 (of H.R. 11202 as printed and before the committee) delete '\$39,389,000' and insert in lieu thereof: '\$39,989,000: Provided, That on and after July 1, 1964, appropriations available for classing or grading cotton without charge to producers thereof shall be available for providing micronaire readings on cotton without charge to producers thereof; and hereafter there may be transferred to any such appropriation such sums from non-administrative funds of the Commodity Credit Corporation as may be necessary for providing such micronaire readings in addition to other funds available for this purpose, such transfer, except for the cost of micronaire readings on cotton in which producers have obtained Commodity Credit Corporation price support, to be reimbursed from subsequent appropriations therefor.'"

ADJUSTMENT OF RATES OF BASIC COMPENSATION OF CERTAIN OFFICERS AND EMPLOYEES—AMENDMENTS (AMENDMENT NO. 1081)

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to the pay raise bill, H.R. 11049. This amendment deals with the pension on retirement pay that Members of Congress receive.

Under existing law, the annual payment is predicated upon the average salaries of the 5 highest years of pay.

My amendment would change that requirement that the base be the 5 highest years, and would make the base the average pay of Members of Congress through the years which they have served.

Mr. President, I send the amendment to the desk and ask that it be printed.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table.

Mr. CLARK. On behalf of Senators HART, CASE, NEUBERGER, and myself, I send an amendment to the desk and ask that it be printed. We intend to offer this amendment to the amendment proposed by the Senator from New York [Mr. KEATING] to H.R. 11049, an act to adjust and raise the basic compensation of Federal officers and employees in the Federal Government, and for other purposes.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. CLARK. Mr. President, I ask unanimous consent that a copy of the amendment may be printed in the CONGRESSIONAL RECORD at this point in my remarks.

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

The amendment (No. 1083) is as follows:

At the end of the bill insert the following new title:

"TITLE VI—INTEGRITY IN GOVERNMENT

"SEC. 601. (a) Each Member of the Senate and the House of Representatives (including the Resident Commissioner), each civil or military officer and each employee of the executive or legislative branch of the Government of the United States or any department or agency thereof who is compensated at a rate in excess of \$15,000 per annum shall file annually, and each individual who is a candidate of a political party in a general election for the office of Senator or Representative, or Resident Commissioner in the House of Representatives but who, at the time he becomes a candidate does not occupy any such office, shall file within one month after he becomes a candidate for such office, with the Comptroller General a report containing a full and complete statement of—

"(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts from any relative or his spouse) received by him or by him and his spouse jointly during the preceding calendar year which exceeds \$100 in amount or value; including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

"(2) the value of each asset held by him, or by him and his spouse jointly, and the amount of each liability owned by him, or by him and his spouse jointly, as of the close of the preceding calendar year;

"(3) all dealings in securities or commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year; and

"(4) all purchases and sales of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year.

"(b) Except as hereinbefore provided, reports required by this section (other than reports so required by candidates of political parties) shall be filed not later than April 30 of each year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Comptroller General may prescribe.

"(c) Reports required by this section shall be in such form and detail as the Comptroller General may prescribe. The Comptroller General may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

"(d) Each report required by this section shall be made under penalty for perjury. Any person who willfully fails to file a report required by this section, or who knowingly and willfully files a false report under this section, shall be fined \$2,000 or imprisoned for not more than five years, or both.

"(e) All reports filed under this section shall be maintained by the Comptroller Gen-

eral as public records which, under such reasonable regulations as he shall prescribe, shall be available for inspection by members of the public.

"(f) For the purposes of any report required by this section, a individual shall be considered to have been a Member of the Senate or House of Representatives, a Resident Commissioner, or an officer or employee of the executive or legislative branch of the Government of the United States or any department or agency thereof, during any calendar year if he served in any such position for more than six months during such calendar year.

"(g) As used in this section—

"(1) The term 'income' means gross income as defined in section 61 of the Internal Revenue Code of 1954.

"(2) The term 'security' means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

"(3) The term 'commodity' means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

"(4) The term 'dealings in securities or commodities' means any acquisition, holding, withholding, use, transfer, disposition, or other transaction involving any security or commodity.

"SEC. 602. Section 5 of the Administrative Procedure Act (5 U.S.C. 1004) is amended by inserting at the end thereof the following new subsection:

"(e) Communications to agency: All written communications and memoranda stating the circumstances, source, and substance of all oral communications made to the agency, or any officer or employee thereof, with respect to such case by any person who is not an officer or employee of the agency shall be made a part of the public record of such case. This subsection shall not apply to communications to any officer, employee, or agent of the agency engaged in the performance of investigative or prosecuting functions for the agency with respect to such case."

"SEC. 603. (a) (1) There is hereby authorized to be established a Commission to be known as the 'Commission on Legislative Standards' (hereinafter referred to as the 'Commission') which shall be composed of four members to be appointed by the President pro tempore of the Senate and four members to be appointed by the Speaker of the House of Representatives.

"(2) The members shall be citizens of the United States (A) who are interested in good government and who by reason of professional training and experience are peculiarly qualified to carry out the duties of the Commission, and (B) who hold no elective or party office or position.

"(3) The Commission shall select a Chairman and a Vice Chairman from among its members and shall establish rules for its procedure.

"(4) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(5) The members of the Commission shall each receive \$50 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

"(b) Five members of the Commission shall constitute a quorum.

"(c) (1) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

"(2) The Commission is authorized without regard to any other provision of law to reimburse employees, experts, and consultants for travel, subsistence, and other neces-

sary expenses incurred by them in the performance of their official duties and to make reasonable advances to such persons for such purposes.

"(d) The Commission shall conduct a thorough study of problems of conflicts of interest and of relations with executive and other agencies which confront Members of Congress with a view to devising and recommending measures and procedures to deal with such problems.

"(e) (1) The Commission or any duly authorized subcommittee thereof may, for the purposes of carrying out the provisions of this section, hold such hearings and sit and act at such times and places, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or the chairman of any such subcommittee (with the approval of a majority of the members thereof), and may be served by any person designated by the Chairman of the Commission or the chairman of any such subcommittee. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192-194), shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this subsection.

"(2) The Commission may authorize the Chairman to make the expenditures herein authorized and such other expenditures as the Commission may deem advisable. When the Commission ceases its activities it shall submit to the Appropriations Committees of the Senate and the House of Representatives a statement of its fiscal transactions properly audited by the Comptroller General of the United States.

"(3) The Commission is authorized to secure from any department, agency, independent instrumentality of the Government or congressional committee any information it deems necessary to carry out its functions under this section; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman of the Commission.

"(f) The Commission shall submit a final report of its activities and the results of its studies and investigations, together with such legislative recommendations as it may deem advisable, to the Congress not later than January 30, 1965, at which time the Commission shall cease to exist.

"(g) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section."

Mr. CLARK. This is the Case-Clark-Neuberger bill, S. 1261, rewritten as an amendment to the pay bill. It requires disclosure by Senators and all members of the executive branch, employees and officers of the Senate and of the House, and Members of the Congress, of their assets, securities, and real property transactions. It requires ex parte communications to regulatory agencies to be made a part of the public record. And it sets up a committee on legislative standards, consisting of four Members of the Senate and four Members of the House, to conduct a study of legislative conflicts of interest of employees of the legislative and executive branches.

AMENDMENT NO. 1084

Mr. PROXIMIRE. Mr. President, I submit an amendment to H.R. 1945, the Federal pay bill. The amendment eliminates the proposed \$7,500 annual pay

increase for Members of Congress. I ask that my amendment be printed.

The congressional pay increase is unjustified, unnecessary, and because it represents a dramatic example to the rest of the country, it could be seriously inflationary.

Members of Congress at their present \$22,500 pay level already receive more than three times the income of the average American family.

According to the U.S. Department of Commerce, the average income of the American family is \$7,200. Only about 2 percent of American families receive this.

When people are paid this handsomely in any line of work, the only convincing argument that even more should be paid is clear proof that without additional pay candidates simply cannot be recruited to do the job.

But in the case of Congress, seats are now more hotly contested than ever. It has become commonplace for candidates for the House of Representatives and their supporters to spend \$30,000 or more in a single race.

Senate campaigns in the past few years typically cost \$250,000 and up to more than a million dollars for a lone candidate.

When candidates and their supporters are willing to spend this kind of money, how in the world can we say a lush 33 1/3-percent increase in salary is needed to secure people willing to serve as Congressmen?

No one has seriously argued that increased pay for Members of Congress will increase the competence or integrity of those who serve in the Congress.

Can this huge increase be justified on moral grounds? Are the trials and tribulations of congressional office so cruel that Members deserve this pay increase as solace? The answer is a loud "No."

A seat in the House or Senate is the best job in the world. If we could afford it, most of us would pay to hold this job. It is challenging, exciting, and gives a marvelous opportunity open to a very tiny minority of Americans for serving country and conscience.

Very few Members are in the Congress for the money. And no one should be. We can get along on the \$22,500.

Congress has given itself as well as the rest of the country a tax cut this year. If the Member of Congress has other income, the tax saving will be even more. For the typical Member of Congress this will mean an \$800 increase in take-home pay, even if he has no other income. That should be enough.

Implied in the tax cut at the time of its passage was that Congress would keep Federal spending down. How in the world can Congress even pretend to do this, unless it starts with itself.

Can anyone seriously believe in economy if he votes himself a huge one-third increase in salary on top of a salary already three times the size of the income enjoyed by the average American family and higher than the family income enjoyed by all but 2 percent of American families?

On the other hand, the President has made a persuasive case for increasing

Aug. 4, 1964

SENATE - continued

- 23. DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1965. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 11202. p. D632
- 24. NATIONAL DEBT; TAXATION. The Finance Committee reported with amendments S. 2281, to clarify the components of, and to assist in the management of, the national debt and the tax structure (S. Rept. 1322). p. 17480
- 25. ELECTRIFICATION. The Commerce Committee voted to report (but did not actually report) with amendments S. 2028, to remove certain authority of the FPC over non-profit cooperatives engaged in transportation for sale of electric energy in interstate commerce. p. D632
- 26. FISH. The Commerce Committee voted to report (but did not actually report) with amendments S. J. Res. 174, authorizing the Bureau of Commercial Fisheries to conduct a survey of the marine and fresh-water commercial fishery resources of the U.S., its territories, and possessions. p. D632
- 27. RECREATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 2249, amended, providing for the establishment of the Indiana Dunes National Lakeshore. p. D633

oOo

14. TAXATION. Passed as reported H. R. 4649, to amend the Internal Revenue Code so as to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine. pp. 17461-2
15. ELECTRIFICATION. Sen. Humphrey spoke in favor of his bill, S. 2853, to establish an Office of Solar Energy in the Interior Department. pp. 17471-2
Sen. Morse spoke in favor of provisions to insure protection of preference customers in connection with the intertie proposal regarding electric power in the Pacific Northwest. pp. 17473-80

ITEMS IN APPENDIX

16. WATER RESOURCES. Sen. Yarborough and Rep. Secrest inserted various reports presented to the annual meeting of the National Congress of Rivers and Harbors. pp. A4090-2, A4095-7
17. WILDERNESS. Extension of remarks of Sen. Hartke inserting an article which presents the importance of the wilderness bill. p. A4092
Speech in the House by Rep. Cleveland supporting the wilderness bill. pp. A4105-6
18. POVERTY. Extension of remarks of Rep. Devine opposing the poverty bill as applying "1934 solutions to 1964 problems." p. A4094
19. INFLATION. Rep. Younger inserted an article, "U. S. Inflation Since 1933." pp. A4099-100
20. FARM PROGRAM. Extension of remarks of Rep. Short inserting a copy of a radio broadcast which "makes the point that Congress seems responsive to the expressed wish of farm people..." and "refutes Mr. Freeman's argument that farmers have a small voice in Congress." p. A4109

BILLS INTRODUCED

21. PERSONNEL. S. 3078, by Sen. Morse, to authorize the employment of retired personnel of the Federal Government by the Board of Education of the District of Columbia, and to authorize the employment of retired personnel of the Board of Education of the District of Columbia, by the Federal Government; to D. C. Com.
22. NUTRITION. H. R. 12230, by Rep. Lesinski, to amend the Public Health Service Act to provide for an Institute of Nutrition; to Interstate and Foreign Commerce

COMMITTEE HEARINGS AUG. 5:

Proxmire dairy bill; technical help in community projects; election and functions of ASC committeemen; additional crop insurance counties; importation of seed screenings; H. Agriculture (exec). Tariff schedules, H. Ways and Means (exec) (White, FAS, to answer questions). Land and water conservation fund, S. Interior (exec). Manpower utilization, S. Labor and H. Post Office. Housing bill, H. Banking and Currency (exec). Resolution that House agree to Senate amendments to meat-import restriction bill, H. Rules. Public works appropriation bill, S. Appropriations (exec).

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Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D.C. 20250

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(For information only;
should not be quoted
or cited)

Aug. 10, 1964
Aug. 7 & 8, 1964
88th-2nd: Nos. 153
and 154

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HIGHLIGHTS: Senate passed agricultural appropriation bill. House passed poverty bill. Senate passed public works appropriation bill. Senate debated foreign-aid authorization bill. Sen. Miller inserted editorial criticizing administration's farm program. Rep. Poage introduced Public Law 480 bill.

SENATE - August 7

1. AGRICULTURAL APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this bill, H. R. 11202 (S. Rept. 1331). Attached to this Digest is the committee report, which includes a statement of committee actions. p. 17886
2. PUBLIC WORKS APPROPRIATION BILL, 1965. Passed with amendments this bill, H. R. 11579 (pp. 17895-936). Senate conferees were appointed (p. 17936). Rejected, 23-57, an amendment by Sen. Nelson to reduce reclamation work by \$1,500,000 (p. 17922).

3. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 17937-47
4. CROP INSURANCE. Both Houses received from this Department a proposed bill to amend the Federal Crop Insurance Act, including a provision to remove the ceiling on appropriations; to Senate Agriculture and Forestry Committee and House Agriculture Committee. pp. 17885, 18037
5. FARM PROGRAM. Sen. Miller inserted and commended an editorial by Dick Hanson criticizing the administration's farm program. p. 17949
6. CONSERVATION. Sen. Mansfield inserted an article stating that this Congress may be known as "The Conservation Congress." p. 17856
7. TRANSPORTATION. Sen. Cotton inserted and commended an article by Ben Kelley indicating a belief that the "freight-car shortage" is a myth. pp. 17888-9
8. MARKETING. Sen. McGee inserted a letter from the River Markets Group, Nebr., commending the work of Sen. McGovern in connection with the bill to establish the National Commission on Food Marketing. p. 17950

HOUSE - August 7

9. POVERTY. Concluded debate on H. R. 11377, the poverty bill. By a 228-190 vote, agreed to an amendment by Rep. Landrum to substitute the text of S. 2642, a similar bill, with several modifications. During consideration in Committee of the Whole, adopted a motion to strike out the enacting clause, by a 170-135 vote. Then reversed this action by a record vote of 197-225. pp. 17972-18025
10. RICE EXPORTS. Rep. Thompson, Tex., spoke against plans for the Common Market to impose a tariff on U. S. long-grain rice. p. 17953
11. WILDERNESS. House conferees were appointed on S. 4, to establish a National Wilderness Preservation System. Senate conferees have been appointed. p. 18025
12. ALASKA RELIEF. Agreed to the conference report on S. 2881, to provide assistance to Alaska for reconstruction of areas damaged by the recent earthquake. p. 18026
13. AREA REDEVELOPMENT. Rep. Talcott criticized administration of the ARA program and referred to a recent GAO report on this matter. p. 18029
The Rules Committee reported a resolution for consideration of S. 1163, to amend certain provisions of the Area Redevelopment Act. p. 18037
14. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2337, to authorize construction of the Lower Teton division of the Teton Basin reclamation project, Idaho (H. Rept. 1715). p. 18037
15. ADMINISTRATIVE LAW. The Rules Committee reported a resolution for consideration of S. 1664, to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the U. S. p. 18037
16. FEED RELIEF. The Agriculture Committee reported without amendment H. R. 12114, to fix penalties for misuse of feed made available for relieving distress and for preservation of foundation herds (H. Rept. 1720). p. 18037

Calendar No. 1275

88TH CONGRESS }
2d Session

SENATE }

REPORT
No. 1331

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1965

August 7, 1964.—Ordered to be printed

Mr. HOLLAND, from the Committee on Appropriations, submitted
the following

REPORT

[To accompany H.R. 11202]

The Committee on Appropriations, to which was referred the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House.....	¹ \$5, 282, 496, 000
Amount of increase by Senate committee (net)....	56, 176, 525
Amount of bill as reported to Senate.....	5, 338, 672, 525
Amount of appropriations, 1964 (adjusted).....	6, 246, 297, 215
Amount of estimates for 1965.....	¹ 5, 683, 456, 600
The bill as reported to the Senate:	
Under the appropriations for 1964.....	907, 624, 690
Under the estimates for 1965.....	344, 784, 075

¹ Includes comparability adjustment of \$99,831,000 for sec. 32 funds (special receipts) replaced in bill by appropriation (general funds).

GENERAL STATEMENT

The Senate committee bill is in the amount of \$5,338,672,525, an increase of \$56,176,525 over the House bill (as adjusted), and is \$344,784,075 under the budget estimates (as adjusted), and \$907,624,690 under the 1964 Appropriation Act.

The bill includes \$1,630,579,525 for the regular activities of the Department under titles I and II of the bill. This is a decrease of \$20,329,690 under 1964, an increase of \$81,176,525 over the House bill (as adjusted), and \$1,644,075 under the budget estimates (as adjusted).

Under title III of the bill there is carried the appropriations authorized by various laws to be made to (1) reimburse the Commodity Credit Corporation for losses incurred for regular price support activities, and (2) to reimburse the Commodity Credit Corporation for the cost of the foreign assistance programs, including the various titles under Public Law 480, as amended; together with appropriations for the expenses of the International Wheat Agreement; and for the cost of bartered materials for the supplemental stockpile.

There is shown below a summary, by titles of the bill, setting forth the amounts considered by the committee on budget estimates and amendments thereto, the amounts carried in the House bill, the amounts recommended by the committee, together with a comparison of the committee recommendations, plus or minus the budget estimates, as amended.

Summary of the bill by titles

Title	Budget estimates, 1965	House bill, 1965	Senate committee, 1965	Senate committee (+) or (-) budget estimates
Title I—General activities.....	\$1,573,421,600	\$1,493,518,000	\$1,573,157,524	-\$264,075
Title II—Credit agencies.....	58,802,000	55,885,000	57,422,000	-1,380,000
Title III—Corporations:				
Federal Crop Insurance Corporation.....	6,942,000	6,942,000	6,942,000	-----
Reimbursement for net realized losses.....	1,724,000,000	1,724,000,000	1,574,000,000	-150,000,000
Subtotal, corporations.....	1,730,942,000	1,730,942,000	1,580,942,000	-150,000,000
Foreign assistance programs:				
Public Law 480:				
Sales for foreign currencies.....	1,893,000,000	1,612,000,000	1,737,000,000	-156,000,000
Emergency famine relief.....	220,453,000	220,453,000	220,453,000	-----
Long-term supply contracts.....	55,000,000	55,000,000	35,000,000	-20,000,000
Subtotal, Public Law 480.....	2,168,453,000	1,887,453,000	1,992,453,000	-176,000,000
International wheat agreement.....	31,838,000	31,838,000	31,838,000	-----
Bartered materials for supplemental stockpile.....	120,000,000	82,860,000	102,860,000	-17,140,000
Total, title III.....	4,051,233,000	3,733,093,000	3,708,093,000	-343,140,000
Title IV—Related agencies: Farm Credit Administration.....	(2,876,000)	(2,876,000)	(2,876,000)	-----
Grand total.....	5,683,456,600	5,282,496,000	5,338,672,525	-344,784,075

¹ Includes comparability adjustment of \$99,831,000 for sec. 32 funds (special receipts) replaced in bill by appropriation (general funds).

IMPORTANCE OF PESTICIDES TO AMERICAN AGRICULTURE

In the past two decades pesticides have become a crucial element in the spectacular technological progress of modern American agriculture and forestry. They have given greater protection from pests than any previously known methods. They have made farmers in the United States the most efficient in the world and have provided the public with a wide range and wholesome supply of high-quality foods, at moderate prices. They have been the chief weapons in fighting new pests and diseases which could have reduced food supplies materially. They have protected our forest products and recreational areas and have aided public health officials in the continuing fight against pestborne diseases.

The level of living of consumers would be drastically reduced if pesticides were not used today. It has been estimated that livestock output would be reduced by about 25 percent and crop production by nearly 30 percent in the first years of nonuse. Farm exports would be eliminated by such a reduction and prices of farm products might increase by 50 to 75 percent. Consumers would pay higher prices for poorer quality products. The effect of these losses would be cumulative over the years.

PROBLEMS ASSOCIATED WITH THE USE OF PESTICIDES

Despite the great benefits derived from their use, pesticides have created problems of persistence and of environmental contamination that have been reemphasized by claims that the recent occurrences such as the Mississippi River fish kill and contamination of milk from cattle fed forage containing residues may result after pesticides treatments. The Department of Agriculture has sought new ways of fighting pests without the attendant pesticide residue hazards, and within available resources, much has been accomplished. New, less persistent pesticides have been developed; new methods of application have been developed to lessen the amounts used and to direct pesticides to target organisms; highly effective chemical attractants have been developed to use in conjunction with pesticides thus reducing the amounts needed; crops resistant to insects, diseases, and nematodes have been developed; and new nonchemical or biological methods and controls have been achieved. The uppermost consideration in these new developments and in their use in cooperative programs to control pests has been safety for man, animals, fish, and wildlife. These hazards have been kept to a minimum, and research results to date have shown some progress in connection with these residue problems.

SUMMARY OF INTENSIFIED PROGRAM

An intensified program of research, education, and regulation is needed to reduce further and to eventually eliminate the need for using hazardous chemicals in agricultural production and processing and in control of forest pests. A coordinated Department program involving six of its agencies—the Agricultural Research Service, the Cooperative State Research Service, the Cooperative Extension Service, the Economic Research Service, the Forest Service, and the National Agricultural Library—has been presented to the Congress

in (S. Doc. 85) recommending increases for these agencies in order to make a concentrated attack on the pesticide residue problem.

The research increase involves five major categories, each designed to contribute to the goal. The first is for increased studies on control of plant pests and diseases and animal parasites by biological, non-chemical, and sterility methods, or by use of attractants, repellants, etc., and plant genetic and breeding research to develop resistant varieties to obviate or reduce the need for any chemical or other controls. The second is for basic research on biology, ecology, physiology, pathology, metabolism, and nutrition of insects, plants, and animals to develop safe means of control of plant pests and diseases and animal parasites. Third, research on more specific, less persistent conventional pesticides, improved methods of application, and development of detection methods of determining residues in processing and marketing of agricultural commodities. Fourth, research on toxicological and pathological effects of pesticides and other agricultural chemicals in livestock, and on fate and effects of such residues in soils and in crop and farmstead water supplies; and on effects of trace levels of pesticides occurring in our current food and feed supplies. Fifth, economic research on comparative farm costs and returns and collection of basic data on current practices, costs, and methods of controlling insects, involving use of toxic chemicals in major agricultural areas of the Nation; and effects of restrictions on the use of toxic chemicals in agricultural production.

The proposal also includes an intensified extension educational program on use of pesticides and residue problems, for dissemination to the general public including producers of agricultural commodities, and also specialized library reference services to scientists on new research and other information on problems related to pesticide residues.

In addition, increased funds are proposed for expansion of the program of evaluation of pest control programs with special reference to the environmental impact associated with control and eradication procedures, including the initiation of monitoring pesticides in agriculture, as well as funds for financing the Department's activities under the new plan for interdepartmental coordination and strengthening of registration and enforcement activities.

In order to provide adequate facilities for the accelerated research program additional funds have also been recommended for the construction of three new Federal facilities and the planning of three others. The proposal also provides for construction of facilities at State agricultural experiment stations for accelerating pesticides research.

The total increase requested to implement this program in fiscal 1965, is \$29 million, of which \$5.8 million is for construction, including plans. Testimony of Department witnesses indicated that the request presented to the Bureau of the Budget was for \$65 million, of which \$28,577,000 was for construction. The reductions made by the Bureau of the Budget were principally through providing only the planning funds for construction of research buildings for which construction contracts could not be awarded until fiscal year 1966. Their reduction in actual program funds was 36 percent.

The committee has recommended the inclusion in the bill of the full \$29 million requested in Senate Document 85 for research pro-

gram increases, and for the construction of facilities and for accelerating research at the State agricultural experiment stations and through basic research contracts and grants. A program summary is printed in the table below showing the use to be made of the \$29 million during fiscal 1965 for pesticides in the various agencies, and by several items in the agricultural appropriation bill.

Summary of program and construction items, by agency, for the pest control research and education (budget amendment for fiscal 1965)

[In thousands of dollars]

Agency	1964 base	1965 budget estimate	1965 budget amendment			Total	Grand total
			Program	Facilities			
				Construction	Planning ¹		
Research and education:							
Agricultural Research Service ²	21,881	24,194	12,200	800	758	13,758	37,952
Forest Service.....	3,835	4,186	1,850	900	-----	2,750	6,936
Economic Research Service.....	-----	-----	500	-----	-----	500	500
Cooperative State Research Service.....	6,995	7,261	5,550	3,242	-----	8,792	16,053
Extension Service.....	2,000	2,000	2,300	-----	-----	2,300	4,300
National Agricultural Library.....	-----	-----	200	-----	-----	200	200
Total, research and education.....	34,711	37,641	22,600	4,942	758	28,300	65,941
Disease and pest control: Agricultural Research Service.....	1,604	2,438	600	-----	100	700	3,138
Grand total.....	36,315	40,079	23,200	4,942	858	29,000	69,079

¹ This includes funds for planning research facilities valued at \$10,725,000.

² Includes research in marketing.

PERSONAL PROPERTY

It is the feeling of the committee that the agencies included in this bill have not made maximum use of excess personal property available through the General Services Administration. The committee urges all agencies to make vigorous efforts during the coming year to utilize General Services Administration property and when fiscal year 1966 budget estimates are justified to make a report on accomplishments and comparisons with previous years.

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES RESEARCH

RESEARCH

1964 appropriations.....	\$96,433,075
1965 budget estimates.....	116,832,875
House bill.....	97,656,000
Committee recommendation.....	120,564,000
Comparisons with:	
Appropriation, 1964.....	+24,130,925
Estimates, 1965.....	+3,731,125
House bill.....	+22,908,000

The Agricultural Research Service is the principal research agency within the Department of Agriculture and is responsible within the Department for the conduct of a number of research programs which include: (a) Farm research, (b) utilization research and development, (c) marketing research, (d) nutrition and consumer use research, and (e) oversea research conducted under the special foreign currency

program, which is financed under a separate appropriation item.

The committee recommends an appropriation of \$120,564,000, for this item, including \$5,248,000 for the preparation of plans, the construction, and the renovation of research facilities.

The amount recommended is \$24,130,935 over the comparative appropriations for 1964 including marketing research, and it is \$3,731,125 over the budget estimates for 1965, including the amendment to the budget in Senate Document No. 85 totaling \$13,758,000 for pesticides research. The appropriation recommended is \$22,908,000 over the House bill of which \$6,150,000 is comprised of various increased items requested in the original budget estimates under this head but placed in the House bill under the section 32 provision for research purposes. These items, recommended in the amount of \$6,150,000 have been stricken from section 32 and restored under this appropriation item.

PESTICIDES RESEARCH

The full budget estimate is recommended for pesticides research totaling \$13,758,000, plus the \$6,150,000 referred to above and the \$1,400,000 included for research to reduce the cost of production on cotton constitute the principal changes over the House bill.

There follows a brief description of the amounts, and by major purpose, in regard to the pesticides amendment for the accelerated program increases, and for plans and construction of research facilities:

(1) For accelerated research on biological controls, \$6,575,000, comprised of: (a) An increase of \$4,200,000 for research on control of pests by biological sterility, and non-chemical methods, or by use of attractants, etc.; (b) An increase of \$2,175,000 for research on genetic and varietal resistance of plants to insects, diseases, and nematodes; and (c) An increase of \$200,000 for research on nonpesticidal methods for the control of insects attacking food, feed, and fiber after harvest.

(2) For the acceleration of basic research, \$1,880,000, comprised of: (a) An increase of \$1,530,000 for basic research on biology, taxonomy, ecology, physiology, pathology, metabolism, and nutrition of insects, plants, and animals; to develop safe means of control of plant pests and diseases and animal parasites; and (b) An increase of \$350,000 for basic research on the biology, ecology, physiology, and nutrition of stored-product insects.

(3) For the acceleration of research on improved conventional pesticides and methods of application, \$2,080,000 comprised of: (a) An increase of \$1,530,000 for research on more specific, less persistent conventional pesticides for control of insects, diseases, nematodes, weeds, etc., and for improved equipment for pesticide application; and (b) An increase of \$550,000 for research to develop more specific, less persistent conventional pesticides, safe methods for their use, and simple rapid detection methods of residues in harvested commodities.

(4) For the acceleration of research on toxicology, pathology, and fate of pesticides, \$1,665,000 comprised of: (a) An increase of \$345,000 for research on toxicological and pathological effects of pesticides, feed additives, etc., on livestock as found in their feed and on crops; (b) An increase of

\$720,000 for research on fate of and the effects of pesticide residues in soils, and in crop and farmstead water supplies; and (c) An increase of \$600,000 for research on the effects of pesticides on the composition and nutritive value of the current food supply.

The distribution of the research program by projects is estimated as follows:

	Latest budget estimate, 1965	Amendment to latest budget estimate, 1965	Revised total, 1965
Salaries and expenses:			
Research:			
Farm research:			
Animal husbandry.....	\$6,739,100	\$500,000	\$7,239,100
Animal disease and parasite.....	12,380,600	600,000	12,980,600
Crops.....	20,677,900	4,275,000	24,952,900
Entomology.....	11,471,900	4,125,000	15,596,900
Soil and water conservation.....	12,259,300	500,000	12,759,300
Agricultural engineering.....	4,100,500	500,000	4,600,500
Subtotal.....	67,629,300	10,500,000	78,129,300
Nutrition and consumer use research:			
Human nutrition.....	1,774,900	600,000	2,374,900
All other projects.....	1,357,900		1,357,900
Subtotal.....	3,132,800	600,000	3,732,800
Agricultural marketing research.....	4,459,875	1,100,000	5,559,875
All other projects.....	1 25,458,600		1 25,458,600
Construction of research facilities.....	2,394,300	1,558,000	3,952,300
Total, research.....	103,074,875	13,758,000	116,832,875

¹ Excludes \$1,000,000 reappropriation for "special fund."

(Refer to Senate Hearings, p. 1208 for details of increased use of research funds in S. Doc. 85.)

The research facilities appropriated for under this appropriation item include the items in the original budget request, together with the item of \$1,600,000 for a peanut research facility, for which plans and specifications have been developed. Senate Document No. 85, the amendment to the budget for accelerated pesticides research, requested \$1,558,000 for plans and for construction for the following research facilities:

Plans for:

(1) Facilities for research on livestock insects and toxicological and pathological effects of pesticides on livestock, College Station, Tex. (estimated total cost, including plans, \$3,250,000), \$260,000;

(2) Facilities for research to control plant diseases and nematodes and to develop new and safer methods for control of insects, including insects of stored products, Beltsville, Md. (estimated total cost, including plans, \$4,225,000), \$338,000;

(3) Laboratory for insect attractants and environmental research on stored products insects, Gainesville, Fla. (estimated total cost, including plans, \$2,000,000), \$160,000; and

(4) Construction of facilities for expanded research on insect control in agricultural products in marketing channels, Savannah, Ga., \$800,000.

ACCELERATED COST-OF-PRODUCTION RESEARCH ON COTTON

As previously indicated, the committee has included in the bill the full amount for pesticides research totaling \$29 million of a requested program of \$65 million. The committee delayed its closing of the hearing on this bill in order to be able to consider the items in the pesticides amendment to the budget estimates.

During the hearings it was also brought out that the Department had under consideration a \$10 million program to accelerate research to reduce cost of production of cotton. The plight of cotton is well known and in connection with the farm legislation enacted earlier this year a \$10 million accelerated cotton research program was authorized under Public Law 88-297. The Secretary of Agriculture was directed to formulate a program, and the research officials have developed a special cotton program and presented it to the committee. In the committee hearings in connection with Senate Document 85 it was made clear that none of the funds requested in that document would go to production or pesticides research on cotton, but a supplemental budget request for the \$10 million cotton program had been submitted to the Bureau of the Budget.

On two previous occasions the committee has taken the lead in recommending funds to provide for accelerating cotton research. First, when it recommended funds for the cotton insects laboratory at Starkville, Miss., in 1961 to greatly intensify research on the boll weevil and other cotton insects which greatly affect the cost of production of cotton. Then again last year funds were provided to establish a weed control laboratory for an intensified program of research on weed control on cotton at a facility to be located at Stoneville, Miss.

The hearing record clearly demonstrates the need for additional specialized research facilities as a part of the accelerated cotton research program. The committee has recommended the inclusion of \$1,400,000 in the bill for accelerated cotton research. It has recommended \$160,000 to accelerate research on polyhedral viruses to control the bollworm, tobacco budworm, and cabbage looper on cotton, and it has recommended \$240,000 to develop plans and specifications for the construction of additional research laboratories and to renovate existing facilities as shown in the committee hearings on page 1111. The facilities recommended are estimated to cost \$3 million and are listed below:

(a) Cotton disease research facilities, College Station, Tex. (estimated total cost, including plans, \$700,000).

(b) Western insects research facilities and cotton physiology research facilities (photoperiodism research) Tempe, Ariz. (estimated total cost, including plans, \$1,250,000).

(c) Cotton physiology research laboratory (growth and fruiting), Stoneville, Miss. (estimated total cost, including plans, \$550,000).

(d) Pilot cotton ginning facilities, Stoneville, Miss., and Mesilla Park, N. Mex. (estimated total cost, including plans, \$200,000).

(e) Facilities in the High Plains region in Texas for research on ginning and research on storage prior to ginning (estimated total cost, including plans, \$300,000).

In view of the serious competitive situation that cotton is faced with from a cost of production standpoint, coupled with the com-

petition from synthetics, and from imports of low-priced textiles, the committee felt that it was well justified in including \$1 million in addition to the foregoing amounts to be utilized by the agency to accelerate research on cotton in existing facilities, and by means of contracts and grants on pesticides, breeding, and physiology investigations. The committee believes that this is the minimum effort that should be undertaken for this program in this bill and it expects that the Secretary of Agriculture will make every effort to see to it that the budget for next fiscal year provides more adequately for carrying forward the program that the committee has initiated in connection with this bill as well as for other research programs financed under this appropriation bill.

INCREASES IN ORIGINAL BUDGET ESTIMATES

The budget estimate for fiscal 1965 proposed a net increase of \$6,641,800 over 1964. Among the increases included was one for mandatory pay costs of \$1,423,500 for which \$1,422,925 was carried in the House bill. The other items of increase in the budget for several purposes, including the construction and alteration of research facilities, were carried in the budget estimate under this appropriation but were approved in the House bill under the section 32 research provision agreed to in the processing of the Agricultural Appropriation Act, 1964. The committee believes that the cost of all research programs and especially programs of a long-term nature should be presented, justified before the committee, and be financed by the regular appropriation process. The committee has restored to direct appropriation several items proposed in the original budget estimate as follows:

(1) For the staffing and operating new and expanded farm research laboratories and watershed centers, an appropriation of \$1,500,000 is included, as requested in the budget estimates, an increase of \$300,000 over the amount provided by the House under section 32.

(2) For research to avoid or minimize hazards associated with the control of agricultural pests, \$1,500,000 is recommended, the amount in the original estimate, and the amount in the House bill under section 32.

(3) For research on foot-and-mouth disease at Plum Island, N.Y., \$500,000 is included. This is the amount of the estimate and an increase of \$250,000 over the amount in the House bill under section 32.

(4) For food science research \$250,000 is recommended by the committee. This is the amount requested in the budget estimate, but denied by the House.

(5) For the construction of research facilities at Fort Collins, Colo., for sugarbeet, pasture, and range research, the committee recommends \$1 million as requested in the estimate. This is \$550,000 over the amount provided by the House under section 32.

(6) For the construction, alteration, and improvement of research facilities at the Agricultural Research Center at Beltsville, Md., the committee recommends \$850,000, the amount provided by the House under section 32, and \$544,300 under the estimate.

(7) The budget request proposed the closing of several small research stations for which a decrease of \$264,000 was requested in the budget. This reduction was denied by the House, and the committee has concurred in the action taken by the House. In addition,

the committee has included \$150,000 to be prorated among these stations to enable them to carry out their research investigations on a more effective basis.

(8) For stored products insect marketing research to reduce pesticide hazards, \$200,000 is included as requested in the budget estimate and denied by the House. The committee believes that the pesticides hazards in regard to stored products is one of the more serious aspects in regard to the pesticides problem and strongly endorses inclusion of this amount in the bill.

(9) The budget request recommended several reductions dealing with transportation and facilities marketing research involving market facility planning, work methods, and transportation and packaging. The House denied \$662,000 of these reductions requested in the budget estimate, and the committee concurs in the action taken by the House to continue these very important activities.

As a part of the same general request the budget estimate eliminated the entire research activity for wholesaling and retailing studies amounting to \$200,000. This request of the budget estimate was concurred in by the House, but the committee has restored to the bill \$200,000 to continue these research investigations.

ADDITIONAL RESEARCH FACILITIES

This year the committee has not included in the bill any funds for the construction of new research facilities except for those included in the original budget and the amendments thereto with the exception of the Peanut Research Laboratory for Dawson, Ga., which was passed over in connection with the final processing of agricultural appropriation bill last year.

Several meritorious proposals were made to the committee by Members of the Senate and by outside organizations with regard to the renovation of existing facilities and for the construction of adequate research facilities for various purposes. Last year the committee asked for and received reports on the feasibility of three laboratory facilities: one in regard to the establishment of a wool quality research facility; one in regard to the need for establishment of a regional research station to conduct investigations in the northeastern Appalachian region; and one for the construction of a Grain Marketing Research Laboratory.

Previously the committee had received a report on the needs for expanded research in food and nutrition. Last year the report to the committee on this program was printed as Senate Document 35. It specifically outlines the urgent need for accelerating food and nutrition research, together with the need for additional facilities in which to carry out an accelerated research program in this vitally important area affecting every American citizen. The committee directs the Department to give careful attention to this program in connection with the formulation of its budget request for fiscal 1966.

The Agricultural Appropriation Act for 1964 included a total of \$10 million for the enlargement and renovation of existing utilization research facilities by a transfer from CCC funds, together with \$9,500,000 included under section 32, for the construction of the new utilization research laboratory in the Southeast. The research mission of the new laboratory in the Southeast is to be in accordance with the

Department's research proposals for accelerated utilization research as presented and justified in Senate Document 34.

Other than the agreement with respect to peanut quality research as stated in the conference report on the agricultural appropriation bill for 1964, the conference committee did not agree to any limitation on the research activities to be undertaken at the new utilization research laboratory in the Southeast, and the committee expects that the Department will proceed to include within its plans for the construction and equipment of this laboratory those facilities necessary to conduct the program of research work as described in Senate Document 34.

AGRICULTURAL RESEARCH FINANCED FROM SECTION 32

The budget estimate did not propose any use of section 32 funds for research but the House bill provided the use of the entire \$25 million agreed to last year, with \$2 million of this use to partially meet the items of construction and renovation of facilities requested in the budget under direct appropriation. As previously indicated in the report, the committee has restored all budget items, in the amounts that it recommends, under direct appropriation from regular funds.

In the appropriation bill for 1962, funds were provided for the plans and specifications of a National Peanut Research Laboratory, and in 1963 and again in 1964 the budget requested \$1,600,000 for the construction of this facility to be located at Dawson, Ga. In processing the 1964 appropriation bill the conferees agreed to pass over this item (without prejudice) until fiscal year 1965. The House bill included \$450,000 for a peanut facility for a very limited and different purpose under section 32 funds. In line with actions taken by the committee, as previously indicated in the report, there is included in the bill \$1,600,000 for the construction of this laboratory under regular funds.

RESEARCH ON HEALTH-RELATED PROBLEMS OF TOBACCO

The House bill provided \$1,500,000 for research on the health-related problems of tobacco. This is an unbudgeted item and was undoubtedly included in the bill due to the very serious situation which has arisen in regard to tobacco in light of certain medical findings and publications. The committee has retained \$1 million of the increase for tobacco research under section 32, proposed by the House.

The committee directs, however, that since the principal problem in connection with health stems from the Flue-cured tobacco, which constitutes approximately two-thirds of the total production, that it would be unwise and unfair to locate all of the additional research in connection with this general problem at the University of Kentucky, as proposed by the House.

The committee directs, therefore, that at least one-half of the \$1 million recommended for this purpose be directed to and utilized in the Flue-cured producing areas. The committee directs also that the Department of Agriculture, in its own research activities and in cooperation with the medical research agencies, make certain that it does not invade the province of medical research in conjunction with

activities undertaken in these or any other funds made available for intensified tobacco research investigations.

COST-OF-PRODUCTION RESEARCH

The House passed bill authorized \$9,400,000 for cost-of-production research on a number of commodities without any specific amounts being specified for individual commodities or purposes, and the total amount provided was in excess of the budget estimate. Many, if not most, of the items mentioned in the House report for which these increased funds were to be directed, represent commodities or research objectives which have been brought to the attention of this committee.

For a number of years this committee has included in the appropriation bill specific amounts to meet the research objectives of a number of items. Last year it included a number of items, most of which were halved in the conference agreement. It then agreed in conference to a use of \$5 million for cost-of-production research under section 32, at the general discretion of the Department. The record of the use of these funds by the Department has been printed in the Senate hearing record, together with the plans of the Department for use of a continued availability of \$5 million in fiscal 1965 for research purposes, even though the Department appealed the action in the House bill which provided these large sums without any specific directions as to purpose or research objectives. During the hearings the committee requested the Department to provide it with a specific summary as to how the entire \$9,400,000 authorized in the House bill would be used for cost-of-production research.

It is evident from the tabulation supplied to the committee that it would be unwise to allow wide latitude to the Department in the use of research funds. In some instances, the Department proposed to apply funds to new activities in considerable amounts, or to enlarge research activities never presented to the committee in any manner.

After very thorough and careful deliberation the committee recommends the continuance of \$5 million for cost-of-production research under section 32 funds for 1965. Of this amount \$4,130,000 is specified by individual research objectives and the balance of \$870,000 is recommended to be available to the Department for acceleration of existing research programs to meet urgent and unforeseen needs. These unspecified amounts could be used cooperatively by the Agricultural Research Service and the Cooperative State Research Service in the various States to meet urgent needs.

The committee expects that the budget estimates for 1966 will include a request for funds under the regular appropriation process, in specific amounts recommended as being necessary to carry forward the long-term research on the several items listed in this report. The committee expects the Department to report in detail on its use of the funds for which specific directions are not set forth in this report.

The specific recommendations of the committee follow:

- (1) For additional staffing of new laboratories and research centers for which \$1,500,000 was requested in the budget and has been approved under the direct appropriation for research, the committee recommends an additional \$250,000 to be prorated to these new laboratories and research centers where most urgently needed.

(2) For accelerating research on the mold problem (mycotoxins, including aflatoxins) of peanuts and other oilseeds, the committee recommends the use of \$425,000.

(3) For cereal leaf beetle research, the committee recommends \$200,000, and in addition thereto is advised that the State of Michigan has pledged \$191,000 for cooperative research on the cereal leaf beetle. This insect has recently entered this country and has caused serious damage in the areas affected.

(4) Under the heading of meat animal research, the committee has provided \$75,000 to accelerate parasite research at Beltsville, Md., and has included \$25,000 for a feasibility study and report on meat animal research. The attention of the committee has been directed toward the relocation of livestock research in Nebraska and the need for modernization of livestock facilities at Miles City, Mont. The committee has declined to act upon either of these items this year, or for that matter, to include in the bill a number of meritorious items dealing with renovation or construction of research facilities. It directs the Department to make a thorough study of its livestock research program and report to the committee early next year as to the scope and objectives of the present program, including the expenditures and the purpose of research at existing locations; together with the long-range program of the Department for beef and livestock research, as to objectives and recommended changes. The committee strongly supports livestock research as is evidenced by the large appropriation already devoted to this general purpose, but believes it should be much better informed, not only in regard to these two locations but as to the entire program of research—present and proposed—for livestock by the departmental agencies and by the States.

The committee has provided \$25,000 under section 32 funds to enable the Department to make this study and review of the present research program and the development of clear and concrete recommendations to the committee as to specific needs for the future, by objective, and by location.

(5) Under the general heading of horticultural crops, the committee has recommended the use of \$240,000 for short life of peaches; \$37,500 for acceleration of harvesting of Kona coffee; \$25,000 for citrus harvesting research; \$30,000 for research on mushrooms; \$30,000 for grapes; \$25,000 for strawberries; and \$75,000 for research on the York spot disease of apples in the producing area of the northeastern Appalachian region; and \$80,000 for other horticultural crops, including blueberries.

(6) Included is \$325,000 for poultry disease research, principally upon avian leukosis.

(7) For acceleration of soil and water conservation research, the committee has included \$50,000 for an acceleration of research in the Humboldt River watershed basin; \$50,000 for acceleration of research on the Sleepers River watershed and the drainage of lakeshed and mountain soil in East Franklin, Vt., and \$125,000 for soil and water research for Baton Rouge, La.

(8) For sugar crops the committee has included \$375,000, of which \$265,000 is for sugarbeets and \$110,000 for sugarcane.

(9) For tobacco research to accelerate research on the sucker control problem, \$35,000.

(10) For accelerated production and marketing research on floral-cultural crops \$150,000 is included.

(11) For accelerated pccan research, the committee recommends \$175,000.

(12) For dairy and dairy products, \$150,000 is recommended with the expectation that this amount will be directed toward the residue problem affecting milk and the production of milk.

(13) For accelerated research on soybeans, \$465,000.

(14) For accelerated research on peanuts, \$125,000.

(15) For accelerated research on safflower, \$50,000.

(16) For accelerated research on cottonseed, \$175,000.

(17) For bee research, the committee has recommended a total of \$127,500, of which \$15,000 is for bee research at Laramie and \$112,500 is for the nosema disease of bees.

(18) For accelerated research on marshland mosquito, the committee recommends \$40,000.

(19) For accelerating wheat research on Durum wheat at the Spring Wheat Quality Laboratory, the committee recommends \$100,000.

(20) For accelerating research investigations dealing with the automation of gravity water applications for irrigation, the committee has included \$95,000 for this program of research headquartered at Fort Collins, Colo.

UTILIZATION AND INDUSTRIAL USES RESEARCH

In connection with utilization research to find new and industrial uses for agricultural commodities, the Congress provided funds last year for the renovation, enlargement, and construction of some of the utilization research capacities recommended in Senate Document 34. Last year \$5 million was provided for expanded utilization research through contracts and grants by the Agricultural Research Service pending the construction of new facilities provided last year, and as a part of the accelerated utilization research program to develop new uses for agricultural commodities. The House bill provided \$9,400,000 under section 32 for this purpose without any directions as to use to be made of the funds. The Department has requested that these funds provided under section 32 not be included in the bill.

As indicated in connection with the production research the committee believes that every effort should be made to accelerate utilization research, but that the increases approved by the Congress should be directed toward some specific research objectives and in specific amounts. The committee has, therefore, reduced the amount in the House bill from \$9,400,000 to \$5 million under section 32 pending the enlargement of research capacities authorized last year. The detailed research objectives and the amounts recommended for each objective are as follows:

(1) Food consumption survey urgently needed as a basis for planning utilization and marketing research and other programs, \$900,000;

(2) Research on mold problem (mycotoxins, including aflatoxins) of peanuts, other oilseeds and cereals, including problems in marketing channels, \$450,000;

(3) Agricultural marketing research on cotton, fruits and vegetables, grains, oilseeds, meat, poultry, dairy and dairy products, stored products, flowers, and tobacco, \$900,000;

(4) Research to identify health-related constituents of tobacco, \$200,000;

- (5) Development of new and improved industrial products from cereals, \$650,000;
- (6) Development of new and improved cotton textiles, research on cycloprene acids in cottonseed, \$500,000;
- (7) Development of new dehydrated and frozen milk, meat, poultry and egg products, new and improved industrial uses for animal fats and hides, wool and mohair, \$500,000; and
- (8) Development of new and improved industrial products from soybeans, flaxseed, peanuts, castor, and safflower, \$300,000;
- (9) Research on horticultural crops, including citrus, grapes, and other fruit and vegetable products, \$500,000; and
- (10) Research on processing of sugar sorghum and forage crops, \$100,000.

PLANT AND ANIMAL DISEASE AND PEST CONTROL

1964 appropriations.....	\$64,318,000
1965 budget estimates.....	¹ 69,605,000
House bill.....	65,255,000
Committee recommendation.....	69,036,400
Comparisons with:	
Appropriation 1964.....	+4,718,400
Estimates, 1965.....	-568,600
House bill.....	+3,781,400

¹ S. Docs. 82, 83, and 85 increased the original estimate by \$3,950,000.

The committee recommends an appropriation of \$69,036,400 to carry out the various inspection, quarantine, regulatory, and control programs financed under this appropriation item. The recommended amount is \$4,718,400 over fiscal 1964 and is \$3,781,400 over the House bill and \$568,600 under the amended budget estimates for fiscal 1965.

The committee has included \$105,000 over the House bill for strengthening plant quarantine inspection at ports of entry to meet the increasing danger of pests and diseases being introduced from foreign countries resulting from the unprecedented volume of world travel and commerce entering the United States. The committee restoration provides an increase of \$230,000 over 1964. An increase of \$100,000 over the House bill to restore the estimate of \$175,000 is included to strengthen animal inspection and quarantine to prevent the introduction and dissemination of foreign animal diseases.

The committee has concurred in the action of the House to deny \$95,000 of the increase for activities under the Virus-Serum-Toxin Act to assure safety and potency of veterinary biologics. The amount provided is \$100,000 over 1964.

The committee has included the full estimate of \$800,000 for registration and enforcement activities related to "economic poisons" regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, and related laws. This is an increase of \$300,000 over the amount carried in the House bill.

The committee has also included the \$700,000 requested in Senate Document 85 for plant and animal disease and pest control activities, of which \$100,000 is for plans and specifications for a laboratory at Beltsville, Md., to cost \$1,250,000 as a part of the pesticides facility proposed under the "Research" appropriation item. The program increase of \$600,000 contains \$420,000 for acceleration of the evalua-

tion of pest control and eradication procedures and initiation of necessary field activities to monitor pesticides in agriculture, and \$180,000 is provided to implement additional activities under the interagency agreement between the Department of Agriculture, the Department of Health, Education, and Welfare, and the Department of the Interior relating to pesticides registration.

The committee has recommended an appropriation of \$1 million for a new cooperative cost-sharing boll weevil eradication program in the Caprock area of the High Plains of Texas. This is an increase of \$800,000 over the amount recommended by the House. The eradication costs are to be shared dollar for dollar, between the Department, the producers, and affected cotton production industry in the area. In addition, producers will be expected to pay their normal production control costs. If allowed to continue, the threatened buildup in weevil population would soon spread through the valuable cotton acreage of the Texas High Plains, which produces about 15 percent of the American cotton crop at an annual value of about \$400 million, and it could then spread to the cotton areas of Arizona, California, and New Mexico.

For eradication of the screw-worm in the Southwest the committee has denied the request in Senate Document 83 to place the screw-worm eradication program in the Southwest on a federally financed basis and concurs in the House recommendation of \$2,750,000 to continue this program on a full cost-sharing program. The committee feels that in view of the great losses claimed to have been suffered by the livestock producers of the Southwest, prior to initiation of the program of control, that they or the States immediately affected should be willing to share a portion of the cost. Further, the committee feels that the establishment of the sterile screw-worm barrier has not fully proven itself in view of the 22 infestations which were recorded in Oklahoma in 1963, and the 1,305 which were recorded in Texas in the same year to the north and east of the barrier zone.

The committee feels very strongly that it should not deviate from 50-50 cost-sharing control costs of this program, or of any other control program. To do so would encourage a lack of interest and responsibility on the part of the areas involved as well as to impose an undue share of costs upon the Federal Government.

The committee's attention has been called to a serious infestation of the cereal leaf beetle in Michigan and the midwestern area. The committee expects this eradication program will be carried on a full cost-sharing basis also.

The committee has also included \$3,460,200 in the bill for continuation of the cooperative, cost-sharing fire ant eradication program. This is an increase of \$993,200 over the budget estimate and as carried in the House bill, and an increase of \$515,200 over the amount approved in the agricultural appropriation bill for fiscal 1964 prior to the reduction by the Department of the \$500,000 increase which had been agreed to by the conferees on the agricultural appropriation bill, 1964. The amount recommended is the amount that the agency had recommended in its original budget estimates for fiscal 1965.

For the cooperative cost-sharing sheep scabies eradication program the committee has provided \$1,448,500, an increase of \$783,200 over the budget estimate for 1965 and the same amount as the agency had requested in its original budget for 1965. The committee recom-

mendation represents an increase of \$593,100 over the amount appropriated in the agricultural appropriation bill for 1964 prior to the \$200,000 reduction which the Department made against this program. The committee has restored the amounts for the fire ant eradication program and the sheep scabies program as indicated.

In order to preclude the reprogramming of funds agreed to by the conference committee in regard to this appropriation item the committee hereby directs the Secretary of Agriculture to advise and to obtain advance concurrence from the Appropriations Committee in regard to any proposed changes in programing amounts for projects or activities financed under this appropriation item. It directs that there be no repetition of the action taken in connection with funds made available in the Appropriations Act for 1964 for certain specific activities, which were then sharply decreased by action of departmental officials. The committee is unable to reconcile this action by the Department in regard to approved programs, in which there is full cost sharing of eradication costs.

MEAT INSPECTION

1964 appropriations.....	\$27,896,000
1965 budget estimates.....	30,837,000
House bill.....	30,454,000
Committee recommendation.....	30,837,000
Comparisons with:	
Appropriation, 1964.....	+2,941,000
Estimates, 1965.....	-----
House bill.....	+383,000

The committee recommends an appropriation of \$30,837,000 for the mandatory Federal meat inspection program. This is an increase of \$383,000 over the amount recommended in the House bill and is the amount of the budget estimate. It is \$2,941,000 over the amount available for fiscal 1964. The recommended appropriation includes an increase over 1964 of \$861,000 for the reclassification of nonveterinarian meat inspectors, pursuant to recently issued civil service standards and \$697,000 for mandatory pay increases.

The restoration by the committee of \$383,000 over the amount carried in the House bill includes \$220,000 for periodic salary advancements and \$163,000 to meet the increased workload for fiscal 1965. The committee has been advised that even the full amount of the budget estimate will not be sufficient to meet the expanded requirements of the meat inspection program.

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

1964 appropriations.....	\$1,250,000
1965 budget estimates.....	¹ 4,000,000
House bill.....	-----
Committee recommendation.....	4,000,000
Comparisons with:	
Appropriation, 1964.....	+2,750,000
Estimates, 1965.....	-----
House bill.....	+4,000,000

¹ S. Doc. 82 reduced the original estimate by \$1,000,000

The committee recommends an appropriation of \$4 million for salaries and expenses for the special foreign currency research program. This is the amount of the revised budget estimate and an increase of \$2,750,000 over the appropriation for 1964. The House had denied any appropriation for this oversea research program authorized under sections 104 (a) and (k) of Public Law 480. Of the amount recommended \$2 million is for market development research and \$2 million is for projects dealing with scientific research.

The committee expects the Department to be very selective in the development and approval of projects undertaken with funds approved under this program in order that the results achieved from such research will be beneficial to American agriculture.

FOREST SERVICE

FOREST PROTECTION AND UTILIZATION, FOREST RESEARCH

Senate Document 85 contained the pesticides budget amendment for various research and related activities of agriculture, and contained a supplemental estimate for 1965 for the Forest Service in the amount of \$2,750,000 for pesticides research. The appropriations for the Forest Service are normally considered by the Subcommittee for the Interior Department and Related Agencies although the Forest Service is an agency of the Department of Agriculture. The committee has included in this bill the additional amount for forestry research, including \$900,000 for construction and renovation of research facilities. Like all other items transmitted as a part of Senate Document 85 the funds appropriated for research purposes under this head will be directed toward coping with the pesticides problems as they affect the forests and forestry products.

COOPERATIVE STATE RESEARCH SERVICE

1964 appropriations.....	\$41, 428, 000
1965 budget estimates.....	¹ 51, 232, 000
House bill.....	42, 440, 000
Committee recommendation.....	52, 482, 000
Comparisons with:	
Appropriation, 1964.....	+11, 054, 000
Estimates, 1965.....	+1, 250, 000
House bill.....	+10, 042, 000

¹ S. Doc. 85 increased the estimate considered by the House by \$8,792,000.

The committee recommends an appropriation of \$52,482,000, an increase of \$11,054,000 over the 1964 appropriation and an increase of \$1,250,000 over the revised budget estimates, including estimates of \$8,792,000 submitted in Senate Document 85. The amount recommended is \$10,042,000 over the House bill.

The bill as passed by the House included an increase of \$1 million over 1964 for distribution to the States under the regular Hatch Act formula, and in addition to this amount the committee recommends \$1,250,000 which is to be directed toward adjustment of salaries of research workers at the State experiment stations. Last year the committee included \$2,500,000 in the bill for this purpose but only \$1,250,000 was retained in the final enactment of the agricultural appropriation bill, 1964. The committee action will make available to the State experiment stations the balance of the Federal share

required for this purpose to enable the State experiment stations to make salary adjustments to their research employees who are paid in part from Federal funds, comparable to the pay raises granted to Federal employees under the Federal Pay Act of 1962.

As indicated above the committee has included the increase of \$8,792,000 in Senate Document 85 for pesticides research; and the funds allocated to the States under the formula for the pesticides program could be used by the States for testing milk residues. The specific amounts and purpose of these sums are as follows: \$3 million additional for payments to the State experiment stations; making a total available under this heading of \$45,113,000. There is included \$1,550,000 for grants to States for forestry research and this amount represents an increase of \$550,000 over the amount in the original estimate and the House approved bill. The increase is to be directed toward pesticides research. For the first time the committee has included \$2 million for grants for support of basic scientific research under the act approved September 6, 1958. Grants made under this item will also be directed toward the pesticides problem. ✓

The committee has also included, as requested in the budget amendment, \$3,242,000 for grants for facilities under the act of July 2, 1963, Public Law 88-74. Under this act the funds appropriated are distributed to the States under the formula for the construction and renovation of research facilities and must be matched dollar for dollar by the State experiment stations. The use of funds for this purpose is justified on the basis of the pesticides research program and the committee expects that the amounts available to each State will be used for that purpose.

EXTENSION SERVICE

PAYMENTS TO STATES AND PUERTO RICO

1964 appropriations.....	\$67, 295, 000
1965 budget estimates.....	¹ 66, 805, 000
House bill.....	67, 295, 000
Committee recommendation.....	72, 100, 000
Comparisons with:	
Appropriation, 1964.....	+4, 805, 000
Estimates, 1965.....	+5, 295, 000
House bill.....	+4, 805, 000

¹ S. Doc. 85 increased the original estimate by \$2,100,000.

For the appropriation item, cooperative extension work, payments and expenses, under which funds are distributed to the States under the Smith-Lever Act, the committee recommends an appropriation of \$72,100,000. The appropriation recommended is \$4,805,000 over the appropriation for 1964 and a similar amount over the House bill, and it is \$5,295,000 over the revised estimates for 1965. The original budget estimate recommended a decrease of \$2,590,000 which constitutes one-half of the Federal share of the pay costs necessary to bring about an adjustment in salary of extension workers comparable to that granted Federal workers in the Federal pay legislation under Public Law 87-793. The original budget estimate for 1965 proposed to decrease this item by \$2,590,000 but the House reinstated this amount in the bill and the committee has included

\$2,705,000 additional to provide the remaining increment for pay adjustment purposes.

It is the belief of the committee that the action taken by the Bureau of the Budget to reduce funds for cooperative extension work is based upon unsound information or judgment and the committee hopes that there will not be a repetition of this action in connection with this and other cooperatively financed programs and activities.

The amendment to the budget dealing with the pesticides program requested an additional \$2,100,000 to accelerate the specialized extension assistance given by county agents to users of pesticides, and the committee has included this amount in the bill because it believes it is essential that producers be aware of the directions to be followed in connection with the use of various chemicals in connection with agricultural production.

RETIREMENT AND EMPLOYEE COMPENSATION FUND COSTS

1964 appropriations.....	\$7, 272, 500
1965 budget estimates.....	¹ 7, 510, 000
House bill.....	7, 410, 000
Committee recommendation.....	7, 510, 000
Comparisons with:	
Appropriation, 1964.....	+ 237, 500
Estimates, 1965.....	-----
House bill.....	+ 100, 000

¹ S. Doc. 85 increased the original estimate by \$100,000.

The committee recommends an appropriation of \$7,510,000 for retirement costs, an increase of \$237, 500 over 1964 and \$100, 000 over the amount carried in the House bill. The Senate increase over the House bill is for an increment of \$100,000 for additional retirement costs in connection with Senate Document 85.

Penalty mail

An appropriation of \$3,113,000 is included for penalty mail. This is the amount of the budget request and the amount carried in the House bill, and the same amount provided in fiscal 1964.

FEDERAL EXTENSION SERVICE

1964 appropriations.....	\$2, 401, 000
1965 budget estimates.....	¹ 2, 551, 000
House bill.....	2, 451, 000
Committee recommendation.....	2, 551, 000
Comparisons with:	
Appropriation, 1964.....	+ 150, 000
Estimates, 1965.....	-----
House bill.....	+ 100, 000

¹ S. Doc. 85 increased the original estimate by \$100,000.

The committee recommends an appropriation of \$2,551,000 for the Federal Extension Service. This agency administers the payments to States for cooperative extension work and provides technical leadership and specialized assistance to the States in connection with all phases of the extension program. The appropriation recommended is \$150,000 over the appropriation for 1964 and is \$100,000 over the amount carried in the House bill. Increases over 1964 include \$50,000 for mandatory pay costs and \$100,000 presented and justified as a part of the budget request for the pesticides program submitted in Senate Document 85 and is to be used for that particular purpose.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

1964 appropriations-----	\$1,059,200
1965 budget estimates-----	1,102,200
House bill-----	1,082,000
Committee recommendation-----	1,102,000
Comparisons with:	
Appropriation, 1964-----	+42,800
Estimates, 1965-----	-200
House bill-----	+20,000

The Farmer Cooperative Service conducts research and performs advisory and educational services dealing with the organization, financing, management, and related operating problems of farmer cooperatives.

An appropriation of \$1,102,000 is recommended for fiscal 1965. This is an increase of \$42,800 over the adjusted appropriations for 1964, and is \$200 under the budget estimate. The amount recommended includes an increase of \$22,800 for increased pay act costs pursuant to Public Law 87-793, and \$20,000 which had been denied in the House bill to provide for increased costs of mandatory within-grade salary advancements.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

1964 appropriations-----	\$97,926,000
1965 budget estimates-----	98,750,000
House bill-----	100,511,000
Committee recommendation-----	100,511,000
Comparisons with:	
Appropriation, 1964-----	+2,585,000
Estimates, 1965-----	+1,761,000
House bill-----	

The committee recommends an appropriation of \$100,511,000 for conservation operations. Funds appropriated under this item are used to conduct a nationwide program of technical assistance to soil conservation districts, conduct soil surveys, operate plant materials centers, and to carry out related technical advisory activities in conjunction with our national soil conservation programs.

The amount recommended is \$2,585,000 over the 1964 appropriation and is the same amount carried in the House bill, and is \$1,761,000 over the budget estimate for 1965. The committee has concurred in the House action to provide \$1,815,000 for increased pay act costs under Public Law 87-793, and to provide \$770,000 for technical assistance to needy districts. In addition, the committee has approved the increase requested in the budget for plant materials centers of \$53,000; and has also directed that \$70,000 of funds available be used for rehabilitating the plant materials center at Pullman, Wash., and that \$102,000 be used to establish a plant materials center to serve the Eastern Coastal Plains area on a site to be donated by the State of New Jersey.

The committee expects to receive a report by January 1, 1965, on the feasibility and estimated first-year cost of establishing several conservation center showcases throughout the Nation to dramatize the benefits of soil, water, and watershed conservation work of the Department. The committee believes that establishment of such centers would greatly aid conservation education efforts directed toward, and in cooperation with, student and youth groups, foreign

trainees, agricultural and conservation organizations and urban visitors. There is considerable merit in establishing and operating several conservation centers, in cooperation with local districts, in several agricultural regions to show the need for, the effectiveness of, and the significance of conservation work to all our citizens.

WATERSHED PROTECTION

1964 appropriations.....	\$63, 447, 000
1965 budget estimates.....	65, 848, 000
House bill amounts.....	¹ 65, 848, 000
Committee recommendation.....	65, 848, 000
Comparisons with:	
Appropriation, 1964.....	+2, 401, 000
Estimates, 1965.....	
House bill.....	

¹ Adjusted to include watershed planning recommended as a separate appropriation in the House bill.

The committee recommends an appropriation of \$65,848,000, the amount requested in the budget estimate and an increase of \$2,401,000 over 1964. The committee recommends an increase over 1964 of \$428,000 for mandatory pay costs as recommended in the budget and as provided by the House bill. In the bill as it came from the House a separate appropriation head "Watershed planning" had been inserted in the amount of \$5,524,000. The committee was advised by the Department that the new item in the House bill did not provide for the temporary employment of experts, consultants, and advisors employed to assist in the development of plans in connection with the small watershed planning activity.

The committee has stricken this new item from the bill and has amended the bill to reinstate this item as carried in the Agricultural Appropriation Act, 1964, and in the amounts carried in the budget estimate for 1965, except for funds available for small watershed project investigations and planning. The budget requested a reduction of \$1,025,000 to provide a total of \$4,499,000. The committee has included \$5,000,000 for this purpose, which it believes will be adequate to carry on this important activity in connection with the small watershed program. In addition to the amounts provided in the bill funds are available from local sources to augment the development of plans for the small watershed program.

According to the budget estimates supplied to the committee there will be available a total of \$56,249,000 for works of improvement comprised of \$998,000 estimated to be used for the pilot watersheds, \$51,479,000 for the small watersheds under Public Law 566.

The bill includes \$52,477,000 for installation of works of improvement in the small watersheds and in addition it is estimated that \$3,651,000 was carried over from 1964, making a total available for this purpose of \$56,128,800. There is also included \$3,872,000 for river basin program development and coordination, an increase of \$740,100 over 1964.

FLOOD PREVENTION

1964 appropriations.....	\$25, 423, 000
1965 budget estimates.....	22, 656, 000
House bill.....	25, 423, 000
Committee recommendation.....	22, 656, 000
Comparisons with:	
Appropriation, 1964.....	-2, 767, 000
Estimates, 1965.....	
House bill.....	-2, 767, 000

An appropriation of \$22,656,000 is recommended for carrying on the flood prevention and watershed protection program for the 11 major watershed projects which is financed under this item. The amount recommended is the amount requested in the budget estimate and is \$2,767,000 under the appropriation for 1964 and the House bill. In addition to the amount appropriated in this bill there is an estimated carryover from June 30, 1964, of \$8,147,000 which will provide adequate funds for carrying on the work on these projects.

GREAT PLAINS CONSERVATION PROGRAM

1964 appropriations.....	\$13, 612, 000
1965 budget estimates.....	14, 744, 000
House bill.....	14, 176, 000
Committee recommendation.....	14, 744, 000
Comparisons with:	
Appropriation, 1964.....	+1, 132, 000
Estimates, 1965.....	-----
House bill.....	+568, 000

For the operation of the Great Plains conservation program, the committee recommends an appropriation of \$14,744,000 which is the amount of the budget estimate and an increase of \$568,000 over the House bill and an increase of \$1,132,000 over the appropriation for 1964. The increases over 1964 include \$64,000 for mandatory pay costs pursuant to Public Law 87-793, and \$932,615 for cost-sharing assistance to cooperating farmers and ranchers, together with an increase of \$135,385 for accelerating technical service and related administrative expenses.

RESOURCE CONSERVATION AND DEVELOPMENT

1964 appropriations.....	\$1, 496, 000
1965 budget estimates.....	2, 044, 000
House bill.....	1, 496, 000
Committee recommendation.....	2, 044, 000
Comparisons with:	
Appropriation, 1964.....	+548, 000
Estimates, 1965.....	-----
House bill.....	+548, 000

The Soil Conservation Service exercises general responsibility for the administration of those provisions of section 102, title I of the Food and Agriculture Act of 1962 relating to resource conservation and development projects. Under this program the Soil Conservation Service works with local cooperating groups and individuals in the development of accelerated plans for land conservation and utilization. The authorizing legislation also authorizes loans to project sponsors for conservation and development purposes and to individual operators for soil and water conservation practices.

The committee recommends an appropriation of \$2,044,000. This is the amount requested in the budget estimate, an increase of \$548,000 over the amount recommended in the House bill, and an increase of \$548,000 over the amount appropriated for 1964. The increases over 1964 are comprised of \$21,000 for increased pay act costs pursuant to Public Law 87-793, and \$508,000 for acceleration of project installation and technical assistance. The bill also provides \$800,000 for loans and related expenses, an increase of \$300,000 over fiscal 1964.

ECONOMIC RESEARCH SERVICE

1964 appropriations.....	\$9, 246, 800
1965 budget estimates.....	¹ 9, 976, 000
House bill.....	9, 476, 000
Committee recommendation.....	10, 576, 000
Comparisons with:	
Appropriation, 1964.....	+1, 329, 200
Estimates, 1965.....	+600, 000
House bill.....	+1, 100, 000

¹ S. Doc. 85 increased the original estimate by \$500,000.

The Economic Research Service, which was established effective April 3, 1961, pursuant to Secretary's Memorandum No. 1446, is responsible for the conduct of economic research studies and investigations for the benefit of agriculture and the general public. Research findings are made available through reports and other media.

An appropriation of \$10,576,000 is recommended, an increase of \$1,329,200 over 1964, and \$600,000 over the revised budget estimate for 1965 and \$1,100,000 over the House bill. The increases over 1964 include \$229,200 to meet mandatory pay costs for fiscal 1965; \$500,000 for economic research on the comparative costs and benefits from use of pesticides and collection of basic data on current practices, costs, and methods of controlling pests; and \$600,000 for accelerated cost-of-production research on cotton. In connection with accelerated cost-of-production research on cotton, Public Law 88-297 authorized an annual economic evaluation of the factors affecting changes in the cost of production of cotton and related research designed to evaluate the effects of changing practices on costs. The committee has included \$600,000 to initiate these annual year-to-year changes in producing cotton.

Within the funds appropriated for this agency, the committee directs that \$50,000 be used to carry on a study designed to examine the factors affecting the seasonal fluctuation in egg prices and to report upon its findings in this regard. The committee also directs that \$25,000 of the increased funds provided over 1964 be utilized to expand the economic investigations to develop the market potential of Kona coffee.

STATISTICAL REPORTING SERVICE

1964 appropriations.....	\$10, 590, 900
1965 budget estimates.....	11, 431, 400
House bill.....	11, 431, 000
Committee recommendation.....	11, 892, 000
Comparisons with:	
Appropriation, 1964.....	+1, 301, 100
Estimates, 1965.....	+460, 600
House bill.....	+461, 000

The Statistical Reporting Service is the agency of the Department responsible for statistical research and reporting of statistical data in regard to American agriculture. It conducts a variety of nationwide and specialized programs of crop and livestock estimates, and issues periodic and special reports on estimates of production and supply.

An appropriation of \$11,892,000 is recommended for the operations of this agency. This is an increase of \$1,301,100 over 1964 and \$460,600 over the budget estimate for 1965 and \$461,000 over the House bill. The increases over 1964 include \$187,000 for mandatory pay act costs, \$62,500 to meet the annual costs of cattle-on-feed reports initiated a year ago, together with \$590,600 to continue the long-

range improvement on improved estimates for crops and livestock. It is expected that the funds provided will enable the new estimates program to move forward as scheduled.

The committee concurs in the action by the House to deny the proposal in the budget to eliminate \$94,000 for consumer surveys and agrees with the House committee that these services should be continued.

The committee has included \$361,000 to institute the Timber Price Reporting Service. Previously the committee received a report from the Department outlining in detail the scope and content of a Timber Price Reporting Service. The committee understands that the Department asked in its budget request for fiscal 1965 that funds be included for this purpose. The committee believes that, because of the importance of this new service to farm producers of timber, the program should be initiated without any further delay and has, therefore, included funds in the bill for this purpose.

For a number of years there has been a pilot estimates program in connection with floral and some nursery crops. The floral crop is estimated to be valued at \$1.2 billion annually at the retail level. The committee has included \$100,000 to extend the pilot flower estimates program to 17 principal producing States. The expansion of this program will provide the basic information for further growth and expansion of floricultural crops by providing the producers, and the entire industry with information needed for the orderly production and marketing of commercial flower crops.

The committee is concerned over the increasing problems caused domestic producers by the expanding importation of Kentucky bluegrass seed. The Department is urged to give this matter their immediate attention and make every effort to protect the investment and income of our domestic producers. In addition, the Statistical Reporting Service should take steps immediately to insure that Kentucky bluegrass seed production estimates for the United States cover all producing areas. The committee feels that this extension of the crop estimate work can easily be done within funds available to the Department.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1964 appropriations.....	\$37,192,600
1965 budget estimates.....	39,515,125
House bill.....	39,389,000
Committee recommendation.....	39,590,125
Comparisons with:	
Appropriation, 1964.....	+ 2,397,525
Estimates, 1965.....	+ 75,000
House bill.....	+ 201,125

For the Agricultural Marketing Service the committee recommends an appropriation of \$39,590,125. The amount recommended is an increase of \$2,397,525 over the 1964 appropriation and is \$75,000 over the estimates, and an increase of \$201,125 over the House bill. The respective increases over 1964 include \$135,000 for the market news leased wire system, of which \$75,000 is to complete the program for the modernization of equipment which was initiated in fiscal 1962, and \$60,000 to cover the increased rates for wire rental which will be used

for this purpose only, and to the extent needed when the final decision is made upon the rate change authorized by the Federal Communications Commission in connection with leased teletype facilities.

The committee has recommended a \$652,000 increase for poultry inspection which includes a restoration of \$152,000 denied by the House, and has also included \$665,000 for the reclassification of nonveterinary and poultry inspector positions.

For increased pay act costs the committee has included \$896,500 and \$24,025 for reimbursement to employee compensation funds as authorized by law. This latter item was denied by the House.

The committee has included \$50,000 in the bill to continue market news services for fiscal 1965 at Nashville, Tenn., Baltimore, Md., Memphis, Tenn., Tulsa, Okla., and Fort Smith, Ark. The committee supports the need for adjustment of these offices as proposed in the budget but believes that the offices affected should be provided with a year's notice in order that adequate arrangements can be made to continue the service based upon local financing. The committee was advised that at least in one instance it would be necessary for the State legislature to act upon this matter.

The committee has also included \$25,000 for two market news services. Of this amount \$7,500 is for the balance of the Federal share with a total of \$15,000 for the cooperative rice market news service instituted last year at Crowley, La. The committee is advised that the Federal-State grain market news service in Missouri is eligible under the standards for permanent cost sharing and has included funds for this purpose. The estimated annual cost of the Federal-State grain market news service in Missouri is \$50,000 and also is to be matched on a dollar-for-dollar basis as was required in connection with the news service instituted for Crowley, La.

NEW MARKET NEWS SERVICE

The committee has thoroughly examined the new Market News Service initiated August 1, 1963, by the Agricultural Marketing Service and announced in AMS Bulletin No. 510. The Department maintains that its sole intent in initiating this service was to extend the availability of market news information to interested parties, individuals, or organizations who are willing to pay the cost of installing a teletype printer and the leased wire rental charge between the place of business and the nearest leased wire market news circuit. Prior to the initiation of this service, similar market news leased wire information had been made available to a few organizations.

During the hearings, the committee examined into this matter thoroughly and the only example cited to it of a "news" item carried over the leased wire system dealt with a release on apples. To make its position clear on the potential misuse of the leased wire system for the dissemination of market news information in collaboration with the various States, the committee directs that the Secretary of Agriculture see to it that the leased wire system which carries market news information be limited strictly to market reporting and marketing information and the routine administrative instructions which were carried on the leased wire system prior to August 1, 1963.

Further the Secretary of Agriculture is directed to see to it that all media of news dissemination receive equal opportunity and access to market news information.

The committee notes that the newly established National Commission on Food Marketing has as one of its areas of inquiry "the effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry." It is hoped the Commission will give particular attention to the new Market News Service and its operation.

PAYMENTS TO STATES AND POSSESSIONS

1964 appropriations.....	\$1, 500, 000
1965 budget estimates.....	1, 425, 000
House bill.....	1, 500, 000
Committee recommendation.....	1, 500, 000
Comparisons with:	
Appropriation, 1964.....	
Estimates, 1965.....	+75, 000
House bill.....	

For Federal payments to States authorized under section 204(b) of the Agricultural Marketing Act of 1946, under which the Department of Agriculture and the State departments of agriculture and related agencies conduct marketing service activities on a matching fund basis, the committee recommends an appropriation of \$1,500,000. The amount recommended is \$75,000 over the budget estimate and is the same amount as appropriated for fiscal 1964 and included in the House bill for this program.

SPECIAL MILK PROGRAM

1964 appropriations.....	\$99, 834, 000
1965 budget estimates.....	(99, 831, 000)
House bill.....	(99, 831, 000)
Committee recommendation.....	106, 000, 000
Comparisons with:	
Appropriation, 1964.....	+6, 166, 000
Estimates, 1965.....	+106, 000, 000
House bill.....	+106, 000, 000

The budget request for fiscal 1965 and the House bill provides \$99,831,000 by transfer from section 32 funds. The committee recommendation would provide \$106 million by direct appropriation. This is in accord with the Agricultural Act of 1961 (Public Law 87-128) approved August 8, 1961, which changed financing from Commodity Credit Corporation advances to a direct appropriation beginning July 1, 1962. On a comparable basis, the amount recommended is \$6,169,000 over the House bill and the 1965 budget estimate as adjusted.

The increase provided over 1964 amounting to \$6,166,000 is required, the committee was informed, to meet increased demand and permit participation by a greater number of children.

SCHOOL LUNCH PROGRAM

1964 appropriations.....	\$136, 616, 000
1965 budget estimates.....	147, 610, 000
House bill.....	146, 400, 000
Committee recommendation.....	146, 400, 000
Comparisons with:	
Appropriation, 1964.....	+9, 784, 000
Estimates, 1965.....	-1, 210, 000
House bill.....	

The committee recommends an appropriation of \$146,400,000 for the national school lunch program. In addition \$45 million is transferred from section 32 permanent authorization for purposes of section 6. The amount recommended represents an increase of \$9,784,000 over the appropriation for 1964 and is the same amount as carried in the House bill and is \$1,210,000 under the budget estimate.

SECTION 32 LIMITATIONS

In regard to the limitations under section 32 the committee has approved a limitation of \$35 million for expenses of the pilot food stamp program. This is a reduction of \$10 million under the House bill and is \$16,125,000 under the amount requested in the budget for 1965. The committee has made this reduction in this amount because the Congress is in the process of enacting legislation to place the pilot food stamp program on a permanent legislative basis, including the authorization of direct appropriations to finance the expenses of the program.

The section 32 authorization was designed to provide funds for surplus removal and to stabilize market prices for the perishable commodities. There has been a tendency in recent years since this is a permanent appropriation to misuse and to even abuse the basic purpose of this permanent authorization. The committee reiterates the policy that it has previously stated that section 32 funds are to be used only for the specific purposes authorized by law and not to be used as a convenient mechanism for paying the expenses or costs of carrying out Government programs outside of the normal appropriation process.

Last year the conference committee agreed to a provision included in the House version of the bill to permit the use of section 32 for activities which would help to increase the consumption of farm commodities. Under this provision in the final enactment of the Agricultural Appropriation Act for 1964, the provision was used for two purposes, totaling \$16 million: (1) For the construction of research facilities, \$11 million and (2) \$5 million for acceleration of research by contracts and grants on cost of production for surplus commodities. It certainly was not the intent of the Senate committee that the full use of the \$25 million limitation would be reached in the very near future. As indicated earlier in the report dealing with the principal research activities of the Department, the committee has stricken from the bill the proposal as carried in the House bill to finance long-term research programs from this permanent appropriation.

The committee has provided for the use of \$11,000,000 for research purposes in lieu of \$25 million as proposed by the House. It is the view of this committee that this authority should be used with great care and discretion because if it is abused by attempts to expand research which has not been justified in the normal manner, the committee may wish to reconsider whether this authorization should be retained for use in future years.

INTERNATIONAL AGRICULTURAL DEVELOPMENT SERVICE

The International Agricultural Development Service was established pursuant to Secretary's Memorandum No. 1541 to coordinate and administer the Department's activities in foreign technical assistance and training programs. The service was established by the Department in response to section 621(a) of the Foreign Assistance Act of 1961, as amended. Under this authority, the AID administrators requested the Department of Agriculture to establish a coordinated service within the Department to render technical assistance services including the training of foreign technicians while in this country, and the provision of technical support in selected countries. The entire support of this service is financed by advances to the Department of Agriculture from the appropriations made to the AID program, and the USDA participation in such programs insures that they will be carried out more effectively in terms of both the objectives of the Foreign Assistance Act and the interests of American agriculture. The committee is convinced that these activities are in the public interest.

FOREIGN AGRICULTURAL SERVICE

1964 appropriations.....	\$18, 587, 500
1965 budget estimates.....	20, 524, 000
House bill.....	18, 790, 000
Committee recommendation.....	20, 488, 000
Comparisons with:	
Appropriation, 1964.....	+1, 900, 500
Estimates, 1965.....	-36, 000
House bill.....	+1, 698, 000

For the Foreign Agricultural Service the committee recommends an appropriation of \$20,488,000, an increase of \$1,900,500 over the appropriation for 1964, a decrease of \$36,000 in the budget estimate and an increase of \$1,698,000 over the House bill. As indicated, the committee has restored to the bill the amount of \$1,698,000 for market development programs. The committee took this action because it is advised by the Department that due to the lack of availability of currencies for fiscal 1965 which have heretofore been available that the reduction in the budget estimate recommended by the House would have amounted to corresponding decreases in the obligations for foreign market development for agricultural commodities.

The committee believes that in view of the cost of the farm program and the success to date in developing expanded markets for agricultural commodities in cooperation with the commodity group cooperators that this program should be maintained at the 1964 level.

There is also included \$202,500 for mandatory pay act costs as carried in the House bill.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

1964 appropriations.....	\$1, 053, 000
1965 budget estimates.....	1, 119, 000
House bill.....	1, 100, 000
Committee recommendation.....	1, 119, 000
Comparisons with:	
Appropriation, 1964.....	+66, 000
Estimates, 1965.....	-19, 000
House bill.....	+19, 000

The Commodity Exchange Authority administers the Commodity Exchange Act, as amended. An appropriation of \$1,119,000 is recommended for fiscal 1965. This is the amount requested in the budget estimate and is an increase of \$19,000 over the amount provided in the House bill and \$66,000 over the appropriation for fiscal 1964. The recommended increase over 1964 is comprised of \$19,000 for the cost of within-grade salary advancements which had been denied by the House; \$21,000 for increased pay act costs as provided in the House bill, and \$26,000 for conducting additional trade practice investigations as requested in the budget estimate and carried in the House bill.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

1964 appropriations.....	\$117,970,500
1965 budget estimates.....	114,562,000
House bill.....	105,602,000
Committee recommendation.....	105,602,000
Comparisons with:	
Appropriation, 1964.....	-12,368,500
Estimates, 1965.....	-8,960,000
House bill.....	

Under this appropriation item funds are made available for the administrative expenses of a number of farm programs administered by the Agricultural Conservation and Stabilization Service. These programs include acreage allotments and marketing quotas, the conservation reserve program, the crop conversion program, the agricultural conservation and land use adjustment programs, the Sugar Act program, price support, and related program activities dealing with a number of commodities.

The committee recommends a direct appropriation of \$105,602,000. This is the same amount as carried in the House bill and is \$8,960,000 below the budget estimate and \$12,368,500 under the appropriations for 1964.

The committee has approved an increase of \$1,761,415 for mandatory pay act costs in fiscal 1965 and \$1,835,631 to correct an imbalance between appropriated funds and funds transferred from the Commodity Credit Corporation. These increases are partially offset by a decrease of \$1,985,941 for administrative expenses of the agricultural conservation program and a decrease of \$379,605 for administering the feed grain and wheat programs. The committee has concurred in the action taken by the House to disallow an increase of \$8,960,000 for costs of administering the feed grain and wheat programs. In addition to the direct appropriation there is authorized to be transferred and merged with this appropriation from the Commodity Credit Corporation fund \$87,508,000 and under authority of Public Law 88-297 it is expected that not to exceed \$10 million of commodity credit corporation funds will be utilized for the administration of the wheat program.

The committee has also included in the bill the same provision included a year ago, and enacted into law, dealing with employee activity, and the use of ASCS committeemen.

SUGAR ACT PROGRAM

1964 appropriations.....	\$78,000,000
1965 budget estimates.....	87,500,000
House bill.....	86,400,000
Committee recommendation.....	87,500,000
Comparison with:	
Appropriation, 1964.....	+9,500,000
Estimates, 1965.....	-----
House bill.....	+1,100,000

An appropriation of \$92,300,000 is recommended for payments to domestic producers of sugarbeets and sugarcane who comply with requirements under the Sugar Act, as amended. The amount recommended includes the full estimate of \$87,500,000 for fiscal 1965, and \$4,800,000 of the 1964 supplemental estimate (H. Doc. 203), of \$6,400,000, which was denied by the House. The amount recommended represents an increase of \$5,900,000 over the House-passed bill and \$14,300,000 over the 1964 appropriation. Payments under this program are mandatory to those producers who comply with requirements of the act and the committee believes that the budget estimate for this program, as well as appropriations, should include the funds required to pay producers in every producing State rather than to operate on a first-come first-served basis.

This program does not impose any burden upon the taxpayer because, as indicated in the Senate hearings, the actual collection from taxes from 1938 to 1963 exceed the obligations for payments required to be made to sugar producers by \$527,392,139 and this excess over program costs is expected to exceed \$566,471,133 through fiscal 1965.

In order to assure adequate supplies of domestic sugar and the relation to the extremely limited supply throughout the world, agricultural restrictions were not applicable to either the 1963 or 1964 crop years. As a result, domestic producers have increased the production of sugar. The 1963 production of sugar is estimated at about 830,000 tons higher than 1964 and present indications are that the 1964 crop will continue at that level.

AGRICULTURAL CONSERVATION PROGRAM

1964 appropriations.....	\$215,000,000
1965 budget estimates.....	225,000,000
House bill.....	225,000,000
Committee recommendation.....	225,000,000
Comparisons with:	
Appropriation, 1964.....	+10,000,000
Estimates, 1965.....	-----
House bill.....	-----

The committee recommends an appropriation of \$225 million to finance the payments under the 1964 agricultural conservation program authorized a year ago. The appropriation recommended is the amount requested in the budget estimate and carried in the House bill and is an increase of \$10 million over the amount appropriated in fiscal 1964.

The committee recommends an advance authorization of \$220 million exclusive of administration, for the 1965 program authorization. This is the amount of authorization carried in the House bill, and is an increase of \$100 million over the program authorization requested in the budget estimate and is the same amount, exclusive of administration, as was authorized for the 1964 program.

CONSERVATION RESERVE PROGRAM

1964 appropriations.....	\$294, 000, 000
1965 budget estimates.....	¹ 194, 000, 000
House bill.....	194, 000, 000
Committee recommendation.....	194, 000, 000
Comparisons with:	
Appropriation, 1964.....	-100, 000, 000
Estimates, 1965.....	
House bill.....	

¹ Revised estimate in S. Doc. 85 reduced the estimate by \$4,000,000.

An appropriation of \$194 million is recommended for payments on outstanding conservation reserve contracts. This is the amount requested in the revised estimate (S. Doc. 85), the amount carried in the House bill and a reduction of \$100 million under the appropriation for fiscal 1964. This decrease is due to the reduction in the number of contracts still in force. Contract payments under this program will continue until fiscal 1973.

CROPLAND CONVERSION PROGRAM

1964 appropriations.....	\$11, 350, 000
1965 budget estimates.....	¹ 20, 000, 000
House bill.....	7, 200, 000
Committee recommendation.....	20, 000, 000
Comparisons with:	
Appropriation, 1964.....	+8, 650, 000
Estimates, 1965.....	
House bill.....	+12, 800, 000

¹ Includes 1964 supplemental of \$10,000,000 transmitted in S. Doc. 83 for the 1964 program expenses.

The cropland conversion program was authorized in the Food and Agriculture Act of 1962, under which the Secretary of Agriculture was authorized to carry out a pilot land-use adjustment program with an annual limitation of not to exceed \$10 million. The committee recommends an appropriation of \$20 million of which \$10 million is recommended as requested in Senate Document 83 for the expenses of the 1964 program and \$10 million is recommended for expenses of the 1965 program. The appropriation recommended is to finance all costs of these programs for these two crop year programs, and is an increase of \$8,650,000 over the appropriations for 1964, an increase of \$12,800,000 over the amount carried in the House bill and the full amount of the budget estimate, including Senate Document 83 which was not considered by the House in connection with the expenses of the 1964 program.

EMERGENCY CONSERVATION MEASURES

1964 appropriations.....	\$4, 000, 000
1965 budget estimates.....	4, 000, 000
House bill.....	
Committee recommendation.....	4, 000, 000
Comparisons with:	
Appropriation, 1964.....	
Estimates, 1965.....	
House bill.....	+4, 000, 000

An appropriation of \$4 million as requested in Senate Document 82 is recommended for expenses in connection with conservation measures. The amount recommended is the same amount as approved

in the Supplemental Appropriation Act, 1964, and is \$4 million over the amount carried in the House bill.

The funds provided under this appropriation are to be utilized strictly in accordance with the criteria set forth in Public Law 85-58, which first authorized and provided for special funds to share the cost of emergency conservation measures to deal with cases of severe damage to farm and range lands resulting from natural disasters such as floods, hurricanes, drought, windstorms, tornadoes, and freeze. Funds are allocated for use only in those counties designated by the Secretary of Agriculture as disaster counties where new conservation problems have been created which (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

OFFICE OF RURAL AREAS DEVELOPMENT

SALARIES AND EXPENSES

1964 appropriations.....	\$120,000
1965 budget estimates.....	124,000
House bill.....	124,000
Committee recommendation.....	124,000
Comparisons with:	
Appropriation, 1964.....	+ 4,000
Estimates, 1965.....	
House bill.....	

An appropriation of \$124,000 is recommended for the Office of Rural Areas Development. This amount is the same as the budget estimate and the amount carried in the House bill, and \$4,000 over fiscal 1964. The increase covers mandatory pay act and salary advancement costs during the coming fiscal year.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

1964 appropriations.....	\$9,712,400
1965 budget estimates.....	9,874,000
House bill.....	9,874,000
Committee recommendation.....	9,874,000
Comparisons with:	
Appropriation, 1964.....	+ 161,600
Estimates, 1965.....	
House bill.....	

The committee recommends an appropriation of \$9,874,000 for the Office of the Inspector General, which handles internal audit, inspection, and investigative activities within the Department. The Office is responsible to the Secretary for assuring that existing laws, policies, and programs of the Secretary are effectively complied with on every level of administration in accordance with the intent of Congress and the Secretary. This is \$161,600 over fiscal 1964 and the same amount estimated in the budget for fiscal 1965 and carried in the House bill. The increase recommended by the committee goes to meet mandatory pay increase costs pursuant to Public Law 87-793.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

1964 appropriations.....	\$3, 698, 500
1965 budget estimates.....	3, 853, 000
House bill.....	3, 784, 000
Committee recommendation.....	3, 853, 000
Comparisons with:	
Appropriation, 1964.....	+154, 500
Estimates, 1965.....	-----
House bill.....	+69, 000

An appropriation of \$3,853,000 is recommended for the Office of the General Counsel. This Office conducts all of the legal work of the Department. This is an increase of \$154,500 over fiscal 1964, and a restoration of \$69,000 over the amount recommended in the House bill in order to provide the full amount for within-grade salary advancements.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

1964 appropriations.....	\$1, 634, 000
1965 budget estimates.....	1, 648, 000
House bill.....	1, 648, 000
Committee recommendation.....	1, 648, 000
Comparisons with:	
Appropriation, 1964.....	+14, 000
Estimates, 1965.....	-----
House bill.....	-----

The committee recommends an appropriation of \$1,648,000 as requested in the 1965 budget estimate and provided in the House bill. This is an increase of \$14,000 over 1964 to cover mandatory pay costs.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

1964 appropriations.....	\$1, 326, 140
1965 budget estimates.....	¹ 1, 547, 000
House bill.....	1, 347, 000
Committee recommendation.....	1, 547, 000
Comparisons with:	
Appropriation, 1964.....	+220, 860
Estimates, 1965.....	-----
House bill.....	+200, 000

¹ S. Doc. 85 increased the original estimate by \$200,000.

An appropriation of \$1,547,000 is recommended for salaries and expenses to operate the National Agricultural Library. This is the same amount recommended in the revised budget estimate. This is \$220,860 above fiscal 1964 and \$200,000 above the amount carried in the House bill.

The revised estimate in Senate Document 85 requested \$200,000 of additional funds to establish and maintain a pesticides information center in the library to support expanded research on pesticide residues. The pesticides information center would provide biweekly notification to scientists of new information in the field, specialized literature searches and essential bibliographic service.

The budget request of \$7 million for construction of a new library has been deferred in view of the fact that plans and specifications will

probably not be ready in time to begin construction during the 1965 fiscal year. The committee supports the need for modern and adequate facilities for the National Agricultural Library and expects that the request will be renewed when accurate cost figures are available.

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

1964 appropriations.....	\$2, 541, 200
1965 budget estimates.....	2, 482, 000
House bill.....	2, 482, 000
Committee recommendation.....	2, 482, 000
Comparisons with:	
Appropriation, 1964.....	—59, 200
Estimates, 1965.....	
House bill.....	

The committee recommends an appropriation of \$2,482,000 for the Office of Management Services. This is the same amount recommended in the budget estimate for 1965 and carried in the House bill. This amount is a reduction of \$59,200 below fiscal 1964.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

1964 appropriations.....	\$3, 223, 000
1965 budget estimates.....	3, 357, 000
House bill.....	3, 530, 000
Committee recommendation.....	3, 314, 000
Comparisons with:	
Appropriation, 1964.....	+91, 000
Estimates, 1965.....	—43, 000
House bill.....	—216, 000

Under this appropriation item are financed the expenses of the Secretary of Agriculture, his immediate staff and various staff offices, including the Office of Budget and Finance, Office of Plant and Operations, Office of Personnel, Office of Management Appraisal and Systems Development, Office of Hearing Examiners, the Judicial Officer, and the expenses of the National Advisory Commission.

An appropriation of \$3,314,000 is recommended for the expenses and activities of the offices and functions financed from this appropriation. The amount recommended represents an increase of \$91,000 over the appropriation for 1964, and a reduction of \$43,000 under the budget estimates, and is \$216,000 under the amount recommended in the House bill. The increases over 1964 consist of \$57,000 for increased pay act costs pursuant to Public Law 87-793, and \$34,000 which was denied in the House bill for within-grade salary advancements. The committee has eliminated the increase of \$250,000 added by the House over the budget estimate for a new program on pesticides.

The committee concurs in the intent of the House action to see to it that the Secretary of Agriculture has the means to effectively and efficiently administer his responsibilities in connection with the acute problems related to pesticides, including coordination within the Department and coordination and cooperation with other departments.

The committee is advised that the respective major departments concerned with pesticides, their use and regulation; namely, the

Department of Agriculture, Department of Interior, and the Department of Health, Education, and Welfare, have developed a formal working agreement on their respective responsibilities and have provided for better interagency cooperation. It is the belief of the committee that the formal interagency agreement will not by itself achieve the objective of better cooperation and coordination.

The committee believes that there must be a free exchange and flow of information and actual cooperation among and between responsible technicians as well as among heads of departments in the administration of laws and programs affecting this vitally important matter affecting the welfare of every citizen. The committee has included in the bill the full budget request of \$29 million included in Senate Document 85 to accelerate various programs of the Department in connection with pesticides. It is the belief of the committee that adequate funds for this coordination purpose are provided in the various parts of the bill without need to establish a special staff and, appropriation for this specific purpose.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration is responsible for making loans for rural electrification and for the administration of the rural telephone program. Both of these programs have benefited the rural as well as the urban segments of our national economy. The electrification of farms and the bringing of electricity to rural areas has resulted in our rural population receiving many of the same advantages that people living in the city have long enjoyed.

Last year the committee report directed the Administrator of the Rural Electrification Administration and the Secretary of Agriculture to carry out certain procedures in connection with generation and transmission loans and loans made under section V of the Rural Electrification Act. It is the belief of the committee that the Administrator has responded to these committee directives and the committee is hopeful that the Administrator will see to it that these directives are carried out in the current fiscal year.

LOAN AUTHORIZATION FOR ELECTRIFICATION LOANS

1964 appropriations.....	(\$425, 000, 000)
1965 budget estimates.....	(365, 000, 000)
House bill.....	(365, 000, 000)
Committee recommendation.....	(365, 000, 000)
Comparisons with:	
Appropriation, 1964.....	(-60, 000, 000)
Estimates, 1965.....	
House bill.....	

For new loan authorizations for the electrification program, the committee recommends \$365 million of new loan authorization as requested in the budget, of which \$90 million is placed in the contingency reserve as recommended in the House bill. In addition to the new loan authorization there is available almost \$25 million carryover authorization from fiscal 1964.

LOAN AUTHORIZATION FOR TELEPHONE LOANS

1964 appropriations.....	(\$70,000,000)
1965 budget estimate.....	(63,000,000)
House bill.....	(70,000,000)
Committee recommendation.....	(70,000,000)
Comparison with:	
Appropriation, 1964.....	-----
Estimates, 1965.....	(+7,000,000)
House bill.....	-----

For the telephone loan program the committee recommends \$70 million, the same as the amount carried in the House bill, together with a reserve of \$7 million for this program. This amount of authorization, together with the carryover of \$23,300,000 will make a total authorization of \$93,300,000 available to meet the requirements under the telephone loan program.

SALARIES AND EXPENSES

1964 appropriations.....	\$11,149,000
1965 budget estimates.....	11,428,000
House bill.....	11,641,000
Committee recommendation.....	11,428,000
Comparisons with:	
Appropriation, 1964.....	+279,000
Estimates, 1965.....	-----
House bill.....	-213,000

For the administrative expenses of the Rural Electrification Administration the committee recommends an appropriation of \$11,428,000 as recommended in the budget estimate. This is the amount requested in the budget estimate and is an increase of \$279,000 over 1964 and is \$213,000 under the amount carried in the House bill. The increase over 1964 includes \$242,000 for mandatory pay act costs and \$37,000 for increased engineering activities in connection with the electrification program. The committee expects the power surveys conducted in connection with the consideration and approval of generation and transmission loans to be limited to the purpose and be limited to the general directions contained in the committee report last year.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

1964 appropriations.....	(\$360,000,000)
1965 budget estimates.....	(325,000,000)
House bill.....	(360,000,000)
Committee recommendation.....	(360,000,000)
Comparisons with:	
Appropriation, 1964.....	(-----)
Estimates, 1965.....	(+35,000,000)
House bill.....	(-----)

Under the direct loan account authorized for the Farmers Home Administration as a part of the consolidated Farmers Home Administration Act of 1961, an authorization of \$360 million is recommended for real estate and farm operating loans. This is the same amount as was authorized for fiscal 1964 and carried in the House bill for 1965.

The budget estimate for 1965 proposed a reduction of \$35 million in farmownership loans. In view of the evidence for increased demand rather than diminishing demand for loans for this purpose the com-

mittee has continued the authorization for farmownership loans at \$45 million as carried heretofore and approved in the House bill rather than to reduce this to \$10 million as recommended in the budget for fiscal 1965.

The committee has also continued the \$50 million contingency reserve in the bill as has been carried heretofore to assist in the expeditious and orderly administration of the conduct of loan programs.

RURAL RENEWAL

1964 appropriations.....	\$1, 200, 000
1965 budget estimates.....	2, 190, 000
House bill.....	1, 200, 000
Committee recommendation.....	1, 200, 000
Comparisons with:	
Appropriation, 1964.....	
Estimates, 1965.....	- 990, 000
House bill.....	

The rural renewal program was authorized in the Food and Agriculture Act of 1962 under section 102. Under this program technical assistance is provided to locally initiated and sponsored demonstration projects for rural renewal development projects related to conservation and land utilization. This is a pilot program, and the committee recommends an appropriation of \$1,200,000, the amount provided for fiscal 1964, the amount carried in the House bill, and \$990,000, under the budget estimate for 1965.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

1964 appropriations.....	\$3, 500, 000
1965 budget estimates.....	5, 000, 000
House bill.....	3, 500, 000
Committee recommendation.....	5, 000, 000
Comparisons with:	
Appropriation, 1964.....	+ 1, 500, 000
Estimates, 1965.....	
House bill.....	+ 1, 500, 000

The rural housing for the elderly revolving fund was established pursuant to the Senior Citizens Housing Act approved September 28, 1962. Under this authorization loans are made to finance loans by private nonprofit corporations and consumer cooperatives in order to provide modest rental housing and related facilities for elderly persons of low or moderate income in rural areas.

The committee recommends an appropriation of \$5 million for fiscal 1965. This is an increase of \$1,500,000 over the appropriation for 1964 and over the amount carried in the House bill. The amount recommended is the same as requested in the budget estimate for 1965 and the committee believes that it is needed to meet anticipated demand for additional loans under this program during fiscal 1965.

SALARIES AND EXPENSES

1964 appropriations.....	\$38, 043, 900
1965 budget estimates.....	40, 184, 000
House bill.....	39, 544, 000
Committee recommendation.....	39, 794, 000
Comparisons with:	
Appropriation, 1964.....	+ 1, 750, 100
Estimates, 1965.....	- 390, 000
House bill.....	+ 250, 000

The Farmers Home Administration conducts a number of lending programs which have been assigned to it by recent changes in legislation as well as to conduct its traditional and vitally important lending programs concerned with farm operating loans and real estate loans. The volume of loans has increased in recent years both as a result of the new legislation and because of increased demand. The committee recommends an appropriation of \$39,794,000 for the administrative expenses of the agency for fiscal 1965. The amount recommended is an increase of \$1,750,000 over the appropriation for 1964 and is \$390,000 under the budget estimate for 1965. The amount recommended represents \$1 million for increased pay act costs as requested in the estimate and carried in the House bill together with an increase of \$250,000 over the amount carried in the House bill for expenses necessary to strengthen the servicing of direct and insured loans. The total increase for these administrative expense purposes over 1964, including the amount carried in the House bill is \$750,100.

The committee has stricken from the bill, as requested by the Department, a provision to finance administrative expenses from loan authorizations. The committee concurs in the intent of the House to encourage the agency wherever possible to utilize temporary personnel. It believes that all administrative expenses should be appropriated for or by the limitation in the transfer from the agricultural credit insurance fund.

The committee has also provided \$2,250,000 to be transferred from the agricultural credit insurance fund for administrative expenses. This is an increase of \$250,000 over the amount carried in the House bill and is \$1,200,000 over the amount available from this fund for fiscal 1965, but is \$250,000 under the budget request for administrative expenses from this fund.

TITLE III—CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1964 appropriations.....	\$6, 944, 000
1965 budget estimates.....	6, 942, 000
House bill.....	6, 942, 000
Committee recommendation.....	6, 942, 000

The committee recommends a total of \$10,580,000 for administrative expenses by appropriation and by operating expenses payable from premium income as authorized under the Federal Crop Insurance Corporation Act. The committee concurs in the action of the House which represents a reduction in the estimate of \$11,000 and an increase of \$131,000 over 1964. The increases over 1964 are represented by \$103,000 for mandatory pay act costs in fiscal 1965 and \$28,000 to cover increased rental costs in Washington.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

1964 appropriations.....	\$2, 699, 400, 000
1965 budget estimates.....	1, 724, 000, 000
House bill.....	1, 724, 000, 000
Committee recommendation.....	1, 574, 000, 000
Comparisons with:	
Appropriation, 1964.....	-1, 125, 400, 000
Estimates, 1965.....	-150, 000, 000
House bill.....	-150, 000, 000

The committee recommends an appropriation of \$1,574 million to partially reimburse the Commodity Credit Corporation for net realized losses incurred in fiscal 1963 for price support, export, supply, and related programs. The amount recommended is \$1,125,400,000 below the 1964 appropriation, \$150 million under the 1965 budget estimate and the amount carried in the House bill. The net realized losses for fiscal 1963 were \$2,654,853,000 but the budget estimate did not request a full reimbursement of realized loss.

The total amount required to provide the necessary operating or borrowing authority required by the Commodity Credit Corporation to conduct authorized programs is financed from several appropriation sources and the availability total borrowing authority to meet all requirements is dependent upon a number of factors such as volume of agricultural production, prices, sales and losses which cannot be accurately forecast in advance:

ADMINISTRATIVE EXPENSE LIMITATION

1964 appropriations.....	(\$41, 650, 000)
1965 budget estimates.....	(37, 351, 000)
House bill.....	(37, 351, 000)
Committee recommendation.....	(37, 351, 000)
Comparisons with:	
Appropriation, 1964.....	(-4, 299, 000)
Estimates, 1965.....	-----
House bill.....	-----

The committee recommends an administrative expense limitation of \$37,351,000 for expenses of the Commodity Credit Corporation. This is the amount requested in the budget estimate and carried in the House bill. The amount is \$4,299,000 under the 1964 limitation and the reduction is due primarily to a \$2,220,985 decrease in expenses of administering programs and a \$2,425,000 transfer item reflecting the amounts included in separate appropriations for the Office of Inspector General and the Office of Management Service.

The attention of the committee was called to the announced intent of the Commodity Credit Corporation to impose a mandatory micronaire reading as a part of the classing of cotton in connection with the price-support loan program. This significant change in requirements had not been brought to the attention of the committee in course of the regular hearings. In a special hearing the committee was advised that the decision had been made to require the micronaire reading in connection with loans on cotton beginning this year. The committee was advised of the potential merits of the micronaire reading, and also was advised that it was not mandatory under the

regular cotton classing standards which are promulgated pursuant to law.

The committee has inserted a provision in the bill precluding the proposed mandatory use of the micronaire reading as a part of cotton classing during the current fiscal year. The committee believes that if the micronaire reading is essential to cotton classing it should be promulgated as a part of the regular classing standards.

PUBLIC LAW 480

SALES FOR FOREIGN CURRENCIES

1964 appropriations.....	\$1, 452, 000, 000
1965 budget estimates.....	1, 893, 000, 000
House bill.....	1, 612, 000, 000
Committee recommendation.....	1, 737, 000, 000
Comparisons with:	
Appropriation, 1964.....	+285, 000, 000
Estimates, 1965.....	-156, 000, 000
House bill.....	+125, 000, 000

Under title I—to finance expenses of sales of agricultural commodities for foreign currencies—the committee recommends an appropriation of \$1,737 million. The amount recommended is \$285 million over the appropriation for fiscal 1965, \$156 million below the budget estimates, and \$125 million over the House bill. The committee has partially restored the budget estimate of \$1,893 million. The program authorization sets the maximum amount of agreements in any one calendar year for which reimbursement appropriations will be required to be made to finance necessary costs.

EMERGENCY FAMINE RELIEF

1964 appropriations.....	\$215, 451, 000
1965 budget estimates.....	¹ 220, 453, 000
House bill.....	220, 453, 000
Committee recommendation.....	220, 453, 000
Comparisons with:	
Appropriation, 1964.....	+5, 002, 000
Estimates, 1965.....	-----
House bill.....	-----

¹ S. Doc. 85 reduced the original estimate by \$43,547,000.

Under title II—the costs for emergency famine relief—an appropriation of \$220,453,000 is recommended. This is \$5,002,000 over the 1964 appropriation, and the same amount recommended in the revised budget estimate and carried in the House bill.

LONG-TERM SUPPLY CONTRACTS

1964 appropriations.....	\$52, 515, 000
1965 budget estimates.....	¹ 55, 000, 000
House bill.....	55, 000, 000
Committee recommendation.....	35, 000, 000
Comparisons with:	
Appropriation, 1964.....	-17, 515, 000
Estimates, 1965.....	-20, 000, 000
House bill.....	-20, 000, 000

¹ S. Doc. 85 reduced the original estimate by \$3,000,000.

Under title IV—long-term supply contracts—an appropriation of \$35 million is recommended. This is \$17,515,000 under the 1964 appropriation, and \$20 million under the revised budget estimate and the House bill. The committee believes that the recommended amount will be adequate to carry out the program in fiscal 1965.

INTERNATIONAL WHEAT AGREEMENT

1964 appropriations.....	\$86,218,000
1965 budget estimates.....	31,838,000
House bill.....	31,838,000
Committee recommendation.....	31,838,000
Comparisons with:	
Appropriation, 1964.....	—54,380,000
Estimates, 1965.....	-----
House bill.....	-----

The committee recommends an appropriation of \$31,838,000 for expenses of the International Wheat Agreement Act.

This is \$54,380,000 below the 1964 appropriation, and the same amount recommended in the budget estimate and carried in the House bill. The amount approved includes \$31,659,000 for prior year unreimbursed costs and \$179,000 for estimated 1965 costs.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

1964 appropriations.....	\$82,860,000
1965 budget estimates.....	120,000,000
House bill.....	82,860,000
Committee recommendation.....	102,860,000
Comparisons with:	
Appropriation, 1964.....	+20,000,000
Estimates, 1965.....	—17,140,000
House bill.....	+20,000,000

An appropriation of \$102,860,000 is recommended for costs to the Commodity Credit Corporation of commodities exchanged for strategic and other materials which are transferred to the supplemental stockpile. This program was authorized under title II of the Agricultural Act of 1956. The amount recommended is \$20 million over the amount in the 1964 appropriation, \$17,140,000 under the 1965 budget estimates, and \$20 million over the House bill. Within the recommended amount is \$39 million for unrecovered 1964 costs, making \$63,860,000 available for estimated costs in fiscal 1965.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1964 appropriations.....	(\$2, 785, 000)
1965 budget estimates.....	(2, 876, 000)
House bill.....	(2, 876, 000)
Committee recommendation.....	(2, 876, 000)
Comparisons with:	
Appropriation, 1964.....	(+91, 000)
Estimates, 1965.....	
House bill.....	

The Farm Credit Administration is a supervisory agency established to provide the banks and associations of the farm credit system with centralized and coordinated supervision and examination and related services deemed essential to the operation of the system, and its progress toward becoming wholly farmer owned.

The committee recommends an administrative expense limitation of \$2,876,000 for the operation of the Farm Credit Administration. This is the amount of the budget estimate and the amount approved by the House. The increase of \$91,000 over fiscal 1964 is necessary to meet the additional mandatory pay costs and lump-sum leave payments which cannot be absorbed due to the small size of this organization.

TITLE V—GENERAL PROVISIONS—SECTION 507

A year ago the committee, in its report accompanying the agricultural appropriation bill, directed the Department to withhold from use the portions for any increased activity applicable to the period from July 1 to the date of enactment of the Appropriation Act. In this bill the committee has recommended the inclusion of a new section (sec. 507) for the purpose of making it clear that increases over last year for increased activities of the Department represent the amount for such purposes on a full year basis. It is expected that the continuation in fiscal 1966 of amounts recommended in this bill and agreed to would be at the same funding level as recommended in the bill.

The intent of the provision is to assure that when such increased funds become available, whether under the joint resolution making continuing appropriations for 1965 or the regular appropriation Act the increases will not be used to conduct the activity at a rate higher than the amount provided for a full year. Under this provision the Department would be required to withhold from use the portion of any increase for salaries and related operating expenses which would build an activity up to an annual level greater than intended in this bill.

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1964 AND ESTIMATES AND AMOUNTS RECOMMENDED
IN BILL FOR 1965**

H. Doc. No.	Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965 ¹	Recommended in House bill for 1965	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1964	Budget estimates, 1965	
	TITLE I—GENERAL ACTIVITIES							
	Agricultural Research Service:							
	Salaries and expenses:							
S. 85	Research.....	² \$96,433,075	³ \$116,832,875	\$97,656,000	\$120,564,000	+\$24,130,925	+\$3,731,125	+\$22,908,000
240, S. 82	Plant and animal disease and pest control.....	64,318,000	69,605,000	65,255,000	69,036,400	+4,718,400	-568,600	+3,781,400
S. 83								
S. 85	Meat inspection.....	27,896,000	30,837,000	30,454,000	30,837,000	+2,941,000	-----	+383,000
284	1964 supplemental.....		90,000	-----	-----	-----	-90,000	-----
	Total, salaries and expenses.....	188,647,075	217,364,875	193,365,000	220,437,400	+31,790,325	+3,072,525	+27,072,400
S. 82	Salaries and expenses (special foreign currency program).....	1,250,000	4,000,000	-----	4,000,000	+2,750,000	-----	+4,000,000
	Total, Agricultural Research Service.....	189,897,075	221,364,875	193,365,000	224,437,400	+34,540,325	+3,072,525	+31,072,400
	Forest Service:							
S. 85	Research (1965 supplemental).....	-----	2,750,000	-----	2,750,000	+2,750,000	-----	+2,750,000
	Cooperative State Research Service:							
S. 85	Payments and expenses.....	41,428,000	51,232,000	42,440,000	52,482,000	+11,054,000	+1,250,000	+10,042,000
	Extension Service:							
S. 85	Payments to States and Puerto Rico.....	67,295,000	66,805,000	67,295,000	72,100,000	+4,805,000	+5,295,000	+4,805,000
S. 85	Retirement costs for extension agents.....	7,272,500	7,510,000	7,410,000	7,510,000	+237,500	-----	+100,000
	Penalty mail.....	3,113,000	3,113,000	3,113,000	3,113,000	-----	-----	-----

S. 85	Federal Extension Service.....	2, 401, 000	2, 551, 000	2, 451, 000	2, 551, 000	+150, 000	-----	+100, 000
	Total, Extension Service.....	80, 081, 500	79, 979, 000	80, 269, 000	85, 274, 000	+5, 192, 500	+5, 295, 000	+5, 005, 000
	Farmer Cooperative Service.....	1, 059, 200	1, 102, 200	1, 082, 000	1, 102, 000	+42, 800	-200	+20, 000
	Soil Conservation Service:							
	Conservation operations.....	97, 926, 000	98, 750, 000	100, 511, 000	100, 511, 000	+2, 585, 000	+1, 761, 000	-----
	Watershed planning.....	-----	-----	5, 524, 000	-----	-----	-----	-5, 524, 000
	Watershed protection.....	63, 447, 000	65, 848, 000	60, 324, 000	65, 848, 000	+2, 401, 000	-----	+5, 524, 000
	Flood prevention.....	25, 423, 000	22, 656, 000	25, 423, 000	22, 656, 000	-2, 767, 000	-----	-2, 767, 000
	Great Plains conservation program.....	13, 612, 000	14, 744, 000	14, 176, 000	14, 744, 000	+1, 132, 000	-----	+568, 000
	Resource conservation and development.....	1, 496, 000	2, 044, 000	1, 496, 000	2, 044, 000	+548, 000	-----	+548, 000
	Total, Soil Conservation Service.....	201, 904, 000	204, 042, 000	207, 454, 000	205, 803, 000	+3, 899, 000	+1, 761, 000	-1, 651, 000
	Economic Research Service:							
	Salaries and expenses.....	9, 246, 800	9, 976, 000	9, 476, 000	10, 576, 000	+1, 329, 200	-----	+1, 100, 000
S. 85	Statistical Reporting Service:							
	Salaries and expenses.....	10, 590, 900	11, 431, 400	11, 431, 000	11, 892, 000	+1, 301, 100	+460, 600	+461, 000
	Agricultural Marketing Service:							
	Marketing services.....	437, 192, 600	439, 515, 125	39, 389, 000	39, 590, 125	+2, 397, 525	+75, 000	+201, 125
	1964 supplemental.....	-----	173, 000	-----	-----	-----	-173, 000	-----
	Payments to States and possessions.....	1, 500, 000	1, 425, 000	1, 500, 000	1, 500, 000	-----	+75, 000	-----
	Special milk program.....	99, 834, 000	-----	-----	106, 000, 000	+6, 166, 000	+106, 000, 000	+106, 000, 000
	Transfer from sec. 32 funds (special receipts) re- placed in bill by appropriations (general fund)	-----	(99, 831, 000)	-----	-----	-----	(-99, 831, 000)	(-99, 831, 000)
	School lunch program.....	136, 616, 000	147, 610, 000	146, 400, 000	146, 400, 000	+9, 784, 000	-1, 210, 000	-----
	Transfer from sec. 32 funds.....	(45, 000, 000)	(45, 000, 000)	(45, 000, 000)	(45, 000, 000)	-----	-----	-----
	Total, Agricultural Marketing Service.....	275, 142, 600	188, 723, 125	187, 289, 000	293, 490, 125	+18, 347, 525	+104, 767, 000	+106, 201, 125

See footnotes at end of table, p. 49.

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

H. Doc. No.	Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965 ¹	Recommended in House bill for 1965	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—		
						Appropriations, 1964	Budget estimates, 1965	House bill
	TITLE I—GENERAL ACTIVITIES—Con.							
	Foreign Agricultural Service:							
240	Salaries and expenses.....	\$18,587,500	\$20,524,000	\$18,790,000	\$20,488,000	+\$1,900,500	-\$36,000	+\$1,698,000
	Transfer from sec. 32 funds.....	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)			
	Commodity Exchange Authority.....	1,053,000	1,119,000	1,100,000	1,119,000	+66,000		+19,000
	Agricultural Stabilization and Conservation Service:							
	Expenses, Agricultural Stabilization and Conservation Service.....	117,970,500	114,562,000	105,602,000	105,602,000	-12,368,500	-8,960,000	
	Transfer from Commodity Credit funds.....	(91,720,000)	(87,508,000)	(87,508,000)	(87,508,000)	(-4,212,000)		
203	Sugar Act program.....	78,000,000	87,500,000	86,400,000	87,500,000	+9,500,000		+1,100,000
	1964 supplemental.....		6,400,000		4,800,000	+4,800,000	-1,600,000	+4,800,000
	Agricultural conservation program.....	215,000,000	225,000,000	225,000,000	225,000,000	+10,000,000		
S. 85	Conservation reserve program.....	294,000,000	194,000,000	194,000,000	194,000,000	-100,000,000		
	Cropland conversion program.....	11,350,000	10,000,000	7,200,000	10,000,000	-1,350,000		+2,800,000
S. 83	1964 supplemental.....		10,000,000		10,000,000	+10,000,000		+10,000,000
S. 82	Emergency conservation measures.....	4,000,000	4,000,000		4,000,000			+4,000,000
	Total, Agricultural Stabilization and Conservation Service.....	720,320,500	651,462,000	618,202,000	640,902,000	-79,418,500	-10,560,000	+22,700,000
	Office of Rural Areas Development.....	120,000	124,000	124,000	124,000	+4,000		
	Office of Inspector General.....	9,712,400	9,874,000	9,874,000	9,874,000	+161,600		
	Office of the General Counsel.....	3,698,500	3,853,000	3,784,000	3,853,000	+154,500		+69,000

	Office of Information.....	1, 634, 000	1, 648, 000	1, 648, 000	1, 648, 000	+14, 000			
	National Agricultural Library:								
	Salaries and expenses.....	1, 326, 140	1, 547, 000	1, 347, 000	1, 547, 000	+220, 860		+200, 000	
	Library facilities.....	450, 000	7, 000, 000			-450, 000		-7, 000, 000	
85	Office of Management Services.....	2, 541, 200	2, 482, 000	2, 482, 000	2, 482, 000	-59, 200			
240	General administration.....	3, 223, 000	3, 357, 000	3, 530, 000	3, 314, 000	+91, 000		-216, 000	
	Total, title I, general activities.....	1, 572, 016, 315	1, 473, 590, 600	1, 393, 687, 000	1, 573, 157, 525	+1, 141, 210		+179, 470, 525	
	Adjustment for sec. 32 funds (special receipts) re- placed in bill by appropriation (general fund).....								
	Total, title I, general activities, including above adjustment for comparability.....	1, 572, 016, 315	99, 831, 000	99, 831, 000		+1, 141, 210		+79, 639, 525	
	TITLE II—CREDIT AGENCIES								
	Rural Electrification Administration:								
	Loan authorizations:								
	Electrification.....	7 (425, 000, 000)	8 (365, 000, 000)	9 (365, 000, 000)	(365, 000, 000)	(-60, 000, 000)			
	Telephone.....	(70, 000, 000)	(63, 000, 000)	10 (70, 000, 000)	(70, 000, 000)			(+7, 000, 000)	
	Total, loan authorizations.....	(495, 000, 000)	(428, 000, 000)	(435, 000, 000)	(435, 000, 000)	(-60, 000, 000)		(+7, 000, 000)	
	Salaries and expenses.....	11, 149, 000	11, 428, 000	11, 641, 000	11, 428, 000	+279, 000		-213, 000	
	Total, Rural Electrification Administration.....	11, 149, 000	11, 428, 000	11, 641, 000	11, 428, 000	+279, 000		-213, 000	
	Farmers Home Administration:								
	Rural housing loans.....	25, 000, 000				-25, 000, 000			
	Direct loan account:								
	Real estate loans.....	(60, 000, 000)	(25, 000, 000)	(60, 000, 000)	(60, 000, 000)			(+25, 000, 000)	
	Operating loans.....	11 (500, 000, 000)	(500, 000, 000)	11 (500, 000, 000)	(500, 000, 000)			(+25, 000, 000)	
	Total, Direct loan account.....	(500, 000, 000)	(225, 000, 000)	(500, 000, 000)	(500, 000, 000)			-980, 000	
	Rural renewal.....	1, 200, 000	2, 190, 000	1, 200, 000	1, 200, 000				
	Rural housing for the elderly revolving fund.....	3, 500, 000	5, 000, 000	3, 500, 000	5, 000, 000	+1, 500, 000		+1, 500, 000	

See footnotes at end of table, p. 49.

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

H. Doc. No.	Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965 ¹	Recommended in House bill for 1965	Amount recommended by Senate committee	Increase (+) or decrease (-), Senate bill compared with—	
						Appropriations, 1964	Budget estimates, 1965
240	TITLE II—CREDIT AGENCIES—Continued						
	Farmers Home Administration—Continued						
	Salaries and expenses.....	\$38,043,900	\$40,184,000	\$39,544,000	\$39,794,000	\$+1,750,100	\$+250,000
	Total, Farmers Home Administration.....	67,743,900	47,374,000	44,244,000	45,994,000	-21,749,900	+1,750,000
	Total, title II, credit agencies:						
	Loan authorizations.....	(855,000,000)	(753,000,000)	(795,000,000)	(795,000,000)	(-60,000,000)	-----
	Direct appropriation.....	78,892,900	58,802,000	55,885,000	57,422,000	-21,470,900	+1,537,000
	TITLE III—CORPORATIONS						
	(Including Public Law 480 and other assistance programs)						
	Federal Crop Insurance Corporation:						
	Administrative and operating expenses:	6,044,000	6,942,000	6,942,000	6,942,000	-2,000	-----
	Appropriations.....	(3,505,000)	(3,649,000)	(3,638,000)	(3,638,000)	(+133,000)	-----
	Premium income.....					(-11,000)	-----
	Commodity Credit Corporation:						
	Reimbursement for net realized losses.....	2,699,400,000	1,724,000,000	1,724,000,000	1,574,000,000	-1,125,400,000	-150,000,000
	Limitation on administrative expenses.....	(41,650,000)	(37,351,000)	(37,351,000)	(37,351,000)	(-4,299,000)	-----
	Public Law 480:						
	Sales for foreign currencies.....	1,452,000,000	1,893,000,000	1,612,000,000	1,737,000,000	+285,000,000	+125,000,000
S.	Emergency famine relief.....	215,451,000	220,453,000	220,453,000	220,453,000	+5,002,000	-----
	Long-term supply contracts.....	52,515,000	55,000,000	55,000,000	35,000,000	-17,515,000	-20,000,000
S.	Total, Public Law 480.....	1,719,966,000	2,168,453,000	1,887,453,000	1,992,453,000	+272,487,000	+105,000,000

International Wheat Agreement.....	86,218,000	31,838,000	31,838,000	-54,380,000		
Bartered materials for supplemental stockpile.....	82,800,000	82,800,000	102,860,000	+20,000,000	-17,140,000	+20,000,000
Total, title III, corporations.....	4,595,388,000	4,051,233,000	3,733,093,000	-887,295,000	-343,140,000	-25,000,000
TITLE IV—RELATED AGENCIES						
Farm Credit Administration:						
Limitation on administrative expenses.....	(2,785,000)	(2,876,000)	(2,876,000)	(+91,000)		
Total appropriations:						
Title I—General activities.....	1,572,016,315	1,473,590,600	1,393,687,000	+1,141,210	+99,566,925	+179,470,525
Title II—Credit agencies.....	78,892,900	58,802,000	55,885,000	-21,470,900	-1,380,000	+1,537,000
Title III—Corporations (including Public Law 480 and other assistance programs).....	4,595,388,000	4,051,233,000	3,733,093,000	-887,295,000	-343,140,000	-25,000,000
Title IV—Related agencies.....	(2,785,000)	(2,876,000)	(2,876,000)	(+91,000)		
Grand total.....	6,246,297,215	5,583,625,600	5,182,665,000	-907,624,690	-244,953,075	+156,007,525
Adjustment for sec. 32 funds (special receipts) replaced in bill by appropriation (general funds).....		99,831,000	99,831,000		-99,831,000	-99,831,000
Grand total, including above adjustment for comparability.....	6,246,297,215	5,683,456,600	5,282,496,000	-907,624,690	-344,784,075	+56,176,525
Consisting of—						
1965 appropriations.....	6,246,297,215	5,564,212,600	5,182,665,000	-925,174,690	-243,090,075	+138,457,525
Comparability adjustment.....		99,831,000	99,831,000		-99,831,000	-99,831,000
1965 supplemental.....		2,750,000	2,750,000	+2,750,000		+2,750,000
1964 supplementals.....		16,663,000	14,800,000	+14,800,000	-1,863,000	+14,800,000

1 H. Doc. 266, dated Jan. 21, 1964, unless otherwise indicated.
 2 Includes \$5,041,375 for marketing research which is merged with this appropriation.
 3 Includes \$4,459,875 for marketing research which is merged with this estimate.
 4 Excludes \$5,041,375 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
 5 Excludes \$4,459,875 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
 6 Includes \$13,600,000 deficiency for fiscal year 1964 submitted in H. Doc. 203 of Jan. 21, 1964.
 7 Includes \$150,000,000 contingency authorization.
 8 Includes \$65,000,000 contingency authorization.
 9 Includes \$90,000,000 contingency authorization.
 10 Includes \$7,000,000 contingency authorization.
 11 Includes \$50,000,000 contingency authorization.

PERMANENT APPROPRIATIONS

Item	Appropriations, 1964	Budget estimates, 1965	Increase or decrease
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32).....	\$368,001,556	\$378,000,000	+\$9,998,444
Perishable Agricultural Commodities Act fund.....	830,000	893,000	+63,000
Total, Agricultural Marketing Service.....	368,831,556	378,893,000	10,061,444
Agricultural Stabilization and Conservation Service: National Wool Act.....	90,179,493	80,500,000	-9,679,493
Total, permanent appropriations.....	459,011,049	459,393,000	+381,951

○

Calendar No. 1275

88TH CONGRESS
2D SESSION

H. R. 11202

[Report No. 1331]

IN THE SENATE OF THE UNITED STATES

MAY 21 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Appropriations

AUGUST 7, 1964

Reported by Mr. HOLLAND, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1965, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quarantine
9 and regulatory work, and meat inspection: *Provided*, That
10 appropriations hereunder shall be available for field employ-
11 ment pursuant to the second sentence of section 706 (a) of
12 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
13 \$75,000 shall be available for employment under section 15
14 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
15 *further*, That appropriations hereunder shall be available for
16 the operation and maintenance of aircraft and the purchase of
17 not to exceed two for replacement only: *Provided further*,
18 That appropriations hereunder shall be available pursuant to
19 title 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$20,000, except for ~~five~~ *six* buildings to be con-
24 structed or improved at a cost not to exceed \$45,000

1 each, and the cost of altering any one building during the
2 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
3 cost of the building, whichever is greater: *Provided further,*
4 That the limitations on alterations contained in this Act
5 shall not apply to a total of \$100,000 for facilities at
6 Beltsville, Maryland:

7 Research: For research and demonstrations on the pro-
8 duction and utilization of agricultural products; agricultural
9 marketing and distribution, not otherwise provided for; home
10 economics or nutrition and consumer use of agricultural and
11 associated products; and related research and services; and
12 for acquisition of land by donation, exchange, or purchase at
13 a nominal cost not to exceed \$100, ~~\$97,656,000~~ \$115,316,-
14 000, *plus the following amounts, to remain available until*
15 *expended, for the planning, construction, alteration, and*
16 *equipping of research facilities: \$1,000,000 for crops research*
17 *facilities at Fort Collins, Colorado; \$850,000 for facilities at*
18 *the Agricultural Research Center, Beltsville, Maryland;*
19 *\$800,000 for a stored-product insects laboratory, Savannah,*
20 *Georgia; \$260,000 for plans for a livestock insects and toxi-*
21 *cology laboratory, College Station, Texas; \$338,000 for plans*
22 *for a plant disease, nematode, and insect laboratory, Belts-*
23 *ville, Maryland; \$160,000 for plans for an insect attractants*
24 *and stored-product insects laboratory, Gainesville, Florida;*

1 \$1,600,000 for a peanut research laboratory, at Dawson,
2 Georgia, on a site acquired by donation, and: Provided,
3 That research investigations undertaken at the national
4 peanut quality evaluation laboratory must be truly na-
5 tional in scope and must give equivalent treatment to the
6 different types of peanuts produced and marketed in the
7 major peanut producing areas; and \$240,000 for plans
8 for a Western cotton insects and physiology laboratory,
9 Tempe, Arizona; a cotton disease laboratory, College Station,
10 Texas; a cotton physiology laboratory, Stoneville, Mississippi;
11 pilot cotton ginning facilities at Stoneville, Mississippi, and
12 Mesilla Park, New Mexico; and facilities in the High Plains
13 region in Texas for cotton ginning and storage research; in
14 all, \$120,564,000: Provided further, That the limitations
15 contained herein shall not apply to replacement of buildings
16 needed to carry out the Act of April 24, 1948 (21 U.S.C.
17 113 (a)) ;

18 Plant and animal disease and pest control: For oper-
19 ations and measures, not otherwise provided for, to control
20 and eradicate pests and plant and animal diseases and for
21 carrying out assigned inspection, quarantine, and regulatory
22 activities, as authorized by law, including expenses pursuant
23 to the Act of February 28, 1947, as amended (21 U.S.C.
24 114b-c), ~~\$65,255,000~~ \$69,036,400, of which \$1,500,000

1 shall be apportioned for use pursuant to section 3679 of the
2 Revised Statutes, as amended, for the control of outbreaks of
3 insects and plant diseases to the extent necessary to meet
4 emergency conditions: *Provided*, That no funds shall be used
5 to formulate or administer a brucellosis eradication program
6 for the current fiscal year that does not require minimum
7 matching by any State of at least 40 per centum: *Provided*
8 *further*, That no funds in excess of \$250,000 shall be avail-
9 able for carrying out the screw-worm eradication program
10 that does not require minimum matching by State or local
11 sources of at least 50 per centum of the expenses of produc-
12 tion, irradiation, and release of the screw-worm flies: *Pro-*
13 *vided further*, That, in addition, in emergencies which
14 threaten the livestock or poultry industries of the country,
15 the Secretary may transfer from other appropriations or funds
16 available to the agencies or corporations of the Department
17 such sums as he may deem necessary, to be available only
18 in such emergencies for the arrest and eradication of foot-
19 and-mouth disease, rinderpest, contagious pleuropneumonia,
20 or other contagious or infectious diseases of animals, or Euro-
21 pean fowl pest and similar diseases in poultry, and for ex-
22 penses in accordance with the Act of February 28, 1947,
23 as amended, and any unexpended balances of funds trans-
24 ferred under this head in the next preceding fiscal year shall
25 be merged with such transferred amounts;

1 Meat inspection: For carrying out the provisions of
 2 laws relating to Federal inspection of meat, and meat-food
 3 products, and the applicable provisions of the laws relating
 4 to process or renovated butter, ~~\$30,454,000~~ \$30,837,000;

5 Special fund: To provide for additional labor to be em-
 6 ployed under contracts and cooperative agreements to
 7 strengthen the work at research installations in the field,
 8 not more than \$1,000,000 of the amount appropriated under
 9 this head for the previous fiscal year may be used by the
 10 Administrator of the Agricultural Research Service in de-
 11 partmental research programs in the current fiscal year,
 12 the amount so used to be transferred to and merged with
 13 the appropriation otherwise available under "Salaries and
 14 expenses, Research".

15 *SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY*
 16 *PROGRAM)*

17 *For payments in foreign currencies which accrue under*
 18 *title I of the Agricultural Trade Development and Assist-*
 19 *ance Act of 1954, as amended (7 U.S.C. 1704), for mar-*
 20 *ket development research authorized by section 104(a) and*
 21 *for agricultural and forestry research and other functions*
 22 *related thereto authorized by section 104(k) of the Agri-*
 23 *cultural Trade Development and Assistance Act of 1954,*
 24 *as amended (7 U.S.C. 1704(a)(k)), to remain available*
 25 *until expended, \$4,000,000: Provided, That this appropria-*

1 tion shall be available in addition to other appropriations
2 for these purposes, for payments in the foregoing currencies:
3 Provided further, That funds appropriated herein shall be
4 used for payments in such foreign currencies as the Depart-
5 ment determines are needed and can be used most effectively
6 to carry out the purposes of this paragraph, and such foreign
7 currencies shall, pursuant to the provisions of section 104
8 (a), be set aside for sale to the Department before foreign
9 currencies which accrue under said title I are made available
10 for other United States uses: Provided further, That not
11 to exceed \$25,000 for this appropriation shall be available
12 for payments in foreign currencies for expenses of employ-
13 ment pursuant to the second sentence of section 706(a) of
14 the Organic Act of 1944 (5 U.S.C. 574), as amended by
15 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

16 FOREST SERVICE

17 FOREST PROTECTION AND UTILIZATION

18 For an additional amount for "Forest protection and
19 utilization", for Forest research, \$2,750,000, of which
20 \$900,000 for Forest research construction shall remain avail-
21 able until expended.

22 COOPERATIVE STATE RESEARCH SERVICE

23 PAYMENTS AND EXPENSES

24 For payments to agricultural experiment stations, for
25 grants for cooperative forestry research, for basic scientific

1 *research, and for facilities, and for other expenses, including*
2 ~~\$40,863,000~~ *\$45,113,000 to carry into effect the provisions*
3 *of the Hatch Act, approved March 2, 1887, as amended by*
4 *the Act approved August 11, 1955 (7 U.S.C. 361a-361i),*
5 *including administration by the United States Department*
6 *of Agriculture; ~~\$1,000,000~~ \$1,550,000 for grants for co-*
7 *operative forestry research under the Act approved Octo-*
8 *ber 10, 1962 (16 U.S.C. 582a-582a-7); \$2,000,000 in*
9 *addition to funds otherwise available, for grants for support*
10 *of basic scientific research under the Act approved Septem-*
11 *ber 6, 1958 (42 U.S.C. 1891-1893); \$3,242,000 for*
12 *grants for facilities under the Act approved July 22, 1963*
13 *(77 Stat. 90); \$310,000 for penalty mail costs of agricultural*
14 *experiment stations under section 6 of the Hatch Act of*
15 *1887, as amended; and \$267,000 for necessary expenses of*
16 *the Cooperative State Research Service, including adminis-*
17 *tration of payments to State agricultural experiment stations,*
18 *funds for employment pursuant to the second sentence of*
19 *section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),*
20 *and not to exceed \$30,000 for employment under section 15*
21 *of the Act of August 2, 1946 (5 U.S.C. 55a); in all, ~~\$42,-~~*
22 *440,000 \$52,482,000.*

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND
EXPENSES

1
2
3
4 Payments to States and Puerto Rico: For payments
5 for cooperative agricultural extension work under the Smith-
6 Lever Act, as amended by the Act of June 26, 1953, the
7 Act of August 11, 1955, and the Act of October 5, 1962 (7
8 U.S.C. 341-349), ~~\$65,725,000~~ \$70,530,000; and pay-
9 ments and contracts for such work under section 204 (b)-
10 205 of the Agricultural Marketing Act of 1946 (7 U.S.C.
11 1623-1624), \$1,570,000; in all, ~~\$67,295,000~~ \$72,100,000:
12 *Provided*, That funds hereby appropriated pursuant to sec-
13 tion 3 (c) of the Act of June 26, 1953, shall not be paid to
14 any State or Puerto Rico prior to availability of an equal
15 sum from non-Federal sources for expenditure during the
16 current fiscal year.

17 Retirement and Employees' Compensation costs for ex-
18 tension agents: For cost of employer's share of Federal
19 retirement and for reimbursement for benefits paid from the
20 Employees' Compensation Fund for cooperative extension
21 employees, ~~\$7,410,000~~ \$7,510,000.

1 Penalty mail: For costs of penalty mail for cooperative
2 extension agents and State extension directors, \$3,113,000.

3 Federal Extension Service: For administration of the
4 Smith-Lever Act, as amended by the Act of June 26,
5 1953, the Act of August 11, 1955, and the Act of October 5,
6 1962 (7 U.S.C. 341-349), and extension aspects of the
7 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627),
8 and to coordinate and provide program leadership for the
9 extension work of the Department and the several States
10 and insular possessions, ~~\$2,451,000~~ \$2,551,000.

11 FARMER COOPERATIVE SERVICE

12 SALARIES AND EXPENSES

13 For necessary expenses to carry out the Act of July 2,
14 1926 (7 U.S.C. 451-457), and for conducting research
15 relating to the economic and marketing aspects of farmer
16 cooperatives, as authorized by the Agricultural Marketing
17 Act of 1946 (7 U.S.C. 1621-1627), ~~\$1,082,000~~ \$1,-
18 102,000.

19 SOIL CONSERVATION SERVICE

20 CONSERVATION OPERATIONS

21 For necessary expenses for carrying out the provisions of
22 the Act of April 27, 1935 (16 U.S.C. 590a-590f), includ-
23 ing preparation of conservation plans and establishment of
24 measures to conserve soil and water (including farm irriga-
25 tion and land drainage and such special measures as may be

1 necessary to prevent floods and the siltation of reservoirs) ;
2 operation of conservation nurseries; classification and map-
3 ping of soil; dissemination of information; purchase and erec-
4 tion or alteration of permanent buildings; and operation and
5 maintenance of aircraft, \$100,511,000: *Provided*, That the
6 cost of any permanent building purchased, erected, or as
7 improved, exclusive of the cost of constructing a water
8 supply or sanitary system and connecting the same to any
9 such building and with the exception of buildings acquired in
10 conjunction with land being purchased for other purposes,
11 shall not exceed \$2,500, except for one building to be con-
12 structed at a cost not to exceed \$25,000 and eight build-
13 ings to be constructed or improved at a cost not to exceed
14 \$15,000 per building and except that alterations or im-
15 provements to other existing permanent buildings cost-
16 ing \$2,500 or more may be made in any fiscal year in an
17 amount not to exceed \$500 per building: *Provided further*,
18 That no part of this appropriation shall be available for the
19 construction of any such building on land not owned by the
20 Government: *Provided further*, That no part of this appro-
21 priation may be expended for soil and water conservation
22 operations under the Act of April 27, 1935 (16 U.S.C.
23 590a-590f), in demonstration projects: *Provided further*,
24 That this appropriation shall be available for field employ-
25 ment pursuant to the second sentence of section 706 (a) of

1 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
2 \$5,000 shall be available for employment under section 15
3 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
4 *further*, That qualified local engineers may be temporarily
5 employed at per diem rates to perform the technical planning
6 work of the service.

7 WATERSHED PLANNING

8 For necessary expenses for small watershed investiga-
9 tions and planning, \$5,524,000, to remain available until
10 expended.

11 WATERSHED PROTECTION

12 For necessary expenses to conduct river basin surveys
13 and investigations, and research and to carry out preventive
14 measures, including, but not limited to, engineering opera-
15 tions, methods of cultivation, the growing of vegetation, and
16 changes in use of land, in accordance with the Watershed
17 Protection and Flood Prevention Act, approved August 4,
18 1954, as amended (16 U.S.C. 1001-1008), and the provi-
19 sions of the Act of April 27, 1935 (16 U.S.C. 590a-f),
20 to remain available until expended, \$60,324,000, with
21 which shall be merged the unexpended balances of funds
22 heretofore appropriated or transferred to the Department
23 for watershed protection purposes: *Provided*, That this ap-
24 propriation shall be available for field employment pursuant

1 to the second sentence of section 706(a) of the Organic Act
2 of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall
3 be available for employment under section 15 of the Act of
4 August 2, 1946 (5 U.S.C. 55a): *Provided further, That*
5 *not to exceed \$4,000,000, together with the unobligated*
6 *balance of funds previously appropriated for loans and related*
7 *expense, shall be available for such purposes.*

8 *WATERSHED PROTECTION*

9 *For necessary expenses to conduct surveys, investiga-*
10 *tions, and research and to carry out preventive measures,*
11 *including, but not limited to, engineering operations, meth-*
12 *ods of cultivation, the growing of vegetation, and changes*
13 *in use of land, in accordance with the Watershed Protec-*
14 *tion and Flood Prevention Act, approved August 4, 1954,*
15 *as amended (16 U.S.C. 1001-1008) and the provisions of*
16 *the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain*
17 *available until expended, \$65,848,000, with which shall be*
18 *merged the unexpended balances of funds heretofore appro-*
19 *priated or transferred to the Department for watershed pro-*
20 *tection purposes: Provided, That this appropriation shall be*
21 *available for field employment pursuant to the second sentence*
22 *of section 706(a) of the Organic Act of 1944 (5 U.S.C.*
23 *574), and not to exceed \$100,000 shall be available for*
24 *employment under section 15 of the Act of August 2, 1946*
25 *(5 U.S.C. 55a): Provided further, That not to exceed*

1 \$5,000,000 together with the unobligated balance of funds
2 previously appropriated for loans and related expense, shall
3 be available for such purposes.

4 FLOOD PREVENTION

5 For necessary expenses, in accordance with the Flood
6 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
7 16 U.S.C. 1006a), as amended and supplemented, and in
8 accordance with the provisions of laws relating to the activ-
9 ities of the Department, to perform works of improvement,
10 including funds for field employment pursuant to the second
11 sentence of section 706 (a) of the Organic Act of 1944
12 (5 U.S.C. 574), and not to exceed \$100,000 for employ-
13 ment under section 15 of the Act of August 2, 1946 (5
14 U.S.C. 55a), to remain available until expended;
15 ~~\$25,423,000~~ \$22,656,000, with which shall be merged the
16 unexpended balances of funds heretofore appropriated or
17 transferred to the Department for flood prevention pur-
18 poses: *Provided*, That no part of such funds shall be used for
19 the purchase of lands in the Yazoo and Little Tallahatchie
20 watersheds without specific approval of the county board of
21 supervisors of the county in which such lands are situated:
22 *Provided further*, That not to exceed \$1,000,000, together
23 with the unobligated balance of funds previously appro-
24 priated for loans and related expense, shall be available for
25 such purposes.

1 GREAT PLAINS CONSERVATION PROGRAM

2 For necessary expenses to carry into effect a program of
3 conservation in the Great Plains area, pursuant to section
4 16 (b) of the Soil Conservation and Domestic Allotment
5 Act, as added by the Act of August 7, 1956 (16 U.S.C.
6 590p), ~~\$14,176,000~~ \$14,744,000, to remain available until
7 expended.

8 RESOURCE CONSERVATION AND DEVELOPMENT

9 For necessary expenses in planning and carrying out
10 projects for resource conservation and development, and for
11 sound land use, pursuant to the provisions of section 32 (e)
12 of title III of the Bankhead-Jones Farm Tenant Act, as
13 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
14 of the Act of April 27, 1935 (16 U.S.C. 590a-f),
15 ~~\$1,496,000~~ \$2,044,000, to remain available until expended:
16 *Provided*, That not to exceed \$500,000 of such amount shall
17 be available for loans and related expenses under subtitle A
18 of the Consolidated Farmers Home Administration Act of
19 1961, as amended: *Provided further*, That this appropriation
20 shall be available for field employment pursuant to the second
21 sentence of section 706 (a) of the Organic Act of 1944 (5
22 U.S.C. 574), and not to exceed \$50,000 shall be available
23 for employment under section 15 of the Act of August 2,
24 1946 (5 U.S.C. 55a).

1 ECONOMIC RESEARCH SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses of the Economic Research Serv-
4 ice in conducting economic research and service relating to
5 agricultural production, marketing, and distribution, as au-
6 thorized by the Agricultural Marketing Act of 1946 (7
7 U.S.C. 1621-1627), and other laws, including economics
8 of marketing; analyses relating to farm prices, income and
9 population, and demand for farm products, use of resources
10 in agriculture, adjustments, costs and returns in farming, and
11 farm finance; and for analyses of supply and demand for
12 farm products in foreign countries and their effect on pros-
13 pects for United States exports, progress in economic de-
14 velopment and its relation to sales of farm products, assembly
15 and analysis of agricultural trade statistics and analysis of
16 international financial and monetary programs and policies
17 as they affect the competitive position of United States farm
18 products; ~~\$9,476,000~~ \$10,576,000: *Provided*, That not less
19 than \$350,000 of the funds contained in this appropriation
20 shall be available to continue to gather statistics and conduct
21 a special study on the price spread between the farmer and
22 consumer: *Provided further*, That this appropriation shall
23 be available for employment pursuant to the second sentence
24 of section 706 (a) of the Organic Act of 1944 (5 U.S.C.
25 574), and not to exceed \$75,000 shall be available for em-

1 ployment under section 15 of the Act of August 2, 1946
 2 (5 U.S.C. 55a): *Provided further*, That not less than
 3 \$145,000 of the funds contained in this appropriation shall
 4 be available for analysis of statistics and related facts on
 5 foreign production and full and complete information on
 6 methods used by other countries to move farm commodities
 7 in world trade on a competitive basis.

8 STATISTICAL REPORTING SERVICE

9 SALARIES AND EXPENSES

10 For necessary expenses of the Statistical Reporting
 11 Service in conducting statistical reporting and service work,
 12 including crop and livestock estimates, statistical coordination
 13 and improvements, and marketing surveys, as authorized by
 14 the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–
 15 1627) and other laws, ~~\$11,431,000~~ \$11,892,000: *Pro-*
 16 *vided*, That no part of the funds herein appropriated shall
 17 be available for any expense incident to publishing estimates
 18 of apple production for other than the commercial crop.

19 AGRICULTURAL MARKETING SERVICE

20 MARKETING SERVICES

21 For expenses necessary to carry on services related to
 22 agricultural marketing and distribution as authorized by the
 23 Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627)

1 and other laws, including the administration of marketing
 2 regulatory acts connected therewith and for administration
 3 and coordination of payments to States; and this appro-
 4 priation shall be available for field employment pursuant
 5 to section 706 (a) of the Organic Act of 1944 (5 U.S.C.
 6 574), and not to exceed \$25,000 shall be available for em-
 7 ployment at rates not to exceed \$75 per diem under section
 8 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in car-
 9 rying out section 201 (a) to 201 (d), inclusive, of title II of
 10 the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291)
 11 and section 203 (j) of the Agricultural Marketing Act of
 12 1946; ~~\$39,389,000~~ \$39,590,125.

13 PAYMENTS TO STATES AND POSSESSIONS

14 For payments to departments of agriculture, bureaus and
 15 departments of markets, and similar agencies for marketing
 16 activities under section 204 (b) of the Agricultural Market-
 17 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,500,000.

18 SPECIAL MILK PROGRAM

19 For necessary expenses to carry out the Special Milk
 20 Program, as authorized by the Act of August 8, 1961 (7
 21 U.S.C. 1446, note), ~~\$99,831,000~~ \$106,000,000, to be de-
 22 rived by transfer from funds available under section 32 of
 23 the Act of August 24, 1935 (7 U.S.C. 612) .

1 SCHOOL LUNCH PROGRAM

2 For necessary expenses to carry out the provisions of
3 the National School Lunch Act, as amended (42 U.S.C.
4 1751-1760, \$146,400,000: *Provided*, That no part of
5 this appropriation shall be used for nonfood assistance under
6 section 5 of said Act: *Provided further*, That \$45,000,000
7 shall be transferred to this appropriation from funds avail-
8 able under section 32 of the Act of August 24, 1935, for
9 purchase and distribution of agricultural commodities and
10 other foods pursuant to section 6 of the National School
11 Lunch Act.

12 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

13 (SECTION 32)

14 No funds available under section 32 of the Act of
15 August 24, 1935 (7 U.S.C. 612c) shall be used for any
16 purpose other than commodity program expenses as author-
17 ized therein, and other related operating expenses, except
18 for (1) transfers to the Department of the Interior as
19 authorized by the Fish and Wildlife Act of August 8, 1956,
20 (2) transfers otherwise provided in this Act, (3) not more
21 than \$2,924,000 for formulation and administration of mar-
22 keting agreements and orders pursuant to the Agricultural
23 Marketing Agreement Act of 1937, as amended, and the

1 Agricultural Act of 1961, (4) not more than ~~\$45,000,000~~
2 ~~\$35,000,000~~ for expenses for the Pilot Food Stamp Program
3 and (5) not in excess of ~~\$25,000,000~~ ~~\$11,000,000~~ to be
4 used to increase domestic consumption of farm commodities
5 pursuant to authority contained in Public Law 88-250, the
6 Department of Agriculture and Related Agencies Appro-
7 priation Act, 1964, of which amount ~~\$2,000,000~~ shall re-
8 main available until expended for construction, alteration
9 and modification of research facilities.

10 FOREIGN AGRICULTURAL SERVICE

11 SALARIES AND EXPENSES

12 For necessary expenses for the Foreign Agricultural
13 Service, including carrying out title VI of the Agricultural
14 Act of 1954 (7 U.S.C. 1761-1768), market development
15 activities abroad, and for enabling the Secretary to coordinate
16 and integrate activities of the Department in connection
17 with foreign agricultural work, including not to exceed
18 ~~\$35,000~~ for representation allowances and for expenses pur-
19 suant to section 8 of the Act approved August 3, 1956 (7
20 U.S.C. 1766), ~~\$18,790,000~~ ~~\$20,488,000~~: *Provided*, That
21 not less than \$255,000 of the funds contained in this appro-
22 priation shall be available to obtain statistics and related
23 facts on foreign production and full and complete information
24 on methods used by other countries to move farm com-
25 modities in world trade on a competitive basis: *Provided*

1 *further*, That, in addition, not to exceed \$3,117,000 of the
 2 funds appropriated by section 32 of the Act of August 24,
 3 1935, as amended (7 U.S.C. 612c), shall be merged with
 4 this appropriation and shall be available for all expenses
 5 of the Foreign Agricultural Service.

6 COMMODITY EXCHANGE AUTHORITY

7 SALARIES AND EXPENSES

8 For necessary expenses to carry into effect the pro-
 9 visions of the Commodity Exchange Act, as amended (7
 10 U.S.C. 1-17a), ~~\$1,100,000~~ \$1,119,000.

11 AGRICULTURAL STABILIZATION AND CONSERVATION

12 SERVICE

13 EXPENSES, AGRICULTURAL STABILIZATION AND

14 CONSERVATION SERVICE

15 For necessary administrative expenses of the Agricultural
 16 Stabilization and Conservation Service, including expenses
 17 to formulate and carry out programs authorized by title III
 18 of the Agricultural Adjustment Act of 1938, as amended (7
 19 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7
 20 U.S.C. 1101-1161); sections 7 to 15, 16 (a), 16 (d), 16 (e),
 21 16 (f), and 17 of the Soil Conservation and Domestic Allot-
 22 ment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C.
 23 1010-1011) as added by section 132 of the Act of August 8,
 24 1961; subtitles B and C of the Soil Bank Act (7 U.S.C.
 25 1831-1837, 1802-1814, and 1816); and laws pertaining

1 to the Commodity Credit Corporation, \$105,602,000: *Pro-*
2 *vided*, That, in addition, not to exceed \$87,508,000 may be
3 transferred to and merged with this appropriation from the
4 Commodity Credit Corporation fund (including not to exceed
5 \$35,668,000 under the limitation on Commodity Credit
6 Corporation administrative expenses): *Provided further*,
7 That other funds made available to Agricultural Stabilization
8 and Conservation Service for authorized activities may be
9 advanced to and merged with this appropriation: *Provided*
10 *further*, That no part of the funds appropriated or made
11 available under this Act shall be used, (1) to influence the
12 vote in any referendum; (2) to influence agricultural legis-
13 lation, except as permitted in 18 U.S.C. 1913; or (3) for
14 salaries or other expenses of members of county and com-
15 munity committees established pursuant to section 8(b) of
16 the Soil Conservation and Domestic Allotment Act, as
17 amended, for engaging in any activities other than advisory
18 and supervisory duties and delegated program function pre-
19 scribed in administrative regulations.

20

SUGAR ACT PROGRAM

21 For necessary expenses to carry into effect the pro-
22 visions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
23 ~~\$86,400,000~~ \$92,300,000, to remain available until June 30
24 of the next succeeding fiscal year.

1 AGRICULTURAL CONSERVATION PROGRAM

2 For necessary expenses to carry into effect the program
3 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
4 Conservation and Domestic Allotment Act, approved Feb-
5 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
6 590p (a), and 590q), including not to exceed \$6,000 for
7 the preparation and display of exhibits, including such dis-
8 plays at State, interstate, and international fairs within
9 the United States, \$225,000,000, to remain available
10 until December 31 of the next succeeding fiscal year
11 for compliance with the programs of soil-building and soil-
12 and water-conserving practices authorized under this head
13 in the Department of Agriculture and Related Agencies
14 Appropriation Acts, 1963 and 1964, carried out during the
15 period July 1, 1962, to December 31, 1964, inclusive:
16 *Provided*, That none of the funds herein appropriated shall
17 be used to pay the salaries or expenses of any regional in-
18 formation employees or any State information employees, but
19 this shall not preclude the answering of inquiries or supply-
20 ing of information at the county level to individual farmers:
21 *Provided further*, That no portion of the funds for the current
22 year's program may be utilized to provide financial or techni-
23 cal assistance for drainage on wetlands now designated as
24 Wetland Types 3 (III), 4 (IV), and 5 (V) in United States

1 Department of the Interior, Fish and Wildlife Service Circu-
2 lar 39, Wetlands of the United States, 1956: *Provided fur-*
3 *ther*, That necessary amounts shall be available for adminis-
4 trative expenses in connection with the formulation and ad-
5 ministration of the 1965 program of soil-building and soil-
6 and water-conserving practices, including related wildlife
7 conserving practices, under the Act of February 29, 1936, as
8 amended (amounting to \$220,000,000, excluding adminis-
9 tration, except that no participant shall receive more than
10 \$2,500, except where the participants from two or more
11 farms or ranches join to carry out approved practices designed
12 to conserve or improve the agricultural resources of the com-
13 munity) : *Provided further*, That not to exceed 5 per centum
14 of the allocation for the current year's agricultural conserva-
15 tion program for any county may, on the recommendation
16 of such county committee and approval of the State com-
17 mittee, be withheld and allotted to the Soil Conservation
18 Service for services of its technicians in formulating and
19 carrying out the agricultural conservation program in the
20 participating counties, and shall not be utilized by the Soil
21 Conservation Service for any purpose other than technical
22 and other assistance in such counties, and in addition, on the
23 recommendation of such county committee and approval of
24 the State committee, not to exceed 1 per centum may be
25 made available to any other Federal, State, or local public

1 agency for the same purpose and under the same conditions:
2 *Provided further*, That for the current year's program \$2,-
3 500,000 shall be available for technical assistance in formu-
4 lating and carrying out agricultural conservation practices:
5 *Provided further*, That such amounts shall be available for
6 the purchase of seeds, fertilizers, lime, trees, or any other
7 farming material, or any soil-terracing services, and making
8 grants thereof to agricultural producers to aid them in carry-
9 ing out farming practices approved by the Secretary under
10 programs provided for herein: *Provided further*, That no
11 part of any funds available to the Department, or any bureau,
12 office, corporation, or other agency constituting a part of
13 such Department, shall be used in the current fiscal year for
14 the payment of salary or travel expenses of any person who
15 has been convicted of violating the Act entitled "An Act to
16 prevent pernicious political activities", approved August 2,
17 1939, as amended, or who has been found in accordance with
18 the provisions of title 18, United States Code, section 1913,
19 to have violated or attempted to violate such section which
20 prohibits the use of Federal appropriations for the payment
21 of personal services or other expenses designed to influence
22 in any manner a Member of Congress to favor or oppose any
23 legislation or appropriation by Congress except upon request
24 of any Member or through the proper official channels.

1 CONSERVATION RESERVE PROGRAM

2 For necessary expenses to carry out a conservation
3 reserve program as authorized by subtitles B and C of the
4 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
5 1816), and to carry out liquidation activities for the acreage
6 reserve program, to remain available until expended,
7 \$194,000,000, with which may be merged the unexpended
8 balances of funds heretofore appropriated for soil bank pro-
9 grams: *Provided*, That no part of these funds shall be paid
10 on any contract which is illegal under the law due to the
11 division of lands for the purpose of evading limits on annual
12 payments to participants.

13 CROPLAND CONVERSION PROGRAM

14 For necessary expenses to promote the conservation and
15 economic use of land pursuant to the provisions of section
16 16(c) of the Soil Conservation and Domestic Allotment
17 Act (16 U.S.C. 590h, 590p), as amended, ~~\$7,200,000~~
18 \$20,000,000, to remain available until expended.

19 *EMERGENCY CONSERVATION MEASURES*

20 *For emergency conservation measures, to be used for*
21 *the same purposes and subject to the same conditions as*
22 *funds appropriated under this head in the Third Supple-*

1 *mental Appropriation Act, 1957, to remain available until*
2 *expended, \$4,000,000, with which shall be merged the*
3 *unexpended balances of funds heretofore appropriated for*
4 *emergency conservation measures.*

5 OFFICE OF RURAL AREAS DEVELOPMENT

6 SALARIES AND EXPENSES

7 For necessary expenses, not otherwise provided for, of
8 the Office of Rural Areas Development in providing leader-
9 ship, coordination, liaison, and related services in the rural
10 areas development activities of the Department, \$124,000:
11 *Provided*, That this appropriation shall be available for field
12 employment pursuant to the second sentence of section 706
13 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not
14 to exceed \$3,000 shall be available for employment under
15 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

16 OFFICE OF THE INSPECTOR GENERAL

17 SALARIES AND EXPENSES

18 For necessary expenses of the Office of the Inspector
19 General, including employment pursuant to the second sen-
20 tence of section 706 (a) of the Organic Act of 1944 (5
21 U.S.C. 574), \$9,874,000.

1 OFFICE OF THE GENERAL COUNSEL

2 SALARIES AND EXPENSES

3 For necessary expenses, including payment of fees or
4 dues for the use of law libraries by attorneys in the field
5 service, ~~\$3,784,000~~ \$3,853,000.

6 OFFICE OF INFORMATION

7 SALARIES AND EXPENSES

8 For necessary expenses of the Office of Information for
9 the dissemination of agricultural information and the co-
10 ordination of informational work and programs authorized
11 by Congress in the Department, \$1,648,000, of which
12 total appropriation not to exceed \$537,000 may be used
13 for farmers' bulletins, which shall be adapted to the interests
14 of the people of the different sections of the country, an
15 equal proportion of four-fifths of which shall be available to
16 be delivered to or sent out under the addressed franks fur-
17 nished by the Senators, Representatives, and Delegates in
18 Congress, as they shall direct (7 U.S.C. 417), and not less
19 than two hundred and thirty-two thousand two hundred and
20 fifty copies for the use of the Senate and House of Repre-
21 sentatives of part 2 of the annual report of the Secretary
22 (known as the Yearbook of Agriculture) as authorized by
23 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
24 *Provided*, That in the preparation of motion pictures or ex-
25 hibits by the Department, this appropriation shall be avail-

1 able for employment pursuant to the second sentence of sec-
2 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
3 and not to exceed \$10,000 shall be available for employment
4 under section 15 of the Act of August 2, 1946 (5 U.S.C.
5 55a).

6 NATIONAL AGRICULTURAL LIBRARY

7 SALARIES AND EXPENSES

8 For necessary expenses of the National Agricultural
9 Library, ~~\$1,347,000~~ \$1,547,000: *Provided*, That this ap-
10 propriation shall be available for employment pursuant to the
11 second sentence of section 706 (a) of the Organic Act of
12 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be
13 available for employment under section 15 of the Act of
14 August 2, 1946 (5 U.S.C. 55a).

15 OFFICE OF MANAGEMENT SERVICES

16 SALARIES AND EXPENSES

17 For necessary expenses to enable the Office of Manage-
18 ment Services to provide management support services to
19 selected agencies and offices of the Department of Agricul-
20 ture, \$2,482,000.

21 GENERAL ADMINISTRATION

22 SALARIES AND EXPENSES

23 For necessary expenses of the Office of the Secretary
24 of Agriculture and for general administration of the Depart-
25 ment of Agriculture, including expenses of the National

1 Agricultural Advisory Commission; repairs and alterations;
2 and other miscellaneous supplies and expenses not other-
3 wise provided for and necessary for the practical and effi-
4 cient work of the Department of Agriculture, ~~\$2,530,000~~
5 ~~\$3,314,000~~: *Provided*, That this appropriation shall be re-
6 imbursed from applicable appropriations for travel expenses
7 incident to the holding of hearings as required by the Admin-
8 istrative Procedures Act (5 U.S.C. 1001) : *Provided fur-*
9 *ther*, That not to exceed \$2,500 of this amount shall be
10 available for official reception and representation expenses,
11 not otherwise provided for, as determined by the Secretary.

12 TITLE II—CREDIT AGENCIES

13 RURAL ELECTRIFICATION ADMINISTRATION

14 To carry into effect the provisions of the Rural Elec-
15 trification Act of 1936, as amended (7 U.S.C. 901–924),
16 as follows:

17 LOAN AUTHORIZATIONS

18 For loans in accordance with said Act, and for carrying
19 out the provisions of section 7 thereof, to be borrowed from
20 the Secretary of the Treasury in accordance with the pro-
21 visions of section 3 (a) of said Act, as follows: Rural elec-
22 trification program, \$365,000,000, of which \$90,000,000
23 shall be placed in reserve to be borrowed under the same
24 terms and conditions to the extent that such amount is re-
25 quired during the current fiscal year under the then existing

1 conditions for the expeditious and orderly development of
2 the rural electrification program; and rural telephone pro-
3 gram, \$70,000,000, of which \$7,000,000 shall be placed in
4 reserve to be borrowed under the same terms and conditions
5 to the extent that such amount is required during the current
6 fiscal year under the then existing conditions for the expedi-
7 tious and orderly development of the rural telephone
8 program.

9 SALARIES AND EXPENSES

10 For administrative expenses, including not to exceed
11 \$500 for financial and credit reports, funds for employment
12 pursuant to the second sentence of section 706 (a) of the
13 Organic Act of 1944 (5 U.S.C. 574), and not to exceed
14 \$150,000 for employment under section 15 of the Act of
15 August 2, 1946 (5 U.S.C. 55a), ~~\$11,641,000~~ \$11,428,000.

16 FARMERS HOME ADMINISTRATION

17 DIRECT LOAN ACCOUNT

18 Direct loans and advances under subtitles A and B, and
19 advances under section 335 (a) for which funds are not other-
20 wise available, of the Consolidated Farmers Home Adminis-
21 tration Act of 1961 (7 U.S.C. 1921), as amended, may be
22 made from funds available in the Farmers Home Adminis-
23 tration direct loan account as follows: real estate loans,
24 \$60,000,000; and operating loans, \$300,000,000, of which
25 \$50,000,000 shall be placed in reserve to be used only to

1 the extent required during current fiscal year under the then
2 existing conditions for the expeditious and orderly conduct
3 of the loan program.

4 RURAL RENEWAL

5 For necessary expenses, including administrative ex-
6 penses, in carrying out rural renewal activities under section
7 32 (e) of title III of the Bankhead-Jones Farm Tenant Act,
8 as amended \$1,200,000, to remain available until expended.

9 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

10 For loans pursuant to section 515 (a) of the Housing
11 Act of 1949, as amended (42 U.S.C. 1485), including ad-
12 vances pursuant to section 335 (a) of the Consolidated
13 Farmers Home Administration Act of 1961 (7 U.S.C.
14 1985) in connection with security for such loans, ~~\$3,500,-~~
15 ~~000~~ \$5,000,000.

16 SALARIES AND EXPENSES

17 For necessary expenses of the Farmers Home Adminis-
18 tration, not otherwise provided for, in administering the
19 programs authorized by the Consolidated Farmers Home
20 Administration Act of 1961 (7 U.S.C. 1921), as amended,
21 title V of the Housing Act of 1949, as amended (42 U.S.C.
22 1471-1484), and the Rural Rehabilitation Corporation

1 Trust Liquidation Act, approved May 3, 1950 (40 U.S.C.
2 440-444) ; ~~\$39,544,000~~ \$39,794,000, together with not
3 more than ~~\$2,000,000~~ \$2,250,000 of the charges collected
4 in connection with the insurance of loans as authorized by
5 section 309 (e) of the Consolidated Farmers Home Adminis-
6 tration Act of 1961, as amended, and section 514 (b) (3)
7 of the Housing Act of 1949, as amended : ~~Provided, That, in~~
8 ~~addition, not to exceed \$500,000 of the funds available for~~
9 ~~the various programs administered by this Agency may be~~
10 ~~transferred to this appropriation for temporary field em-~~
11 ~~ployment pursuant to the second sentence of section 706 (a)-~~
12 ~~of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual~~
13 ~~or heavy workload increases.~~

14 TITLE III—CORPORATIONS

15 The following corporations and agencies are hereby
16 authorized to make such expenditures, within the limits of
17 funds and borrowing authority available to each such cor-
18 poration or agency and in accord with law, and to make
19 such contracts and commitments without regard to fiscal
20 year limitations as provided by section 104 of the Govern-
21 ment Corporation Control Act, as amended, as may be
22 necessary in carrying out the programs set forth in the

1 budget for the current fiscal year for such corporation or
2 agency, except as hereinafter provided:

3 FEDERAL CROP INSURANCE CORPORATION

4 ADMINISTRATIVE AND OPERATING EXPENSES

5 For administrative and operating expenses, \$6,942,000.

6 FEDERAL CROP INSURANCE CORPORATION FUND

7 Not to exceed \$3,638,000 of administrative and oper-
8 ating expenses may be paid from premium income.

9 COMMODITY CREDIT CORPORATION

10 REIMBURSEMENT FOR NET REALIZED LOSSES

11 To partially reimburse the Commodity Credit Corpora-
12 tion for net realized losses sustained during the fiscal year
13 ending June 30, 1963, pursuant to the Act of August 17,
14 1961 (15 U.S.C. 713a-11, 713a-12), ~~\$1,724,000,000~~
15 \$1,574,000,000.

16 LIMITATION ON ADMINISTRATIVE EXPENSES

17 Nothing in this Act shall be so construed as to prevent
18 the Commodity Credit Corporation from carrying out any ac-
19 tivity or any program authorized by law: *Provided*, That
20 not to exceed \$37,351,000 shall be available for administra-
21 tive expenses of the Corporation: *Provided further*, That
22 \$945,000 of this authorization shall be available only to
23 expand and strengthen the sales program of the Corporation
24 pursuant to authority contained in the Corporation's charter:
25 *Provided further*, That not less than 7 per centum of this

1 authorization shall be placed in reserve to be apportioned
2 pursuant to section 3679 of the Revised Statutes, as amended,
3 for use only in such amounts and at such times as may become
4 necessary to carry out program operations: *Provided further,*
5 That all necessary expenses (including legal and special
6 services performed on a contract or fee basis, but not includ-
7 ing other personal services) in connection with the acquisi-
8 tion, operation, maintenance, improvement, or disposition
9 of any real or personal property belonging to the Corporation
10 or in which it has an interest, including expenses of collec-
11 tions of pledged collateral, shall be considered as nonadminis-
12 trative expenses for the purposes hereof: *Provided further,*
13 *That no part of the administrative funds authorized under*
14 *this head or of the capital funds of the Commodity Credit*
15 *Corporation shall be available to formulate or administer a*
16 *cotton loan program during fiscal year 1965 which requires*
17 *that micronaire readings shall be mandatory as a part of the*
18 *cotton classing in connection with cotton loans.*

19 PUBLIC LAW 480

20 For expenses during fiscal year 1965, not otherwise
21 recoverable, and unrecovered prior years' costs, includ-
22 ing interest thereon, under the Agricultural Trade Develop-
23 ment and Assistance Act of 1954, as amended (7 U.S.C.
24 1701-1709, 1721-1724, 1731-1736), to remain available
25 until expended, as follows: (1) Sale of surplus agricultural

1 commodities for foreign currencies pursuant to title I of said
 2 Act, ~~\$1,612,000,000~~ *\$1,737,000,000*; (2) commodities dis-
 3 posed of for emergency famine relief to friendly peoples
 4 pursuant to title II of said Act, \$220,453,000; and (3)
 5 long-term supply contracts pursuant to title IV of said Act,
 6 ~~\$55,000,000~~ *\$35,000,000*.

7 INTERNATIONAL WHEAT AGREEMENT

8 For expenses during fiscal year 1965 and unrecovered
 9 prior years' costs, including interest thereon, under the Inter-
 10 national Wheat Agreement Act of 1949, as amended (7
 11 U.S.C. 1641-1642), \$31,838,000, to remain available until
 12 expended.

13 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

14 For expenses during fiscal year 1965 and unrecovered
 15 prior years' costs related to strategic and other materials
 16 acquired as a result of barter or exchange of agricultural
 17 commodities or products and transferred to the supplemental
 18 stockpile pursuant to Public Law 540, Eighty-fourth Con-
 19 gress (7 U.S.C. 1856), ~~\$82,860,000~~ *\$102,860,000*, to
 20 remain available until expended.

21 TITLE IV—RELATED AGENCIES

22 FARM CREDIT ADMINISTRATION

23 LIMITATION ON ADMINISTRATIVE EXPENSES

24 Not to exceed \$2,876,000 (from assessments collected
 25 from farm credit agencies) shall be obligated during the cur-
 26 rent fiscal year for administrative expenses.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addition
5 to those specifically provided for, of not to exceed four hun-
6 dred and ~~seventy-two~~ *seventy-four* passenger motor vehicles,
7 of which four hundred and fifty-two shall be for replacement
8 only, and for the hire of such vehicles.

9 SEC. 502. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 503. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131).

16 SEC. 504. No part of the funds appropriated by this Act
17 shall be used for the payment of any officer or employee of
18 the Department who, as such officer or employee, or on
19 behalf of the Department or any division, commission, or
20 bureau thereof, issues, or causes to be issued, any prediction,
21 oral or written, or forecast, except as to damage threatened
22 or caused by insects and pests, with respect to future prices
23 of cotton or the trend of same.

24 SEC. 505. Except to provide materials required in or
25 incident to research or experimental work where no suitable

1 domestic product is available, no part of the funds appro-
2 priated by this Act shall be expended in the purchase of
3 twine manufactured from commodities or materials pro-
4 duced outside of the United States.

5 SEC. 506. Not less than \$1,500,000 of the appropria-
6 tions of the Department for research and service work author-
7 ized by the Acts of August 14, 1946, July 28, 1954, and
8 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
9 1891-1893), shall be available for contracting in accordance
10 with said Acts.

11 *SEC. 507. No part of any increase provided in this Act*
12 *above the 1964 appropriation for any project or activity*
13 *shall be used to build up such project or activity to an annual*
14 *rate greater than the level provided in this Act.*

15 This Act may be cited as the "Department of Agricul-
16 ture and Related Agencies Appropriation Act, 1965".

Passed the House of Representatives May 20, 1964.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

MAY 21 (legislative day, MARCH 30), 1964

Read twice and referred to the Committee on Appropriations

AUGUST 7, 1964

Reported with amendments

HOUSE OF REPRESENTATIVES
H. R. 11202

(House of Representatives)

AN ACT

to amend the Internal Revenue Code of 1986 to provide for the treatment of certain distributions from a trust for a minor, and for other purposes.

Enacted at Washington, D. C., on _____, 2011.

Approved and passed by the Senate and House of Representatives on _____, 2011.

SENATE - August 8

17. AGRICULTURAL APPROPRIATION BILL, 1965. Passed as reported this bill, H. R. 11202. Conferees were appointed. pp. 18090-114
18. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. Rejected, 25 to 34, an amendment by Sen. Thurmond that would have banned discrimination in U.S. aid programs. pp. 18115-23
19. BEEF EXPORTS. Sen. McGee inserted an editorial praising USDA efforts to increase beef exports and an article including data on USDA beef purchases during the first week of July. pp. 18080-1
20. STRIP MINING. Sen. Lausche called for a study of "the adverse impact that surface strip mining has on wildlife, fish, life, vegetation, the general water supply, and the general economy of the communities which are plagued with this problem. p. 18077
21. ALASKA. Agreed to the conference report on S. 2881, the Alaska relief bill. This bill will now be sent to the President. p. 18114
22. PERSONNEL. Concurred in the House amendments to S. 1833, to authorize Government agencies to provide quarters, household furniture, and equipment, utilities, subsistence, and laundry service to U. S. civilian officers and employees. This bill will now be sent to the President. p. 18080
23. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. Passed as reported, 64 to 0, this bill, H. R. 11369. pp. 18082-90

HOUSE - August 8

24. POVERTY. Passed S. 2642 after substituting the language of H. R. 11377, previously passed by a 226-184 vote. pp. 18039-63
25. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 3279, to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah (H. Rept. 1725). p. 18074
26. TARIFF. The Ways and Means Committee reported without amendment H. R. 12253, to correct certain errors in the U. S. tariff schedules (H. Rept. 1728). p. 18074
27. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. the House will consider sending H. R. 1839, meat import bill, to conference; and that on Tues. and the balance of the week, the House will consider sending S. 1007, the Pacific Northwest electric consumer guarantee, to conference; H. R. 5673, steel container labeling; H. R. 1803, Ozark National Scenic Riverways, Mo.; H. R. 12175, the housing bill; S. 1664, establishing an Administrative Conference of the U.S., will be considered. pp. 18064-5

ITEMS IN APPENDIX

28. AREA REDEVELOPMENT. Extension of remarks of Rep. Blatnik inserting ARA's answer to GAO's report that it overstated its estimate of the number of jobs that would be created under the accelerated public works program. p. A4171

29. POVERTY. Extension of remarks of Rep. Foreman criticizing the poverty bill. p. A4173
Extension of remarks of Rep. Toll favoring the poverty bill. pp. A4192-3
30. WHEAT PROGRAM. Extension of remarks of Rep. Nelsen inserting a letter from a farmer complaining about the price he received for his wheat when he sold it on the free market, and an analysis of the recently announced program for 1965. pp. A4182-3
31. MEAT IMPORTS. Extension of remarks of Rep. Teague, Tex., inserting an Australian newspaper article on the beef import situation which was sent to one of his constituents by a rancher in Australia who stated, "Freeman was working for us, not for the country he represents." p. A4192
32. FOREIGN AGRICULTURE. Extension of remarks of Rep. Powell paying tribute to the Ivory Coast on the fourth anniversary of its independence mentioning its agricultural achievements. p. A4191

BILLS INTRODUCED

33. TRADE. H. R. 12286, by Rep. Barrett, to amend the Trade Expansion Act of 1962; to Ways and Means Committee.
34. POVERTY. H. R. 12288, by Rep. Glenn, to establish a National Human Resources Development Commission; to Education and Labor Committee
35. ROADS AND TRAILS. H. R. 12289, by Rep. Jensen, and H. R. 12290, by Rep. Kyl, to establish the Lewis and Clark Trail Commission; to Interior and Insular Affairs Committee.
36. PUBLIC LAW 480. H. R. 12298, by Rep. Poage, to extend the Agricultural Trade Development and Assistance Act of 1954; to Agriculture Committee.

BILL APPROVED BY THE PRESIDENT

37. CONTAINERS. H. R. 6413, to permit the sale in D. C. of milk and ice cream and other frozen dairy products in smaller containers than now permitted. Approved August 7, 1964 (Public Law 88-405).

0

COMMITTEE HEARING AUG. 10:

Public Law 480 amendments, H. Agriculture (exec).

oOo

88TH CONGRESS
2D SESSION

H. R. 11202

IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1964

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the Depart-
5 ment of Agriculture and related agencies for the fiscal
6 year ending June 30, 1965, and for other purposes; namely:

1 DEPARTMENT OF AGRICULTURE

2 TITLE I—GENERAL ACTIVITIES

3 AGRICULTURAL RESEARCH SERVICE

4 SALARIES AND EXPENSES

5 For expenses necessary to perform agricultural research
6 relating to production, utilization, marketing, nutrition and
7 consumer use, to control and eradicate pests and plant and
8 animal diseases, and to perform related inspection, quarantine
9 and regulatory work, and meat inspection: *Provided*, That
10 appropriations hereunder shall be available for field employ-
11 ment pursuant to the second sentence of section 706 (a) of
12 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
13 \$75,000 shall be available for employment under section 15
14 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
15 *further*, That appropriations hereunder shall be available for
16 the operation and maintenance of aircraft and the purchase of
17 not to exceed two for replacement only: *Provided further*,
18 That appropriations hereunder shall be available pursuant to
19 title 5, United States Code, section 565a, for the construction,
20 alteration, and repair of buildings and improvements, but
21 unless otherwise provided, the cost of constructing any one
22 building (except headhouses connecting greenhouses) shall
23 not exceed \$20,000, except for ~~(1)~~ *five six* buildings to be con-
24 structed or improved at a cost not to exceed \$45,000
25 each, and the cost of altering any one building during the

1 fiscal year shall not exceed \$7,500 or 7.5 per centum of the
2 cost of the building, whichever is greater: *Provided further,*
3 That the limitations on alterations contained in this Act
4 shall not apply to a total of \$100,000 for facilities at
5 Beltsville, Maryland:

6 Research: For research and demonstrations on the pro-
7 duction and utilization of agricultural products; agricultural
8 marketing and distribution, not otherwise provided for; home
9 economics or nutrition and consumer use of agricultural and
10 associated products; and related research and services; and
11 for acquisition of land by donation, exchange, or purchase at
12 a nominal cost not to exceed \$100, ~~(2)\$97,656,000~~ \$115,-
13 316,000, *plus the following amounts, to remain available*
14 *until expended, for the planning, construction, alteration, and*
15 *equipping of research facilities: \$1,000,000 for crops research*
16 *facilities at Fort Collins, Colorado; \$850,000 for facilities at*
17 *the Agricultural Research Center, Beltsville, Maryland;*
18 *\$800,000 for a stored-product insects laboratory, Savannah,*
19 *Georgia; \$260,000 for plans for a livestock insects and toxi-*
20 *cology laboratory, College Station, Texas; \$338,000 for plans*
21 *for a plant disease, nematode, and insect laboratory, Belts-*
22 *ville, Maryland; \$160,000 for plans for an insect attractants*
23 *and stored-product insects laboratory, Gainesville, Florida;*
24 *\$1,600,000 for a peanut research laboratory, at Dawson,*
25 *Georgia, on a site acquired by donation, and: Provided,*

1 *That research investigations undertaken at the national*
2 *peanut quality evaluation laboratory must be truly na-*
3 *tional in scope and must give equivalent treatment to the*
4 *different types of peanuts produced and marketed in the*
5 *major peanut producing areas; and \$240,000 for plans*
6 *for a Western cotton insects and physiology laboratory,*
7 *Tempe, Arizona; a cotton disease laboratory, College Station,*
8 *Texas; a cotton physiology laboratory, Stoneville, Mississippi;*
9 *pilot cotton ginning facilities at Stoneville, Mississippi, and*
10 *Mesilla Park, New Mexico; and facilities in the High Plains*
11 *region in Texas for cotton ginning and storage research; in*
12 *all, \$120,564,000: Provided (3) further, That the limita-*
13 *tions contained herein shall not apply to replacement of*
14 *buildings needed to carry out the Act of April 24, 1948 (21*
15 *U.S.C. 113 (a)) ;*

16 Plant and animal disease and pest control: For oper-
17 ations and measures, not otherwise provided for, to control
18 and eradicate pests and plant and animal diseases and for
19 carrying out assigned inspection, quarantine, and regulatory
20 activities, as authorized by law, including expenses pursuant
21 to the Act of February 28, 1947, as amended (21 U.S.C.
22 114b-c), (4) ~~\$65,255,000~~ \$69,036,400, of which \$1,500,-
23 000 shall be apportioned for use pursuant to section 3679 of
24 the Revised Statutes, as amended, for the control of outbreaks
25 of insects and plant diseases to the extent necessary to meet

1 emergency conditions: *Provided*, That no funds shall be used
2 to formulate or administer a brucellosis eradication program
3 for the current fiscal year that does not require minimum
4 matching by any State of at least 40 per centum: *Provided*
5 *further*, That no funds in excess of \$250,000 shall be avail-
6 able for carrying out the screw-worm eradication program
7 that does not require minimum matching by State or local
8 sources of at least 50 per centum of the expenses of produc-
9 tion, irradiation, and release of the screw-worm flies: *Pro-*
10 *vided further*, That, in addition, in emergencies which
11 threaten the livestock or poultry industries of the country,
12 the Secretary may transfer from other appropriations or funds
13 available to the agencies or corporations of the Department
14 such sums as he may deem necessary, to be available only
15 in such emergencies for the arrest and eradication of foot-
16 and-mouth disease, rinderpest, contagious pleuropneumonia,
17 or other contagious or infectious diseases of animals, or Euro-
18 pean fowl pest and similar diseases in poultry, and for ex-
19 penses in accordance with the Act of February 28, 1947,
20 as amended, and any unexpended balances of funds trans-
21 ferred under this head in the next preceding fiscal year shall
22 be merged with such transferred amounts;

23 Meat inspection: For carrying out the provisions of
24 laws relating to Federal inspection of meat, and meat-food
25 products, and the applicable provisions of the laws relating

1 to process or renovated butter, ~~(5)\$30,454,000~~ \$30,837,-
 2 000;

3 Special fund: To provide for additional labor to be em-
 4 ployed under contracts and cooperative agreements to
 5 strengthen the work at research installations in the field,
 6 not more than \$1,000,000 of the amount appropriated under
 7 this head for the previous fiscal year may be used by the
 8 Administrator of the Agricultural Research Service in de-
 9 partmental research programs in the current fiscal year,
 10 the amount so used to be transferred to and merged with
 11 the appropriation otherwise available under "Salaries and
 12 expenses, Research".

13 **(6)** *SALARIES AND EXPENSES (SPECIAL FOREIGN*
 14 *CURRENCY PROGRAM)*

15 *For payments in foreign currencies which accrue under*
 16 *title I of the Agricultural Trade Development and Assist-*
 17 *ance Act of 1954, as amended (7 U.S.C. 1704), for mar-*
 18 *ket development research authorized by section 104(a) and*
 19 *for agricultural and forestry research and other functions*
 20 *related thereto authorized by section 104(k) of the Agri-*
 21 *cultural Trade Development and Assistance Act of 1954,*
 22 *as amended (7 U.S.C. 1704(a)(k)), to remain available*

1 until expended, \$4,000,000: Provided, That this appropria-
2 tion shall be available in addition to other appropriations
3 for these purposes, for payments in the foregoing currencies:
4 Provided further, That funds appropriated herein shall be
5 used for payments in such foreign currencies as the Depart-
6 ment determines are needed and can be used most effectively
7 to carry out the purposes of this paragraph, and such foreign
8 currencies shall, pursuant to the provisions of section 104
9 (a), be set aside for sale to the Department before foreign
10 currencies which accrue under said title I are made available
11 for other United States uses: Provided further, That not
12 to exceed \$25,000 for this appropriation shall be available
13 for payments in foreign currencies for expenses of employ-
14 ment pursuant to the second sentence of section 706(a) of
15 the Organic Act of 1944 (5 U.S.C. 574), as amended by
16 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

17 **(7)FOREST SERVICE**

18 **FOREST PROTECTION AND UTILIZATION**

19 For an additional amount for "Forest protection and
20 utilization", for Forest research, \$2,750,000, of which
21 \$900,000 for Forest research construction shall remain avail-
22 able until expended.

1 COOPERATIVE STATE RESEARCH SERVICE

2 PAYMENTS AND EXPENSES

3 For payments to agricultural experiment stations, for
4 grants for cooperative forestry research, ~~(8)~~for basic scientific
5 research, and for facilities, and for other expenses, including
6 ~~(9)\$40,863,000~~ \$45,113,000 to carry into effect the provi-
7 sions of the Hatch Act, approved March 2, 1887, as amended
8 by the Act approved August 11, 1955 (7 U.S.C. 361a-
9 361i), including administration by the United States Depart-
10 ment of Agriculture; ~~(10)\$1,000,000~~ \$1,550,000 for grants
11 for cooperative forestry research under the Act approved
12 October 10, 1962 (16 U.S.C. 582a-582a-7) ~~(11)~~; \$2,000,-
13 000 in addition to funds otherwise available, for grants for
14 support of basic scientific research under the Act approved
15 September 6, 1958 (42 U.S.C. 1891-1893); \$3,242,000 for
16 grants for facilities under the Act approved July 22, 1963
17 (77 Stat. 90); \$310,000 for penalty mail costs of agricultural
18 experiment stations under section 6 of the Hatch Act of
19 1887, as amended; and \$267,000 for necessary expenses of
20 the Cooperative State Research Service, including adminis-
21 tration of payments to State agricultural experiment stations,
22 funds for employment pursuant to the second sentence of
23 section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
24 and not to exceed \$30,000 for employment under section 15
25 of the Act of August 2, 1946 (5 U.S.C. 55a); in all,
26 ~~(12)\$42,440,000~~ \$52,482,000.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND

EXPENSES

1 Payments to States and Puerto Rico: For payments
 2 for cooperative agricultural extension work under the Smith-
 3 Lever Act, as amended by the Act of June 26, 1953, the
 4 Act of August 11, 1955, and the Act of October 5, 1962 (7
 5 U.S.C. 341-349), ~~(13) \$65,725,000~~ \$70,530,000; and pay-
 6 ments and contracts for such work under section 204 (b)-
 7 205 of the Agricultural Marketing Act of 1946 (7 U.S.C.
 8 1623-1624), \$1,570,000; in all, ~~(14) \$67,295,000~~ \$72,-
 9 100,000: *Provided*, That funds hereby appropriated pursu-
 10 ant to section 3 (c) of the Act of June 26, 1953, shall not be
 11 paid to any State or Puerto Rico prior to availability of an
 12 equal sum from non-Federal sources for expenditure during
 13 the current fiscal year.

14 Retirement and Employees' Compensation costs for ex-
 15 tension agents: For cost of employer's share of Federal
 16 retirement and for reimbursement for benefits paid from the
 17 Employees' Compensation Fund for cooperative extension
 18 employees, ~~(15) \$7,410,000~~ \$7,510,000.

19 Penalty mail: For costs of penalty mail for cooperative
 20 extension agents and State extension directors, \$3,113,000.

21 Federal Extension Service: For administration of the
 22 Smith-Lever Act, as amended by the Act of June 26,

1 1953, the Act of August 11, 1955, and the Act of October 5,
 2 1962 (7 U.S.C. 341-349), and extension aspects of the
 3 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627),
 4 and to coordinate and provide program leadership for the
 5 extension work of the Department and the several States
 6 and insular possessions, ~~(16) \$2,451,000~~ \$2,551,000.

7 FARMER COOPERATIVE SERVICE

8 SALARIES AND EXPENSES

9 For necessary expenses to carry out the Act of July 2,
 10 1926 (7 U.S.C. 451-457), and for conducting research
 11 relating to the economic and marketing aspects of farmer
 12 cooperatives, as authorized by the Agricultural Marketing
 13 Act of 1946 (7 U.S.C. 1621-1627), ~~(17) \$1,082,000~~ \$1,-
 14 102,000.

15 SOIL CONSERVATION SERVICE

16 CONSERVATION OPERATIONS

17 For necessary expenses for carrying out the provisions of
 18 the Act of April 27, 1935 (16 U.S.C. 590a-590f), includ-
 19 ing preparation of conservation plans and establishment of
 20 measures to conserve soil and water (including farm irriga-
 21 tion and land drainage and such special measures as may be
 22 necessary to prevent floods and the siltation of reservoirs);
 23 operation of conservation nurseries; classification and map-
 24 ping of soil; dissemination of information; purchase and erec-
 25 tion or alteration of permanent buildings; and operation and

1 maintenance of aircraft, \$100,511,000: *Provided*, That the
2 cost of any permanent building purchased, erected, or as
3 improved, exclusive of the cost of constructing a water
4 supply or sanitary system and connecting the same to any
5 such building and with the exception of buildings acquired in
6 conjunction with land being purchased for other purposes,
7 shall not exceed \$2,500, except for one building to be con-
8 structed at a cost not to exceed \$25,000 and eight build-
9 ings to be constructed or improved at a cost not to exceed
10 \$15,000 per building and except that alterations or im-
11 provements to other existing permanent buildings cost-
12 ing \$2,500 or more may be made in any fiscal year in an
13 amount not to exceed \$500 per building: *Provided further*,
14 That no part of this appropriation shall be available for the
15 construction of any such building on land not owned by the
16 Government: *Provided further*, That no part of this appro-
17 priation may be expended for soil and water conservation
18 operations under the Act of April 27, 1935 (16 U.S.C.
19 590a-590f), in demonstration projects: *Provided further*,
20 That this appropriation shall be available for field employ-
21 ment pursuant to the second sentence of section 706 (a) of
22 the Organic Act of 1944 (5 U.S.C. 574), and not to exceed
23 \$5,000 shall be available for employment under section 15
24 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided*
25 *further*, That qualified local engineers may be temporarily

1 employed at per diem rates to perform the technical planning
2 work of the service.

3 (18) WATERSHED PLANNING

4 For necessary expenses for small watershed investiga-
5 tions and planning, \$5,524,000, to remain available until
6 expended.

7 WATERSHED PROTECTION

8 For necessary expenses to conduct river basin surveys
9 and investigations, and research and to carry out preventive
10 measures, including, but not limited to, engineering opera-
11 tions, methods of cultivation, the growing of vegetation, and
12 changes in use of land, in accordance with the Watershed
13 Protection and Flood Prevention Act, approved August 4,
14 1954, as amended (16 U.S.C. 1001-1008), and the provi-
15 sions of the Act of April 27, 1935 (16 U.S.C. 590a-f),
16 to remain available until expended, \$60,324,000, with
17 which shall be merged the unexpended balances of funds
18 heretofore appropriated or transferred to the Department
19 for watershed protection purposes: *Provided*, That this ap-
20 propriation shall be available for field employment pursuant
21 to the second sentence of section 706(a) of the Organic Act
22 of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall
23 be available for employment under section 15 of the Act of
24 August 2, 1946 (5 U.S.C. 55a): *Provided further*, That

1 not to exceed \$4,000,000, together with the unobligated
2 balance of funds previously appropriated for loans and related
3 expense, shall be available for such purposes.

4 *WATERSHED PROTECTION*

5 *For necessary expenses to conduct surveys, investiga-*
6 *tions, and research and to carry out preventive measures,*
7 *including, but not limited to, engineering operations, meth-*
8 *ods of cultivation, the growing of vegetation, and changes*
9 *in use of land, in accordance with the Watershed Protec-*
10 *tion and Flood Prevention Act, approved August 4, 1954,*
11 *as amended (16 U.S.C. 1001-1008) and the provisions of*
12 *the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain*
13 *available until expended, \$65,848,000, with which shall be*
14 *merged the unexpended balances of funds heretofore appro-*
15 *priated or transferred to the Department for watershed pro-*
16 *tection purposes: Provided, That this appropriation shall be*
17 *available for field employment pursuant to the second sentence*
18 *of section 706 (a) of the Organic Act of 1944 (5 U.S.C.*
19 *574), and not to exceed \$100,000 shall be available for*
20 *employment under section 15 of the Act of August 2, 1946*
21 *(5 U.S.C. 55a): Provided further, That not to exceed*
22 *\$5,000,000 together with the unobligated balance of funds*
23 *previously appropriated for loans and related expense, shall*
24 *be available for such purposes.*

FLOOD PREVENTION

1
2 For necessary expenses, in accordance with the Flood
3 Control Act, approved June 22, 1936 (33 U.S.C. 701-709,
4 16 U.S.C. 1006a), as amended and supplemented, and in
5 accordance with the provisions of laws relating to the activ-
6 ities of the Department, to perform works of improvement,
7 including funds for field employment pursuant to the second
8 sentence of section 706 (a) of the Organic Act of 1944
9 (5 U.S.C. 574), and not to exceed \$100,000 for employ-
10 ment under section 15 of the Act of August 2, 1946 (5
11 U.S.C. 55a), to remain available until expended;
12 ~~(19)\$25,423,000~~ \$22,656,000, with which shall be merged
13 the unexpended balances of funds heretofore appropriated or
14 transferred to the Department for flood prevention pur-
15 poses: *Provided*, That no part of such funds shall be used for
16 the purchase of lands in the Yazoo and Little Tallahatchie
17 watersheds without specific approval of the county board of
18 supervisors of the county in which such lands are situated:
19 *Provided further*, That not to exceed \$1,000,000, together
20 with the unobligated balance of funds previously appro-
21 priated for loans and related expense, shall be available for
22 such purposes.

GREAT PLAINS CONSERVATION PROGRAM

23
24 For necessary expenses to carry into effect a program of
25 conservation in the Great Plains area, pursuant to section

1 16 (b) of the Soil Conservation and Domestic Allotment
 2 Act, as added by the Act of August 7, 1956 (16 U.S.C.
 3 590p), ~~(20)\$14,176,000~~ \$14,744,000, to remain available
 4 until expended.

5 RESOURCE CONSERVATION AND DEVELOPMENT

6 For necessary expenses in planning and carrying out
 7 projects for resource conservation and development, and for
 8 sound land use, pursuant to the provisions of section 32 (e)
 9 of title III of the Bankhead-Jones Farm Tenant Act, as
 10 amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions
 11 of the Act of April 27, 1935 (16 U.S.C. 590a-f),
 12 ~~(21)\$1,496,000~~ \$2,044,000, to remain available until ex-
 13 pended: *Provided*, That not to exceed \$500,000 of such
 14 amount shall be available for loans and related expenses under
 15 subtitle A of the Consolidated Farmers Home Administration
 16 Act of 1961, as amended: *Provided further*, That this appro-
 17 priation shall be available for field employment pursuant to
 18 the second sentence of section 706 (a) of the Organic Act of
 19 1944 (5 U.S.C. 574), and not to exceed \$50,000 shall be
 20 available for employment under section 15 of the Act of
 21 August 2, 1946 (5 U.S.C. 55a).

22 ECONOMIC RESEARCH SERVICE

23 SALARIES AND EXPENSES

24 For necessary expenses of the Economic Research Serv-
 25 ice in conducting economic research and service relating to

1 agricultural production, marketing, and distribution, as au-
2 thorized by the Agricultural Marketing Act of 1946 (7
3 U.S.C. 1621-1627), and other laws, including economics
4 of marketing; analyses relating to farm prices, income and
5 population, and demand for farm products, use of resources
6 in agriculture, adjustments, costs and returns in farming, and
7 farm finance; and for analyses of supply and demand for
8 farm products in foreign countries and their effect on pros-
9 pects for United States exports, progress in economic de-
10 velopment and its relation to sales of farm products, assembly
11 and analysis of agricultural trade statistics and analysis of
12 international financial and monetary programs and policies
13 as they affect the competitive position of United States farm
14 products; ~~(22)\$9,476,000~~ \$10,576,000: *Provided*, That not
15 less than \$350,000 of the funds contained in this appropria-
16 tion shall be available to continue to gather statistics and con-
17 duct a special study on the price spread between the farmer
18 and consumer: *Provided further*, That this appropriation shall
19 be available for employment pursuant to the second sentence
20 of section 706(a) of the Organic Act of 1944 (5 U.S.C.
21 574), and not to exceed \$75,000 shall be available for em-
22 ployment under section 15 of the Act of August 2, 1946
23 (5 U.S.C. 55a): *Provided further*, That not less than
24 \$145,000 of the funds contained in this appropriation shall
25 be available for analysis of statistics and related facts on

1 foreign production and full and complete information on
 2 methods used by other countries to move farm commodities
 3 in world trade on a competitive basis.

4 STATISTICAL REPORTING SERVICE

5 SALARIES AND EXPENSES

6 For necessary expenses of the Statistical Reporting
 7 Service in conducting statistical reporting and service work,
 8 including crop and livestock estimates, statistical coordination
 9 and improvements, and marketing surveys, as authorized by
 10 the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-
 11 1627) and other laws, ~~(23)\$11,431,000~~ \$11,892,000: *Pro-*
 12 *vided*, That no part of the funds herein appropriated shall
 13 be available for any expense incident to publishing estimates
 14 of apple production for other than the commercial crop.

15 AGRICULTURAL MARKETING SERVICE

16 MARKETING SERVICES

17 For expenses necessary to carry on services related to
 18 agricultural marketing and distribution as authorized by the
 19 Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627)
 20 and other laws, including the administration of marketing
 21 regulatory acts connected therewith and for administration
 22 and coordination of payments to States; and this appro-
 23 priation shall be available for field employment pursuant
 24 to section 706 (a) of the Organic Act of 1944 (5 U.S.C.

1 574), and not to exceed \$25,000 shall be available for em-
 2 ployment at rates not to exceed \$75 per diem under section
 3 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in car-
 4 rying out section 201 (a) to 201 (d), inclusive, of title II of
 5 the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291)
 6 and section 203 (j) of the Agricultural Marketing Act of
 7 1946; ~~(24)\$39,389,000~~ \$39,590,125.

8 PAYMENTS TO STATES AND POSSESSIONS

9 For payments to departments of agriculture, bureaus and
 10 departments of markets, and similar agencies for marketing
 11 activities under section 204 (b) of the Agricultural Market-
 12 ing Act of 1946 (7 U.S.C. 1623 (b)), \$1,500,000.

13 SPECIAL MILK PROGRAM

14 For necessary expenses to carry out the Special Milk
 15 Program, as authorized by the Act of August 8, 1961 (7
 16 U.S.C. 1446, note), ~~(25)\$99,831,000~~ \$106,000,000
 17 ~~(26), to be derived by transfer from funds available under~~
 18 ~~section 32 of the Act of August 24, 1935 (7 U.S.C. 612).~~

19 SCHOOL LUNCH PROGRAM

20 For necessary expenses to carry out the provisions of
 21 the National School Lunch Act, as amended (42 U.S.C.
 22 1751-1760, \$146,400,000: *Provided*, That no part of
 23 this appropriation shall be used for nonfood assistance under
 24 section 5 of said Act: *Provided further*, That \$45,000,000
 25 shall be transferred to this appropriation from funds avail-

1 able under section 32 of the Act of August 24, 1935, for
 2 purchase and distribution of agricultural commodities and
 3 other foods pursuant to section 6 of the National School
 4 Lunch Act.

5 REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

6 (SECTION 32)

7 No funds available under section 32 of the Act of
 8 August 24, 1935 (7 U.S.C. 612c) shall be used for any
 9 purpose other than commodity program expenses as author-
 10 ized therein, and other related operating expenses, except
 11 for (1) transfers to the Department of the Interior as
 12 authorized by the Fish and Wildlife Act of August 8, 1956,
 13 (2) transfers otherwise provided in this Act, (3) not more
 14 than \$2,924,000 for formulation and administration of mar-
 15 keting agreements and orders pursuant to the Agricultural
 16 Marketing Agreement Act of 1937, as amended, and the
 17 Agricultural Act of 1961, (4) not more than ~~(27)\$45,000,-~~
 18 ~~000 \$35,000,000~~ for expenses for the Pilot Food Stamp Pro-
 19 gram and (5) not in excess of ~~(28)\$25,000,000 \$11,000,-~~
 20 ~~000~~ to be used to increase domestic consumption of farm
 21 commodities pursuant to authority contained in Public Law
 22 88-250, the Department of Agriculture and Related Agencies
 23 Appropriation Act, 1964 ~~(29),~~ of which amount \$2,000,000
 24 shall remain available until expended for construction, altera-
 25 tion and modification of research facilities.

1 FOREIGN AGRICULTURAL SERVICE

2 SALARIES AND EXPENSES

3 For necessary expenses for the Foreign Agricultural
 4 Service, including carrying out title VI of the Agricultural
 5 Act of 1954 (7 U.S.C. 1761-1768), market development
 6 activities abroad, and for enabling the Secretary to coordinate
 7 and integrate activities of the Department in connection
 8 with foreign agricultural work, including not to exceed
 9 \$35,000 for representation allowances and for expenses pur-
 10 suant to section 8 of the Act approved August 3, 1956 (7
 11 U.S.C. 1766), ~~(30)\$18,790,000~~ ~~\$20,488,000~~: *Provided*,
 12 That not less than \$255,000 of the funds contained in this ap-
 13 propriation shall be available to obtain statistics and related
 14 facts on foreign production and full and complete information
 15 on methods used by other countries to move farm com-
 16 modities in world trade on a competitive basis: *Provided*
 17 *further*, That, in addition, not to exceed \$3,117,000 of the
 18 funds appropriated by section 32 of the Act of August 24,
 19 1935, as amended (7 U.S.C. 612c), shall be merged with
 20 this appropriation and shall be available for all expenses
 21 of the Foreign Agricultural Service.

22 COMMODITY EXCHANGE AUTHORITY

23 SALARIES AND EXPENSES

24 For necessary expenses to carry into effect the pro-
 25 visions of the Commodity Exchange Act, as amended (7
 26 U.S.C. 1-17a), ~~(31)\$1,100,000~~ ~~\$1,119,000~~.

1 AGRICULTURAL STABILIZATION AND CONSERVATION

2 SERVICE

3 EXPENSES, AGRICULTURAL STABILIZATION AND

4 CONSERVATION SERVICE

5 For necessary administrative expenses of the Agricultural
6 Stabilization and Conservation Service, including expenses
7 to formulate and carry out programs authorized by title III
8 of the Agricultural Adjustment Act of 1938, as amended (7
9 U.S.C. 1301-1393) ; Sugar Act of 1948, as amended (7
10 U.S.C. 1101-1161) ; sections 7 to 15, 16 (a) , 16 (d) , 16 (e) ,
11 16 (f) , and 17 of the Soil Conservation and Domestic Allot-
12 ment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C.
13 1010-1011) as added by section 132 of the Act of August 8,
14 1961; subtitles B and C of the Soil Bank Act (7 U.S.C.
15 1831-1837, 1802-1814, and 1816) ; and laws pertaining
16 to the Commodity Credit Corporation, \$105,602,000: *Pro-*
17 *vided*, That, in addition, not to exceed \$87,508,000 may be
18 transferred to and merged with this appropriation from the
19 Commodity Credit Corporation fund (including not to exceed
20 \$35,668,000 under the limitation on Commodity Credit
21 Corporation administrative expenses) : *Provided further*,
22 That other funds made available to Agricultural Stabilization
23 and Conservation Service for authorized activities may be
24 advanced to and merged with this appropriation (32): *Pro-*

1 *vided further, That no part of the funds appropriated or made*
 2 *available under this Act shall be used, (1) to influence the*
 3 *vote in any referendum; (2) to influence agricultural legis-*
 4 *lation, except as permitted in 18 U.S.C. 1913; or (3) for*
 5 *salaries or other expenses of members of county and com-*
 6 *munity committees established pursuant to section 8(b) of*
 7 *the Soil Conservation and Domestic Allotment Act, as*
 8 *amended, for engaging in any activities other than advisory*
 9 *and supervisory duties and delegated program function pre-*
 10 *scribed in administrative regulations.*

11

SUGAR ACT PROGRAM

12 For necessary expenses to carry into effect the pro-
 13 visions of the Sugar Act of 1948 (7 U.S.C. 1101-1161),
 14 ~~(33)\$86,400,000~~ \$92,300,000, to remain available until
 15 June 30 of the next succeeding fiscal year.

16

AGRICULTURAL CONSERVATION PROGRAM

17 For necessary expenses to carry into effect the program
 18 authorized in sections 7 to 15, 16 (a), and 17 of the Soil
 19 Conservation and Domestic Allotment Act, approved Feb-
 20 ruary 29, 1936, as amended (16 U.S.C. 590g-590 (o),
 21 590p (a), and 590q), including not to exceed \$6,000 for
 22 the preparation and display of exhibits, including such dis-
 23 plays at State, interstate, and international fairs within
 24 the United States, \$225,000,000, to remain available
 25 until December 31 of the next succeeding fiscal year

1 for compliance with the programs of soil-building and soil-
2 and water-conserving practices authorized under this head
3 in the Department of Agriculture and Related Agencies
4 Appropriation Acts, 1963 and 1964, carried out during the
5 period July 1, 1962, to December 31, 1964, inclusive:
6 *Provided*, That none of the funds herein appropriated shall
7 be used to pay the salaries or expenses of any regional in-
8 formation employees or any State information employees, but
9 this shall not preclude the answering of inquiries or supply-
10 ing of information at the county level to individual farmers:
11 *Provided further*, That no portion of the funds for the current
12 year's program may be utilized to provide financial or techni-
13 cal assistance for drainage on wetlands now designated as
14 Wetland Types 3 (III), 4 (IV), and 5 (V) in United States
15 Department of the Interior, Fish and Wildlife Service Circu-
16 lar 39, Wetlands of the United States, 1956: *Provided fur-*
17 *ther*, That necessary amounts shall be available for adminis-
18 trative expenses in connection with the formulation and ad-
19 ministration of the 1965 program of soil-building and soil-
20 and water-conserving practices, including related wildlife
21 conserving practices, under the Act of February 29, 1936, as
22 amended (amounting to \$220,000,000, excluding adminis-
23 tration, except that no participant shall receive more than
24 \$2,500, except where the participants from two or more
25 farms or ranches join to carry out approved practices designed

1 to conserve or improve the agricultural resources of the com-
2 munity) : *Provided further*, That not to exceed 5 per centum
3 of the allocation for the current year's agricultural conserva-
4 tion program for any county may, on the recommendation
5 of such county committee and approval of the State com-
6 mittee, be withheld and allotted to the Soil Conservation
7 Service for services of its technicians in formulating and
8 carrying out the agricultural conservation program in the
9 participating counties, and shall not be utilized by the Soil
10 Conservation Service for any purpose other than technical
11 and other assistance in such counties, and in addition, on the
12 recommendation of such county committee and approval of
13 the State committee, not to exceed 1 per centum may be
14 made available to any other Federal, State, or local public
15 agency for the same purpose and under the same conditions:
16 *Provided further*, That for the current year's program \$2,-
17 500,000 shall be available for technical assistance in formu-
18 lating and carrying out agricultural conservation practices:
19 *Provided further*, That such amounts shall be available for
20 the purchase of seeds, fertilizers, lime, trees, or any other
21 farming material, or any soil-terracing services, and making
22 grants thereof to agricultural producers to aid them in carry-
23 ing out farming practices approved by the Secretary under
24 programs provided for herein: *Provided further*, That no
25 part of any funds available to the Department, or any bureau,

1 office, corporation, or other agency constituting a part of
2 such Department, shall be used in the current fiscal year for
3 the payment of salary or travel expenses of any person who
4 has been convicted of violating the Act entitled "An Act to
5 prevent pernicious political activities", approved August 2,
6 1939, as amended, or who has been found in accordance with
7 the provisions of title 18, United States Code, section 1913,
8 to have violated or attempted to violate such section which
9 prohibits the use of Federal appropriations for the payment
10 of personal services or other expenses designed to influence
11 in any manner a Member of Congress to favor or oppose any
12 legislation or appropriation by Congress except upon request
13 of any Member or through the proper official channels.

14 CONSERVATION RESERVE PROGRAM

15 For necessary expenses to carry out a conservation
16 reserve program as authorized by subtitles B and C of the
17 Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and
18 1816), and to carry out liquidation activities for the acreage
19 reserve program, to remain available until expended,
20 \$194,000,000, with which may be merged the unexpended
21 balances of funds heretofore appropriated for soil bank pro-
22 grams: *Provided*, That no part of these funds shall be paid
23 on any contract which is illegal under the law due to the
24 division of lands for the purpose of evading limits on annual
25 payments to participants.

1 CROPLAND CONVERSION PROGRAM

2 For necessary expenses to promote the conservation and
3 economic use of land pursuant to the provisions of section
4 16 (e) of the Soil Conservation and Domestic Allotment
5 Act (16 U.S.C. 590h, 590p), as amended, ~~(34) \$7,200,000~~
6 \$20,000,000, to remain available until expended.

7 **(35)** EMERGENCY CONSERVATION MEASURES

8 *For emergency conservation measures, to be used for*
9 *the same purposes and subject to the same conditions as*
10 *funds appropriated under this head in the Third Supple-*
11 *mental Appropriation Act, 1957, to remain available until*
12 *expended, \$4,000,000, with which shall be merged the*
13 *unexpended balances of funds heretofore appropriated for*
14 *emergency conservation measures.*

15 OFFICE OF RURAL AREAS DEVELOPMENT

16 SALARIES AND EXPENSES

17 For necessary expenses, not otherwise provided for, of
18 the Office of Rural Areas Development in providing leader-
19 ship, coordination, liaison, and related services in the rural
20 areas development activities of the Department, \$124,000:
21 *Provided*, That this appropriation shall be available for field
22 employment pursuant to the second sentence of section 706
23 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not
24 to exceed \$3,000 shall be available for employment under
25 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

1 OFFICE OF THE INSPECTOR GENERAL

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Inspector
4 General, including employment pursuant to the second sen-
5 tence of section 706 (a) of the Organic Act of 1944 (5
6 U.S.C. 574), \$9,874,000.

7 OFFICE OF THE GENERAL COUNSEL

8 SALARIES AND EXPENSES

9 For necessary expenses, including payment of fees or
10 dues for the use of law libraries by attorneys in the field
11 service, ~~(36)\$3,784,000~~ \$3,853,000.

12 OFFICE OF INFORMATION

13 SALARIES AND EXPENSES

14 For necessary expenses of the Office of Information for
15 the dissemination of agricultural information and the co-
16 ordination of informational work and programs authorized
17 by Congress in the Department, \$1,648,000, of which
18 total appropriation not to exceed \$537,000 may be used
19 for farmers' bulletins, which shall be adapted to the interests
20 of the people of the different sections of the country, an
21 equal proportion of four-fifths of which shall be available to
22 be delivered to or sent out under the addressed franks fur-
23 nished by the Senators, Representatives, and Delegates in
24 Congress, as they shall direct (7 U.S.C. 417), and not less
25 than two hundred and thirty-two thousand two hundred and

1 fifty copies for the use of the Senate and House of Repre-
2 sentatives of part 2 of the annual report of the Secretary
3 (known as the Yearbook of Agriculture) as authorized by
4 section 73 of the Act of January 12, 1895 (44 U.S.C. 241) :
5 *Provided*, That in the preparation of motion pictures or ex-
6 hibits by the Department, this appropriation shall be avail-
7 able for employment pursuant to the second sentence of sec-
8 tion 706 (a) of the Organic Act of 1944 (5 U.S.C. 574),
9 and not to exceed \$10,000 shall be available for employment
10 under section 15 of the Act of August 2, 1946 (5 U.S.C.
11 55a).

12 NATIONAL AGRICULTURAL LIBRARY

13 SALARIES AND EXPENSES

14 For necessary expenses of the National Agricultural
15 Library, ~~(37)\$1,347,000~~ \$1,547,000: *Provided*, That this
16 appropriation shall be available for employment pursuant to the
17 second sentence of section 706 (a) of the Organic Act of
18 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be
19 available for employment under section 15 of the Act of
20 August 2, 1946 (5 U.S.C. 55a).

21 OFFICE OF MANAGEMENT SERVICES

22 SALARIES AND EXPENSES

23 For necessary expenses to enable the Office of Manage-
24 ment Services to provide management support services to
25 selected agencies and offices of the Department of Agricul-
26 ture, \$2,482,000.

1 GENERAL ADMINISTRATION

2 SALARIES AND EXPENSES

3 For necessary expenses of the Office of the Secretary
 4 of Agriculture and for general administration of the Depart-
 5 ment of Agriculture, including expenses of the National
 6 Agricultural Advisory Commission; repairs and alterations;
 7 and other miscellaneous supplies and expenses not other-
 8 wise provided for and necessary for the practical and efficient
 9 work of the Department of Agriculture, ~~(38)\$3,530,000~~
 10 \$3,314,000: *Provided*, That this appropriation shall be re-
 11 imbursed from applicable appropriations for travel expenses
 12 incident to the holding of hearings as required by the Admin-
 13 istrative Procedures Act (5 U.S.C. 1001): *Provided fur-*
 14 *ther*, That not to exceed \$2,500 of this amount shall be
 15 available for official reception and representation expenses,
 16 not otherwise provided for, as determined by the Secretary.

17 TITLE II—CREDIT AGENCIES

18 RURAL ELECTRIFICATION ADMINISTRATION

19 To carry into effect the provisions of the Rural Elec-
 20 trification Act of 1936, as amended (7 U.S.C. 901-924),
 21 as follows:

22 LOAN AUTHORIZATIONS

23 For loans in accordance with said Act, and for carrying
 24 out the provisions of section 7 thereof, to be borrowed from
 25 the Secretary of the Treasury in accordance with the pro-

visions of section 3 (a) of said Act, as follows: Rural electrification program, \$365,000,000, of which \$90,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000, of which \$7,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), ~~(39)\$11,641,000~~ \$11,428,000.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335 (a) for which funds are not other-

1 wise available, of the Consolidated Farmers Home Adminis-
 2 tration Act of 1961 (7 U.S.C. 1921), as amended, may be
 3 made from funds available in the Farmers Home Adminis-
 4 tration direct loan account as follows: real estate loans,
 5 \$60,000,000; and operating loans, \$300,000,000, of which
 6 \$50,000,000 shall be placed in reserve to be used only to
 7 the extent required during current fiscal year under the then
 8 existing conditions for the expeditious and orderly conduct
 9 of the loan program.

10 RURAL RENEWAL

11 For necessary expenses, including administrative ex-
 12 penses, in carrying out rural renewal activities under section
 13 32 (e) of title III of the Bankhead-Jones Farm Tenant Act,
 14 as amended \$1,200,000, to remain available until expended.

15 RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

16 For loans pursuant to section 515 (a) of the Housing
 17 Act of 1949, as amended (42 U.S.C. 1485), including ad-
 18 vances pursuant to section 335 (a) of the Consolidated
 19 Farmers Home Administration Act of 1961 (7 U.S.C.
 20 1985) in connection with security for such loans,
 21 ~~(40)\$3,500,000~~ \$5,000,000.

22 SALARIES AND EXPENSES

23 For necessary expenses of the Farmers Home Adminis-
 24 tration, not otherwise provided for, in administering the
 25 programs authorized by the Consolidated Farmers Home

1 Administration Act of 1961 (7 U.S.C. 1921), as amended,
 2 title V of the Housing Act of 1949, as amended (42 U.S.C.
 3 1471-1484), and the Rural Rehabilitation Corporation
 4 Trust Liquidation Act, approved May 3, 1950 (40 U.S.C.
 5 440-444) ; ~~(41)\$39,544,000~~ \$39,794,000, together with
 6 not more than ~~(42)\$2,000,000~~ \$2,250,000 of the charges
 7 collected in connection with the insurance of loans as author-
 8 ized by section 309 (e) of the Consolidated Farmers Home
 9 Administration Act of 1961, as amended, and section 514 (b)
 10 (3) of the Housing Act of 1949, as amended ~~(43)~~: *Pro-*
 11 *vided, That, in addition, not to exceed \$500,000 of the funds*
 12 *available for the various programs administered by this Agen-*
 13 *ey may be transferred to this appropriation for temporary*
 14 *field employment pursuant to the second sentence of section*
 15 *706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet*
 16 *unusual or heavy workload increases.*

17 TITLE III—CORPORATIONS

18 The following corporations and agencies are hereby
 19 authorized to make such expenditures, within the limits of
 20 funds and borrowing authority available to each such cor-
 21 poration or agency and in accord with law, and to make
 22 such contracts and commitments without regard to fiscal
 23 year limitations as provided by section 104 of the Govern-
 24 ment Corporation Control Act, as amended, as may be
 25 necessary in carrying out the programs set forth in the

1 budget for the current fiscal year for such corporation or
2 agency, except as hereinafter provided:

3 FEDERAL CROP INSURANCE CORPORATION

4 ADMINISTRATIVE AND OPERATING EXPENSES

5 For administrative and operating expenses, \$6,942,000.

6 FEDERAL CROP INSURANCE CORPORATION FUND

7 Not to exceed \$3,638,000 of administrative and oper-
8 ating expenses may be paid from premium income.

9 COMMODITY CREDIT CORPORATION

10 REIMBURSEMENT FOR NET REALIZED LOSSES

11 To partially reimburse the Commodity Credit Corpora-
12 tion for net realized losses sustained during the fiscal year
13 ending June 30, 1963, pursuant to the Act of August 17,
14 1961 (15 U.S.C. 713a-11, 713a-12), ~~(44)~~\$1,724,000,000
15 \$1,574,000,000.

16 LIMITATION ON ADMINISTRATIVE EXPENSES

17 Nothing in this Act shall be so construed as to prevent
18 the Commodity Credit Corporation from carrying out any ac-
19 tivity or any program authorized by law: *Provided*, That
20 not to exceed \$37,351,000 shall be available for administra-
21 tive expenses of the Corporation: *Provided further*, That
22 \$945,000 of this authorization shall be available only to
23 expand and strengthen the sales program of the Corporation
24 pursuant to authority contained in the Corporation's charter:
25 *Provided further*, That not less than 7 per centum of this

1 authorization shall be placed in reserve to be apportioned
2 pursuant to section 3679 of the Revised Statutes, as amended,
3 for use only in such amounts and at such times as may become
4 necessary to carry out program operations: *Provided further,*
5 That all necessary expenses (including legal and special
6 services performed on a contract or fee basis, but not includ-
7 ing other personal services) in connection with the acquisi-
8 tion, operation, maintenance, improvement, or disposition
9 of any real or personal property belonging to the Corporation
10 or in which it has an interest, including expenses of collec-
11 tions of pledged collateral, shall be considered as nonadministra-
12 tive expenses for the purposes hereof (45): *Provided further,*
13 *That no part of the administrative funds authorized under*
14 *this head or of the capital funds of the Commodity Credit*
15 *Corporation shall be available to formulate or administer a*
16 *cotton loan program during fiscal year 1965 which requires*
17 *that micronaire readings shall be mandatory as a part of the*
18 *cotton classing in connection with cotton loans.*

19 PUBLIC LAW 480.

20 For expenses during fiscal year 1965, not otherwise
21 recoverable, and unrecovered prior years' costs, includ-
22 ing interest thereon, under the Agricultural Trade Develop-
23 ment and Assistance Act of 1954, as amended (7 U.S.C.
24 1701-1709, 1721-1724, 1731-1736), to remain available
25 until expended, as follows: (1) Sale of surplus agricultural
26 commodities for foreign currencies pursuant to title I of said

1 Act, ~~(46)~~\$1,612,000,000 \$1,737,000,000; (2) commodities
 2 disposed of for emergency famine relief to friendly peoples
 3 pursuant to title II of said Act, \$220,453,000; and (3)
 4 long-term supply contracts pursuant to title IV of said Act,
 5 ~~(47)~~\$55,000,000 \$35,000,000.

6 INTERNATIONAL WHEAT AGREEMENT

7 For expenses during fiscal year 1965 and unrecovered
 8 prior years' costs, including interest thereon, under the Inter-
 9 national Wheat Agreement Act of 1949, as amended (7
 10 U.S.C. 1641-1642), \$31,838,000, to remain available until
 11 expended.

12 BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

13 For expenses during fiscal year 1965 and unrecovered
 14 prior years' costs related to strategic and other materials
 15 acquired as a result of barter or exchange of agricultural
 16 commodities or products and transferred to the supplemental
 17 stockpile pursuant to Public Law 540, Eighty-fourth Con-
 18 gress (7 U.S.C. 1856), ~~(48)~~\$82,860,000 \$102,860,000, to
 19 remain available until expended.

20 TITLE IV—RELATED AGENCIES

21 FARM CREDIT ADMINISTRATION

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$2,876,000 (from assessments collected
 24 from farm credit agencies) shall be obligated during the cur-
 25 rent fiscal year for administrative expenses.

1 TITLE V—GENERAL PROVISIONS

2 SEC. 501. Within the unit limit of cost fixed by law,
3 appropriations and authorizations made for the Department
4 under this Act shall be available for the purchase, in addition
5 to those specifically provided for, of not to exceed four hun-
6 dred and ~~(49)seventy-two~~ *seventy-four* passenger motor ve-
7 hicles, of which four hundred and fifty-two shall be for re-
8 placement only, and for the hire of such vehicles.

9 SEC. 502. Provisions of law prohibiting or restricting
10 the employment of aliens shall not apply to employment
11 under the appropriation for the Foreign Agricultural Service.

12 SEC. 503. Funds available to the Department of Agri-
13 culture shall be available for uniforms or allowances therefor
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131).

16 SEC. 504. No part of the funds appropriated by this Act
17 shall be used for the payment of any officer or employee of
18 the Department who, as such officer or employee, or on
19 behalf of the Department or any division, commission, or
20 bureau thereof, issues, or causes to be issued, any prediction,
21 oral or written, or forecast, except as to damage threatened
22 or caused by insects and pests, with respect to future prices
23 of cotton or the trend of same.

24 SEC. 505. Except to provide materials required in or
25 incident to research or experimental work where no suitable

1 domestic product is available, no part of the funds appro-
2 priated by this Act shall be expended in the purchase of
3 twine manufactured from commodities or materials pro-
4 duced outside of the United States.

5 SEC. 506. Not less than \$1,500,000 of the appropria-
6 tions of the Department for research and service work author-
7 ized by the Acts of August 14, 1946, July 28, 1954, and
8 September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C.
9 1891-1893), shall be available for contracting in accordance
10 with said Acts.

11 (50)SEC. 507. *No part of any increase provided in this Act*
12 *above the 1964 appropriation for any project or activity*
13 *shall be used to build up such project or activity to an annual*
14 *rate greater than the level provided in this Act.*

15 This Act may be cited as the "Department of Agricul-
16 ture and Related Agencies Appropriation Act, 1965".

Passed the House of Representatives May 20, 1964.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments August 8, 1964.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 8, 1964

Ordered to be printed with the amendments of the
Senate numbered

defenses and ant submarine defense effort.

Program III, general purpose forces: This includes a total of \$109 million for ships, aircraft, and weapon system support. These line items support operations of the fleet in protecting our sea lines of communication. This program also contains those projects required for the training and effective utilization of the Marine Corps in support of national objectives.

Program IV, Reserve and Guard Forces: This program includes a total of \$7 million for facilities required in support of essential Naval Reserve and Marine Corps Reserve training to provide a cadre for immediate mobilization in the event of any national emergency.

Program V, research and development: This program includes a total of \$25 million for new and expanded facilities required to insure technological development of our fleet units.

Program VI, general support: This program includes a total of \$100 million for repair, expansion, or replacement of many facilities which now provide overall logistic support to the operating forces, but which are nearing the end of their useful life.

DEPARTMENT OF THE AIR FORCE

The committee has approved a total of \$361,986,000 for military construction: \$342,986,000 for the Active Forces, and \$19 million for the Reserve Forces. These amounts are exclusive of family housing. The committee allowance represents a reduction of \$63,014,000 in the budget estimate of \$425 million and is \$126,289,000 below the funds appropriated for the fiscal year 1964.

The \$342,986,000 program for construction of facilities for the Active Forces includes projects at 144 of our major installations worldwide. Of these, 107 are in the 50 States and 37 are outside. In addition, the program provides facilities at a number of other locations and minor sites, including those of the A.C. & W. networks, communications sites, missile range stations, and sites of classified activities.

A major portion of the strategic program, or 28 percent of the total, provides facilities in direct support of the forces of the Strategic Air Command. This amount consists of facilities for the intercontinental ballistic missiles, and for manned bombers and their supporting tanker aircraft.

As the Senator knows, we have completed the construction of facilities for the Atlas and Titan systems and these missiles are now in an operational status. The construction of facilities for the first four wings of Minuteman is complete. Construction for the fifth wing is approximately 98 percent complete and well ahead of schedule. A contract for construction of the sixth Minuteman wing, sited at Grand Forks Air Force Base, N. Dak., was awarded in February of this year. The Grand Forks wing will be the first of the improved Minuteman, or Minuteman II, as it has now been designated.

Included in the missile package is \$90.2 million for additional facilities to

support these intercontinental ballistic missile systems, primarily the Minuteman. Of this amount, \$57.6 million will provide facilities for a single Minuteman II squadron to be collocated with one of the first five wings. A further \$27 million included here will be used to complete the facilities for the sixth wing previously mentioned. The program also includes \$1.1 million for technical-type support facilities at existing support bases.

Aerospace defense continues to be a vital requirement for national security. Further improvements are needed and this construction approval includes approximately \$10 million to continue providing our aerospace defense forces a more survivable, dispersed, and flexible fighter-interceptor capability and ground control environment.

Projects directly associated with improved capabilities for fighter-interceptor aircraft were approved in the amount of \$3.2 million. These projects consist of improvements to aircraft ready shelters and alert facilities and the construction of additional maintenance and support facilities at the locations of the interceptor units.

A total of \$7.8 million was approved for facility improvements at bases of our control and warning systems.

A substantial portion of the Air Force construction program, over \$41 million is devoted to facilities for operation and direct support of the general purpose forces. These forces consist primarily of the tactical fighter and tactical reconnaissance units, and include our oversea forces. The projects we approved are needed to give an operational capability to new units of these forces and to new types of equipment.

The committee is pleased that the Air Force has been able to accommodate major portions of the expanding airlift capabilities of transport aircraft with existing base facilities. Some additional facilities have been added, however, primarily to provide adequate servicing and maintenance facilities for new types of transports. This construction request contains \$9 million for support of the airlift forces. Of this total, \$6.4 million will provide necessary facilities for MATS and TAC transport aircraft at eight bases inside the United States.

We all recognize the need to stay ahead in development of military capabilities and the tremendous military and economic advantages to be derived by our research and development efforts. The level of research required or to be undertaken is, of course, no automatic indicator of the extent of associated facility or construction requirements. The unique and technical requirements of many approved R. & D. programs are such, however, that provision of additional or special facilities is inherent to accomplishment of the research effort.

To provide such facility support for Air Force research and development programs, we approved appropriations in the amount of \$27 million.

Projects totaling approximately \$155 million are contained in the general support grouping. This portion covers gen-

eral force support services and various activities and missions not included in the primary systems and programs previously discussed.

The \$25 million for design will provide those funds needed in fiscal year 1965 primarily to complete design of the fiscal year 1965 military construction program and to initiate design of the fiscal year 1966 construction program.

The committee approved a total of \$13.2 million for minor construction in fiscal year 1965. These funds are applied only to urgently required projects not otherwise authorized by law. Each project so funded is estimated to cost over \$25,000 with a maximum limit of \$200,000. Projects in excess of \$25,000 must be approved by the Secretary of the Air Force and if over \$50,000, by the Secretary of Defense. Therefore, all Air Force minor construction projects funded from this appropriation are approved at the Washington level. The present atmosphere of rapid change and technological advances, and the need to respond to worldwide military contingencies, makes the availability of this authority essential.

The amount of \$6 million is approved to finance the Air Force portion of requirements for construction of off-base access roads and improvement or relocation of existing public highways where the need is generated by Air Force operations. Right-of-way acquisition and construction work related to these roads is performed for the Air Force by the Bureau of Public Roads after certification by the Secretary of Defense. One-half of the funds requested will be used for provision of access to the ballistic missile sites. The balance will be applied to improvement of access to existing bases.

Mr. President, this completes the presentation of the military construction appropriation bill for fiscal year 1965. The committee believes this to be an austere bill; however, we are certain that only those essential items were approved which will materially contribute to the combat effectiveness of the U.S. military forces both home and abroad.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text for the purpose of amendment, and that no points of order be considered waived.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, at the beginning of line 4, to strike out "\$301,000,000" and insert "\$311,977,000".

On page 2, line 14, after the word "appropriation", to strike out "\$247,000,000" and insert "\$250,899,000".

On page 2, at the beginning of line 24, to strike out "\$346,000,000" and insert "\$342,986,000".

On page 4, at the beginning of line 21, to strike out "\$6,000,000" and insert "\$10,800,000".

On page 5, line 17, after the word "law", to strike out "\$650,358,500" and insert "\$617,651,000".

On page 5, line 22, after the word "construction", to strike out "\$40,446,000" and insert "\$32,216,000".

On page 6, line 2, after the word "construction", to strike out "\$72,481,000" and insert "\$59,144,000".

On page 6, line 6, after the word "construction", to strike out "\$64,013,500" and insert "\$52,873,000".

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the questions is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Pennsylvania [Mr. CLARK], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL], and the Senator from Florida [Mr. SMATHERS], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from West Virginia [Mr. BYRD], the Senator from Connecticut [Mr. DODD], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Michigan [Mr. McNAMARA], the Senator from Utah [Mr. MOSS], the Senator West Virginia [Mr. RANDOLPH], the Senator from Missouri [Mr. SYMINGTON], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Nevada [Mr. CANNON] are necessarily absent.

I further announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in the family.

I further announce that, if present and voting, the Senator from Texas [Mr. YARBOROUGH], the Senator from Georgia [Mr. TALMADGE], the Senator from Missouri [Mr. SYMINGTON], the Senator from Florida [Mr. SMATHERS], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Rhode Island [Mr. PELL], the Senator from Maine [Mr. MUSKIE], the Senator from Utah [Mr. MOSS], the Senator from Michigan [Mr. McNAMARA], the Senator from Louisiana [Mr. LONG], the Senator from New Mexico [Mr. ANDERSON], the Senator from Indiana [Mr. BAYH], the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut

[Mr. DODD], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Washington [Mr. JACKSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Missouri [Mr. LONG] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from Idaho [Mr. JORDAN], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Wyoming [Mr. SIMPSON], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Nebraska [Mr. CURTIS], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from Kentucky [Mr. MORTON], the Senator from Kansas [Mr. PEARSON], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Wyoming [Mr. SIMPSON], the Senator from Texas [Mr. TOWER], and the Senator from North Dakota [Mr. YOUNG] would each vote "yea."

The result was announced—yeas 64, nays 0, as follows:

[No. 528 Leg.]

YEAS—64

Aiken	Hartke	Morse
Allott	Hayden	Mundt
Bartlett	Hickenlooper	Nelson
Beall	Hill	Neuberger
Bennett	Holland	Pastore
Bible	Hruska	Prouty
Boggs	Humphrey	Proxmire
Brewster	Inouye	Ribicoff
Burdick	Jordan, N.C.	Robertson
Carlson	Keating	Russell
Case	Kuchel	Salinger
Church	Magnuson	Saltonstall
Cooper	Mansfield	Smith
Cotton	McCarthy	Sparkman
Dominick	McClellan	Stennis
Douglas	McGee	Thurmond
Eastland	McGovern	Walters
Ellender	McIntyre	Williams, N.J.
Ervin	Mechem	Williams, Del.
Fong	Metcalf	Young, Ohio
Fullbright	Miller	
Gruening	Monroney	

NAYS—0

NOT VOTING—36

Anderson	Hart	Muskie
Bayh	Jackson	Pearson
Byrd, Va.	Javits	Pell
Byrd, W. Va.	Johnston	Randolph
Cannon	Jordan, Idaho	Scott
Clark	Kennedy	Simpson
Curtis	Lausche	Smathers
Dirksen	Long, Mo.	Symington
Dodd	Long, La.	Talmadge
Edmondson	McNamara	Tower
Goldwater	Morton	Yarborough
Gore	Moss	Young, N. Dak.

So the bill (H.R. 11369) was passed.

Mr. STENNIS. Mr. President, I move that the vote whereby the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. RUSSELL, Mr. BIBLE, Mr. ELLENDER, Mr. BYRD of Virginia, Mr. KUCHEL, Mr. SALTONSTALL, and Mr. HAUSKA conferees on the part of the Senate.

DEPARTMENT OF AGRICULTURE APPROPRIATIONS, 1965

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily, and that the Senate proceed to the consideration of Calendar No. 1275, H.R. 11202, the Agriculture Department appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. HOLLAND. Mr. President, we now have under consideration H.R. 11202, the annual supply bill providing appropriations for the Department of Agriculture and related agencies. Appropriations in the bill as recommended by the committee are \$5,338,672,525, an increase of \$56,176,525 over the House bill—as adjusted. It is \$344,784,075 below the amended budget estimates and \$907,624,690 under the 1964 Appropriation Act.

May I digress to say that printed records of the hearings are available. Printed reports of the committee are available. I believe all Senators will be able to inform themselves completely about the details of this rather long bill from the papers which are available to each of them.

Subsequent to the passage of the bill by the House, amended budget estimates were sent directly to the Senate in Senate Documents 82, 83, and 85, involving increases totaling \$46,250,000 and decreases totaling \$51,547,000 for a net decrease of \$5,297,000. All of the decreases had already been made by the House.

Title I of the bill covers the general activities of the Department; title II covers the credit agencies; title III covers corporations; and title IV, the Farm Credit Administration. For titles I and II covering the general activities and credit agencies, the committee recommends \$1,630,579,524—a decrease of \$20,329,690 below 1964 appropriations, \$81,176,525 over the House bill—as adjusted—and \$1,644,075 below the amended budget estimates.

For the information of Senators, I want to make it clear that in using the words "as adjusted" or "net," we are taking note of the fact that in the bill as reported by the committee we have asked for a transfer back to general revenue sources quite a number of items which, either by budget action or House action, or both, have been transferred to section 32, which in the judgment of the committee should be retained as appropriations out of general revenues. That is the reason we have to speak of the adjusted amount, because amounts appearing in the House bill as coming from section 32 were not added to the apparent total of the bill.

Mr. President, this is one of the most important bills to come before the Senate each year. The activities provided for are of primary importance to all of the people of this Nation, including consumers and the general public as well as farmers. These activities encompass the production and protection of the Nation's food supply as well as provide a substantial portion of the Nation's assistance to foreign countries through donations of food and other commodities and sales for local currencies.

I want to emphasize that point, because too many people are inclined to regard this full amount of over \$5 billion as going directly to agriculture, whereas a very large portion of it moves, instead, to carry out the foreign policy of our Nation, as reflected in Public Law 480, and for various social and welfare uses such as the school lunch program, the food stamp program, the special school milk program, and others with which Senators are familiar.

The outstanding efficiency of the American farmer is one of the major reasons for the strength of the United States. This amazing efficiency derives in large part to the splendid research work of the scientists and technicians of the Department of Agriculture and of the cooperating State agencies. This part of the work of the Department is provided primarily in titles I and II of the bill which represent only slightly less than one-third of the total. The remaining two-thirds—under title III of the bill—totaling \$3.7 billion provides for reimbursement to the Commodity Credit Corporation for realized losses in the amount of \$1,574 million for price support and related farm program costs; for title I, Public Law 480, sales for foreign currencies, \$1,737 million; for title II of Public Law 480, emergency famine relief, \$220,453,000; for title IV of Public Law 480, long-term supply contracts, \$35 million; for expenses of the International Wheat Agreement, \$31,838,000; and for expenses for bartered materials for the supplemental stockpile, \$102,860,000.

I again emphasize how large a portion of the bill is for objectives that are important to the Nation but are not in direct support of agricultural production or distribution.

CONTRIBUTION OF CHEMICALS TO PRODUCTION AND CONTROL PESTS

One of the major reasons for the spectacular technological progress of modern

American agriculture has been the use of chemicals to control insect pests and plant diseases. They have helped American farmers to become the most efficient in the world and have provided the consumer with a wide range and wholesome supply of high quality foods at moderate prices. They have helped protect our forests and recreational areas and have aided public health officials in the continuing fight against pest-borne diseases.

However, the use of these chemical pesticides has, as the Nation's population has increased, created hazards, particularly with respect to residues. Problems have arisen as to the extent to which pesticides may, in addition to destroying harmful insects and pests, be detrimental to beneficial plants and animals, including man. Hazards have been kept to a minimum and research has pointed the way to a solution of many of these problems. This subject was considered thoroughly by the President's Science Advisory Committee and a report on the use of pesticides was prepared by the Committee on May 15, 1963. The recommendations of this Committee include, among other things, additional research in order to develop safer, more specific control of pests. The report recommended more support for research on selectivity toxic chemicals, more persistent chemicals, selective methods of application, and nonchemical control methods such as the use of attractants and the prevention of reproduction.

PREVIOUS ACTION BY THE COMMITTEE

Last year this committee recognized this problem and provided additional funds for equipping and initial staffing of the metabolism and irradiation laboratory at Fargo, N. Dak., which was authorized as a result of a recommendation of this committee in connection with the Agriculture Appropriation Act of 1961.

I should like to pay particular tribute to the ranking minority member of our subcommittee, the distinguished Senator from North Dakota [Mr. YOUNG], who has made such a great contribution to this particular effort and this particular institution, as well as to all other phases of this activity.

Additional funds were also recommended by this committee last year for strengthening registration and enforcement activities by the Department relating to "economic poisons" regulated under the Federal Insecticide, Fungicide, and Rodenticide Act, as amended.

INTERDEPARTMENTAL COOPERATION

In recent years there have been examples, beginning with the cranberry episode and more recently in regard to residues in milk in the nearby Maryland milkshed and the alleged fish kill in the lower Mississippi area which have been attributed to the misuse of chemicals in connection with agricultural production.

I do not condone, and I am certain no Member of the Senate condones any misuse of authorized chemicals on the part of farmers or anyone else. However, there have been three or four episodes in recent years, the handling of

which I question and which I hope in the arrangement entered into in the interdepartmental agreements, which were printed in our hearings on pages 431 and 433 inclusive, that there will be no repetition of the cranberry episode which was followed more recently by the situation I have mentioned. In this case, as I understand it, the Food and Drug Administration has developed a more exacting device for measuring heptachlor. Instead of being able to measure one-tenth of a part per million the new device was able to measure one-hundredth of a part per million. I do not know whether dairy farmers were guilty of a misuse of dieldrin, but from all the information that has come to my attention, it leads me to conclude that they were not, but rather that the milk had to be dumped in large part because due to improved measuring devices a smaller presence of heptachlor could be detected.

Certainly, if it can be demonstrated that one-hundredth of a part per million will cause injury to the health of anyone, that is one thing, but I am very dubious that any person would drink enough milk or use it in other products to be injured by the presence of such a small particle of heptachlor.

Earlier this spring there was the alleged fish kill caused by endrin in the lower Mississippi. I do not know to this date whether it has ever been demonstrated that this was due to the residue from the endrin, which was the chemical residue allegedly found in that area. I have heard very conflicting statements from qualified people that there is a real doubt as to whether any of the endrin found was derived from agricultural usages. I bring these two or three illustrations to the attention of the Senate because I believe that there must be complete day-to-day cooperation between these departments and agencies of Government, particularly between the Department of Agriculture and the Food and Drug Administration. In the past I think there has been too much of a spirit of competition, which I think is very unhealthy. If this is true, it must be discontinued. I say this because the budget estimate submitted last January by the Department for research on pesticides included an increase of only \$1,700,000—budget amendment in Senate Document 85. On July 9, the President amended his budget to request an additional \$29 million—Senate Document 85—for an intensified program of research, education, and regulation to further reduce and to eventually eliminate the need for using hazardous chemicals in agricultural production and processing and in the control of forest pests. This estimate reflects a coordinated Department program involving six of its agencies, including the Agricultural Research Service, Cooperative State Research Service, Cooperative Extension Service, Economic Research Service, Forest Service, and National Agricultural Library. The committee recommends approval of the entire budget estimate of \$29 million in order to enable these agencies to make a concentrated attack on the pesticide residue problem.

This \$29 million, as we learned in exhaustive hearings, is the only part approved by the Bureau of the Budget of a much larger requested amount of \$65 million, originating in the Department of Agriculture. The committee felt this reduced request had been thoroughly justified, and therefore we are placing it in this bill. We hope it will be enacted in the final legislation, in order to make possible a real start in solving this very serious problem.

This intensified program involves five major categories:

First. Control of plant pests and diseases and animal parasites by biological nonchemical and sterility methods or by use of attractants, repellants, and so forth, and plant genetic and breeding research to develop resistant varieties in order to make unnecessary the use of chemicals or other controls.

Second. Basic research on biology, ecology, physiology, pathology, metabolism, and nutrition of insects, plants, and animals to develop safe means of pest and disease control.

Third. Research on less persistent pesticides, improved methods of application, and development of detection methods for determining residues in agricultural commodities.

Fourth. Research on toxicological and pathological effects of pesticides in livestock and the effects of chemical residues in soils and water supplies and on effects of trace levels of pesticides in food and feed supplies.

Fifth. Economic research in comparative farm costs and returns and collection of basic data on current practices, costs and methods of controlling insects involving the use of toxic chemicals and effects of restrictions on the use of such chemicals in agricultural production.

The program also includes an intensified extension educational program on the use of pesticides and on residue problems, and also specialized library reference services to scientists relating to this subject. Increased funds are also proposed for expansion of evaluation of pest control programs, initiation of a program for monitoring pesticides in agriculture, and for strengthening registration and enforcement activities.

I have a table which summarizes this program by agency, reflecting the amount available last year, the amount proposed in the original budget, and the amount included in the committee bill. This summary indicates that \$40 million was proposed in the original budget which, together with the \$29 million in the budget amendment, provides a total of \$69 million, which the committee recommends be approved as a whole.

Mr. President, I ask unanimous consent that this summary of the accelerated program of the Department of Agriculture for pest control research and education which appears on page 5 of the committee report be printed at this point in the RECORD.

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

Summary of program and construction items, by agency, for the pest control research and education (budget amendment for fiscal 1965)

[In thousands of dollars]

Agency	1964 base	1965 budget estimate	1965 budget amendment			Grand total	
			Program	Facilities			Total
				Construction	Planning ¹		
Research and education:							
Agricultural Research Service ²	21,881	24,194	12,200	800	758	37,952	
Forest Service.....	3,835	4,186	1,850	900	-----	6,936	
Economic Research Service.....	-----	-----	500	-----	-----	500	
Cooperative State Research Service.....	6,995	7,261	5,550	3,242	-----	16,053	
Extension Service.....	2,000	2,000	2,300	-----	-----	4,300	
National Agricultural Library.....	-----	-----	200	-----	-----	200	
Total, research and education.....	34,711	37,641	22,600	4,942	758	65,941	
Disease and pest control: Agricultural Research Service.....	1,604	2,438	600	-----	100	3,138	
Grand total.....	36,315	40,079	23,200	4,942	858	69,079	

¹ This includes funds for planning research facilities valued at \$10,725,000.
² Includes research in marketing.

Mr. HOLLAND. Mr. President, I again call attention to the fact that the committee has seen fit to allow the full amount requested in this amendment. This is a very large increase. I intend to support it fully in the conference, but I hope that the interdepartmental committee to which I referred earlier involving the three departments of Government will work closely together, and if there are any needs for corrective legislation to improve the administration dealing with the registration and use of pesticides that they will be forthcoming and be presented commonly by the three

departments involved. I do not want to see additional funds provided in this bill or any other appropriation bill to increase competition by the Department. I hope that we can have more cooperation and set in motion the idea that these Government departments must work together and in unison on this vitally important problem.

Perhaps it is unnecessary to state that the three departments involved are the Department of Agriculture, the Department of Health, Education, and Welfare, particularly its Food and Drug Administration, having to do with the enforce-

ment of health regulations with respect to food; and the Department of the Interior, which has to do with the protection of wildlife and with related conservation problems.

ACCELERATED COST-OF-PRODUCTION RESEARCH ON COTTON

During the hearings it was also brought out that the Department had under consideration a \$10 million program to accelerate research to reduce the cost of production of cotton. The plight of cotton is well known and in connection with the farm legislation enacted earlier this year a \$10 million accelerated cotton research program was authorized under Public Law 88-297. The Secretary of Agriculture was directed to formulate a program, and the research officials have developed a special cotton program and presented it to the committee. In the committee hearings in connection with Senate Document 85 it was made clear that none of the funds in that document would go to production or pesticides research on cotton, but a supplemental budget request for the \$10 million cotton program had been submitted to the Bureau of the Budget.

On two previous occasions the committee has taken the lead in recommending funds to provide for accelerating cotton research. First, when it recommended funds for the cotton insects laboratory at Starkville, Miss., in 1961 to greatly intensify research on the boll weevil and other cotton insects which greatly affect the cost of production of cotton. Then again last year when funds were provided by the committee to establish a weed control laboratory for an intensified program of research on weed control on cotton at a facility to be located at Stoneville, Miss.

The hearing record clearly demonstrates the need for additional specialized research facilities as a part of the accelerated cotton research program. The committee has recommended the inclusion of \$1,400,000 under this item in the bill for accelerated cotton research. It has recommended \$160,000 to accelerate research on polyhedral viruses to control the bollworm, tobacco budworm, and cabbage looper on cotton, and it has recommended \$240,000 to develop plans and specifications for the construction of additional research laboratories and to renovate existing facilities as shown in the committee hearings on page 1111.

I wish to make it clear that these five additional facilities did not originate with the committee. Instead, the Bureau of the Budget sent to us a proposed estimate providing \$240,000 of advance planning funds for the five additional facilities.

We were disappointed that the budget estimate never reached us; but we know from the testimony, taken from the Department and from our communications with the Bureau of the Budget, that these five facilities have been pointed out by the Department and approved by the Budget Bureau, so that we may move forward to them in this program.

AGRICULTURAL RESEARCH SERVICE

The committee recommends an appropriation of \$120,564,000 for research

by the Agricultural Research Service which is \$22,908,000 above the House bill. This includes \$13,758,000 for pesticides research as a part of the overall total I discussed earlier and \$1,400,000 for cost of production research on cotton, which I referred to a moment ago.

Last year the Agricultural Appropriation Act contained a provision authorizing the use of not more than \$25 million of section 32 funds for activities to increase consumption of farm commodities. Under this authority the 1964 Appropriation Act provided for the use of \$16 million for research, including \$11 million for new laboratory facilities and \$5 million for research to reduce production costs. The House bill for 1965 proposed to use the entire \$25 million for research, including a number of the items which had been requested in the budget under the direct appropriation for research. The committee does not believe this authority should be used to finance long-term research programs and has shifted the items which had been requested in the regular appropriation from section 32, as proposed by the House, back to the appropriation as requested in the budget—that is, out of general funds. This shift, together with the restoration of part of the House reduction, results in an increase in the direct appropriation of \$6,150,000 for staffing and operating new research laboratories; foot-and-mouth disease at Plum Island, N.Y.; food science research; construction of research facilities at Fort Collins, Colo., and Beltsville, Md.

However, the committee does propose to use \$11 million of section 32 funds for research, which I discuss a little later in my statement.

In other words, we did not at all recede from our willingness, as stated in the conference last year, and so approved by the Senate, to use only the needed \$25 million of section 32 funds for this general purpose. However, we do not believe that general and continuing research should be so financed but, instead, should continue to be financed by general funds, as has always been the case in the past.

In 1962, upon the recommendation of this committee, Congress appropriated \$160,000, for plans and specifications for a national peanut research laboratory. In 1963 and 1964, the budget requested \$1.6 million for the construction of this facility at Dawson, Ga. In processing the 1964 appropriation bill, the conferees agreed to pass over this item until 1965 but without prejudice. Accordingly, the committee recommends the appropriation of \$1.6 million for the construction of this laboratory under the regular appropriation for research.

Mr. President, I believe it would be appropriate to say at this time that we have not included in the bill any of the research laboratories and experiment stations so urgently requested by eight or nine Senators—including myself. In looking at the whole picture, it seemed to the committee that we should go back to the budget process in this field and insist that the Department of Agriculture make a careful survey of all the proposed facilities—I am sure each of them has

merit—determine the prior needs of the Department for extension of its research service, and explain it to us after a careful survey. Therefore, Senators will not find in this bill any of the nine new research experimental stations so urgently requested for various parts of the country, and urged annually and with great merit, I am sure, by various Members of the Senate.

Mr. CARLSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CARLSON. The Senator just made a statement that was of interest to me, in view of my great interest in the wheat research laboratory at Manhattan, Kans., which I am sure the Senator will agree has been presented to his committee for a number of years.

In view of the statement he has made, I would be less than frank if I did not state that I regret the decision of the committee, but at the same time I appreciate the position that was taken by the committee.

Mr. HOLLAND. Speaking for myself, and for the committee, we greatly appreciate the sound and generous attitude of the Senator from Kansas. So that the RECORD may cover this point more fully, I wish it to appear that no member of the committee questioned the high merit involved in the request of the Senator from Kansas, as well as other Senators and many groups within the wheat industry, which is one of our largest.

The same statement could be made equally with reference to other projects. For instance, the Senator from South Dakota, a member of this committee, very ardently desired a project which would be located in his State.

The Senator from Wyoming [Mr. McGEE] ardently desires one having to do with wool research, which would be located in his State, and appears to be supported by most of the wool industry.

Mr. MANSFIELD. Do not forget Fort Keogh, near Miles City.

Mr. HOLLAND. I believe that the Senator has made a point more clearly than I could possibly make it, because he and his colleague are among Senators who have been anxious to have an unbudgeted expansion and extension of activity within his State.

We are not prejudging a single one of these proposals. We merely believe that they should be approached in a different way. I am glad that Senators are apparently willing to go along with the committee on that basis, because in the well attended meeting of the full committee, with more than 20 Senators present, of whom some 6 or 7 were directly affected by this matter, including myself, there was unanimous approval of this approach. The programs are certainly meritorious.

The committee recommends an appropriation of \$69,036,400 to carry out the various inspection quarantine regulatory and control programs of the Agricultural Research Service. This is \$568,600 under the budget estimates and \$3,781,400 over the House bill. The major changes from the House bill consist of an increase of \$1 million to provide 50 percent of the cost of controlling the boll weevil out-

break on the Texas high plains. This infestation is moving westward through the weevil-free high plains area. This estimate was not considered by the House since it was received on June 24 in the Senate and printed as Senate Document No. 82. The committee also recommends an increase of \$993,200 over the budget estimate and the House bill for the cooperative cost-sharing fire ant eradication program. It also includes an increase of \$783,200 over the budget estimate for the cooperative cost-sharing sheep scabies program. These two increases are for the most part to restore funds provided in the bill last year but were reduced by the Department to meet a general reduction in the appropriation. To prevent this situation from happening again, the Department is requested to obtain the advance concurrence of the appropriation committee of any proposed reprogramming of funds under this appropriation.

Let me comment briefly, that those interested in the high plains program for the boll weevil would wish it distinctly understood that the farmers who themselves are involved in the boll weevil eradication program are required to continue, as always, their normal handling of the problem on their own farms and to put up all of the costs thereof. There is no departure in this bill from that procedure. But the high plains area, because of its climate, has for a long time resisted the advent of the boll weevil. It is coming in slowly there. The Department has developed recommendations for a treatment after the normal production period for cotton, which they hope will eradicate the boll weevil in that area, thus saving a very great part of that area not yet infested and avoiding the possibility of the pest spreading westward into New Mexico, Arizona, and California, where it has not yet appeared and where we hope it will not do so.

There is no departure from the long-established practice under which cotton farmers themselves are required to put up all the costs of the control measures practiced in their own fields. It is a 50-50 matching program in which the organization of cotton farmers in the high plains area are matching, on a 50-50 basis, the \$1 million which the Government would put up under our recommendation.

Mr. President (Mr. McINTYRE in the chair), with reference to the fire ant eradication program and the sheep scabies program, the committee was disappointed to note that the Secretary shrank those two particular programs, which are being so steadfastly supported by the States which are adversely affected, by putting up no more than 50 percent of the cost; but in general, in connection with the carrying out of the program in connection with fire ants, the chemicals and new methods now used have resulted in doing away with the former criticism of the wildlife and conservation authorities.

In connection with the sheep scabies program, it is particularly necessary that the work go forward without interruption, because some States have cleared

themselves entirely, but are being jeopardized by the fact that their neighbor States have not done so, but wish to do so by proceeding as promptly as possible on the 50-50 matching program.

It is nothing but right and just to all concerned that such programs go forward without any diminution; and we expect that course to be followed with reference to the funds included in the bill.

An amendment to the budget in the amount of \$2,250,000 was submitted to the committee on June 24 which was printed as Senate Document No. 83, providing for placing the screw-worm eradication program in the Southwest on a federally financed basis.

The original budget included the 50-50 approach which has been followed uniformly in recent years by Congress in these various programs. The House had acted upon that original budget request and had approved the Federal funds only for a 50-50 approach to the program in their version of the bill.

The committee feels that this program should be continued on the 50-50 cost-sharing basis as in the past and thus has not approved this estimate, under which it is proposed to place this program on a 100 percent federally supported basis.

The 50-50 cost-sharing principle on control programs has been consistently followed on the various control programs administered from funds carried under the regulatory and control appropriation item.

The committee is not prejudging the question as to what it should do when there is a clearer showing of eradication behind the protective belt, as against the coming in this country of the screw-worm fly, as the weather becomes warm each year in Mexico. We feel, however, that the showing of eradication made to date has not been sufficiently definite to justify consideration of the matter upon that basis.

For instance, in 1963, there were 1,331 infestations in the State of Texas, north and east of the sterile fly drop zone and there were 22 different infestations, mostly in the late summer and early fall, which occurred in Oklahoma. We feel that the showing of eradication is not sufficiently complete at this time to justify our considering this program upon the basis of full Federal support. We must leave to the future the question of determining whether, based upon later showings, we should move the program into the status of complete Federal support.

MEAT INSPECTION

The committee recommends the full budget estimate of \$30,837,000 for meat inspection, an increase of \$383,000 over the House bill. However, the committee has been advised that even the full amount of the budget estimate will not be sufficient to meet the expanding requirements for meat inspection. Therefore it is anticipated that a supplemental estimate may be necessary this year.

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

Mr. HOLLAND. I yield.

Mr. MUNDT. Mr. President, I emphasize the fact that, speaking for the members of the committee, they believe—and on this Senators know—that an adequate corps of meat inspectors is an investment which will pay for itself many times over in expanding the income of the meat producers and the meat industry.

There are a number of packinghouses of a smaller nature which are unable to operate at full capacity and engage in the competitive purchase of meat products. That is only way in which the price of meat and an increase of the producers' revenue is expanded. They cannot compete in their operation on a full competitive scale. They lack the necessary inspectors at the time it is necessary for them to have them. I am happy that the committee restored the full amount of the budget request.

I am sure the chairman will confirm this statement. We gave serious consideration to going beyond the budget. Then we thought there might be a supplemental appropriation, and that the committee could receive guidance on this subject.

There was an indication on behalf of this particular subcommittee that it would look with favor on the budget request to provide the necessary meat inspectors to meet the need. We should tailor our personnel to the size of the need, rather than some particular monetary figure.

I believe that such an investment will return itself many times over, not only to the Federal Treasury, but also in an increase in income taxes that will be collected from the packing industry and the meat producers. They, too, are taxpayers.

Mr. HOLLAND. Mr. President, I completely verify and confirm what the distinguished Senator from South Dakota [Mr. MUNDT] has said. Incidentally, he has been most active in this cause, and in many other causes. I believe I should have mentioned his name in particular in connection with the scabies eradication program which I mentioned earlier in my remarks on that subject. The Senator has been very active in that field.

The committee recognizes the fact that this is an investment that must be made when there is a need for it. We expect that course to be followed.

The best we could do was to state in our report substantially what I have stated in my remarks. It is anticipated that a supplemental request may be required this year. That is a clear expression of our feeling that we shall be called on later for a supplemental appropriation.

Mr. MUNDT. Mr. President, I thank the Senator for his kind remarks. The Senator is quite correct. We went about the task as intelligently as we could, without taking the bit in our teeth and rushing ahead of the recommendation of the Bureau of the Budget. We gave them an invitation to come back to us.

Mr. HOLLAND. We do not give out many such invitations.

Mr. MUNDT. Indeed we do not. I was sorry that I was answering a long

distance call when the Senator mentioned sheep scabies. We appreciate what the Senator from Florida said on this subject. He has shown, as chairman of the subcommittee, and as a member of the subcommittee before that, his great interest in the eradication of sheep scabies. It has been my particular interest, coming from the sheep raising part of the country, as I do, to try to appropriate adequate funds to eliminate this very serious disease. It is the kind of disease which, unless it is eliminated, tends to reinfest areas and destroy the investment that has already been made.

We now have 1,000 counties that are entirely free from sheep scabies, and several States which are free from sheep scabies. We made a substantial increase in this amount, above what was recommended by the Department.

I was joined in offering this proposal by the Senator from Wyoming. The committee approved it unanimously. I believe the committee has done everything it could throughout this entire period in the way of elimination of pests, worms, and disease.

If we are to fight that kind of war, we ought to fight it to win. There is not much use in suppressing it or causing a retreat, and then ceasing our attack while it comes back to reinfest many areas and many herds. The committee has been of one mind, that when we tackle the problem in this area, we should tackle it to win.

I agree with all that the Senator has said about the borer problem and the screw worm. So long as there are infested areas, we have not solved the problem. We want to eliminate it and keep it eliminated. We have done the same thing on the larger problem of sheep scabies. We have not enough money to eliminate it this year. But we are accelerating the war in that regard.

I appreciate the sympathetic understanding and cooperation of the chairman of the committee, as do all my colleagues on the subcommittee, in the great American war against sheep scabies.

Mr. HOLLAND. Mr. President, I thank the distinguished Senator for his comment. I am glad to recognize the distinguished Senator from Iowa [Mr. MILLER].

Mr. MILLER. Mr. President, I echo the statements expressed by the Senator from South Dakota and the Senator from Florida with regard to the problem of obtaining a sufficient number of meat inspectors. During the past 2 years, there have been many additional requests for meat inspectors from my constituents.

I know that the Department has done its utmost to cooperate in meeting these needs. However, it always seems to come down to a money problem on the question of whether additional meat inspectors will be furnished in the required number.

The committee report states that the committee has been advised that even the full amount of the budget estimate would not be sufficient to meet the expanded requirements of the meat expansion program.

I do not recall that I heard the Senator indicate who gave this advice to the committee.

Mr. HOLLAND. The industries I have mentioned did so. When we asked the appropriate agricultural officials, they confirmed it. We made it very clear that we expected them to meet all just needs and then come back to us for such additional sums as may prove to be necessary.

At present no one seems to know just how much is required to pay these costs of inspection at this time.

Mr. MILLER. Mr. President, I can appreciate why it would be very difficult to forecast precisely the needs that might arise in the next 12 months. I am hopeful that the committee received assurances from the officials in the Department of Agriculture that they would do precisely this.

May I ask whether this assurance was given to the committee?

Mr. HOLLAND. Yes. That assurance was given. Our committee will look with favor upon a request for a supplemental amount to provide all of the essential needs, along with the present appropriation, for manpower this year with which to cover this very important activity.

Mr. MILLER. I do not believe the Senator quite understood my question. My question was whether or not the committee received assurance from the officials of the Department of Agriculture that they would come to the committee with the request for supplemental appropriations.

Mr. HOLLAND. We know they intend to make such a request. They cannot come direct to us. They go to the Bureau of the Budget first. However, on a matter with respect to which we have already expressed our concern and expectation that we shall have a supplemental request, I think there will be no question. If any question should arise, the committee will assert itself with the Bureau of the Budget and, if necessary, act in that regard.

Mr. MILLER. Mr. President, I should like to ask a further question of the Senator from Florida. What I am about to point out is all hearsay, but I should like to raise the question and clarify it if possible. I understand that one of the problems that arose during the past year or two in connection with furnishing additional meat inspectors was that while a money problem seemed to be the underlying cause, there were certain discretionary allocations of funds that the Secretary of Agriculture could make which would have made possible the hiring of additional meat inspectors, and with respect to which discretion was not followed; or, in lieu thereof, the allocation of funds was made for other kinds of personnel rather than the critically-needed meat inspectors. Can the Senator be able to substantiate that?

Mr. HOLLAND. All I can say is that the Secretary of Agriculture has full authority to go as far as he needs in meeting that need; and we have given him such authority for this particular year in the way that I have already described. I have not noticed any indisposition on the part of the Secretary to meet this

need. It has not been many weeks since he recently gave notice that he was taking such an inspector out of a meat-packing plant in my own hometown.

The Secretary is exercising some discretion in the matter that sometimes is not in accord with the views of the industry affected. We had to act quickly in that case, and we are willing to do so in any other case. But we thought, above all things, that we should make it clear that we are not only giving him the full budgeted amount which he requested, but also we are telling him in so many words that we expect him to meet the full inspection needs and to come back to us with a request for additional funds when he finds out how much will be needed.

Mr. MILLER. I recognize that the Secretary has discretion with respect to the assignment of meat inspectors. That has happened in my own State, too. But what I am concerned about is that I understand—and, as I have said, this is hearsay, and I would be happy to get the point cleared up—that he does have discretion with respect to the allocation of funds, so that he could hire more meat inspectors to meet an emergency requirement with such discretionary funds, or with funds with respect to which his discretion is available; and that instead, the discretion was not used, and, if anything, perhaps the discretion was used in hiring other types of personnel. I was wondering whether this problem was presented to the committee in the consideration of the inspector problem.

Mr. HOLLAND. I do not recall that that point was raised. The distinguished Senator from North Dakota [Mr. Young], the ranking minority member of the committee, is present. He may remember something different from what I recall. I wish to make clear that we do not understand that we are giving a large contingency fund to the Department of Agriculture to move around here and there or elsewhere as it may wish. We intend to take care generously of the various and essential needs. In this particular instance, this year, we are inviting the Department to come back with a supplemental request to carry out whatever is necessary in the way of a full inspection program.

Mr. MILLER. Perhaps the Senator can answer this question. The appropriation made by the bill calls for \$30,837,000, the full budget estimate.

Mr. HOLLAND. The Senator is correct.

Mr. MILLER. Suppose that that money is committed so that no additional inspectors can be hired unless a supplemental request is made, approved by the Budget Bureau, and approved by the committee, all of which could take time. Is there any other source to which the Secretary of Agriculture could go to find some funds so that the Secretary might hire an additional 25 or 50 meat inspectors to meet some critical need?

Mr. HOLLAND. The budgeted amount does not have to be spent on a monthly basis. We have told the Secretary to do this job. He can spend this money in doing the job. If he finds he

must employ more inspectors than he expected to have to employ, he may employ them and come back to us with a supplemental request that will enable him to fill out the full year. I do not understand that he would have any problem in that connection. I am reminded that that is one of the several mandatory functions in which he is permitted to incur a deficiency before reporting his supplemental estimate.

Mr. MILLER. I thank the Senator from Florida. I appreciate the opportunity of having him clarify the procedure. We all recognize that there has been a considerable need for meat inspectors, and that if meat inspectors cannot be furnished, there will be a deleterious impact upon the livestock industry, upon the packing industry, and upon the unemployment situation.

I had a couple of additional questions I wished to ask. I wonder if the Senator would care to have me ask them now or would he prefer that I wait until he finishes his presentation?

Mr. HOLLAND. If they do not relate to the point which we have been discussing, I suggest that the Senator wait until we reach whatever subject he is expecting to direct his questions to, and raise the questions at that time.

Mr. MILLER. I shall be happy to do so.

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

Mr. HOLLAND. I yield.

Mr. MUNDT. On the point which has been discussed, it may be helpful to the Senator from Iowa if I should point out that the Appropriations Committee, in its relationship to the Department of Agriculture, does not encourage the setting aside of funds for the Department of Agriculture which can be used at the discretion of the Department. We try to keep a pretty tight rein on the appropriations which we handle. We earmark them and specify the purpose for which they are appropriated. While there are certain aspects of flexibility which can be used to meet an emergency, we do not believe that it would be prudent to set aside contingency funds upon which the Secretary could draw to meet an emergency.

If the Senator will look at page 17 of the committee report, he will find that our philosophy is just the opposite of that. Last year a \$750,000 reduction was made in conference between the two versions of the bill as they passed the Senate and the House. It was decided that the Department of Agriculture would be permitted to apply such reductions over a series of items. It was our thought that they would be spread over a great many items. Instead of that, the reduction was made primarily in three items, and a very substantial and important addition which the Senate had made in the war against sheep scab was lost in its entirety by the \$750,000 cut.

So that we could be sure that that type of thing would not happen again, the committee inserted the following language in the report, which appears on page 17 of the printed report:

In order to preclude the reprogramming of funds agreed to by the conference commit-

tee in regard to this appropriation item the committee hereby directs the Secretary of Agriculture to advise and to obtain advance concurrence from the Appropriations Committee—

I wish to emphasize those words.

Advice is one thing, but this is advice and the Department must receive our consent. That is the concept that we have in committee of what is meant by "advise and consent" of the Senate. In essence, without these instructions the Department reaction seemed to be: "We are going to ignore what you say, but you ought to know that we are doing it."

I wish to read this new report statement again:

In order to preclude the reprogramming of funds agreed to by the conference committee in regard to this appropriation item the committee hereby directs the Secretary of Agriculture to advise and to obtain advance concurrence from the Appropriations Committee in regard to any proposed changes in programming amounts for projects or activities financed under this appropriation item. It directs that there be no repetition of the action taken in connection with funds made available in the Appropriations Act for 1964 for certain specific activities which were then sharply decreased by action of departmental officials.

In that unfortunate episode of last year the Department of Agriculture flagrantly violated not only the intent, but the specific request of the Committee on Agriculture. To button that down and to make sure that we work henceforth as a team and that we will consult with one another and understand the rules of the game, it is spelled out this time in the report at the top of page 17 in language so clear that a child in the fifth grade of school could read and understand it.

That, of course, is not pertinent to meat inspectors, but it clearly points out the philosophy of the committee and the fact that we are not merely handing down to the Department of Agriculture buckets full of gold ducats and saying, "Spend them in any way you wish to spend them."

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

Mr. HOLLAND. I am happy to yield to the distinguished Senator from North Dakota, who has performed great and outstanding service in the committee.

Mr. YOUNG of North Dakota. I thank the Senator. Regrettably, I was necessarily delayed in arriving, but I understand that the Senator from Florida said some nice things about me, which I deeply appreciate.

Mr. HOLLAND. I made some truthful statements. I did say all the truthful things that I could have said. I remarked that the Senator had made great contributions in all phases of the activities of the committee, but particularly with reference to the new laboratory at Fargo, and the objectives to be carried out there. That is what we were dealing with at the time.

I do not know any Senator who is more diligent in protecting agriculture and fighting hard for agriculture's needs than the Senator from North Dakota. I wish there were many more like him.

Mr. YOUNG of North Dakota. I thank the Senator. The inspiration for

the program came from U.S. Department of Agriculture research people, the meat institute, the American National Cattle-men's Association and others. We were a little ahead of the Bureau of the Budget on this. It was good that we did get this headstart, because it will be useful now.

As to meat inspection, the committee allowed \$2,941,000 more than last year. If additional funds are needed, they can ask Congress for a supplemental appropriation. I am sure they will do that. Consequently, they will not be hurt.

I refer to another matter, pesticide research, which is referred to at the top of page 19 of the report, in the following words:

As indicated above, the committee has included the increase of \$8,792,000 in Senate Document No. 85 for pesticides research; and the funds allocated to the States under the formula for the pesticides program could be used by the States for testing milk residues.

Is it not the understanding of the Senator from Florida and of the committee that these funds could also be used for the testing of hay and other feeds used by milk producers? I think that is really the most acute problem. I thought it was the understanding of the committee that if a State wanted to use the Federal allocation to match State funds in the use of this kind of research and testing, it could do so.

Mr. HOLLAND. The Senator, of course, is right. The Senator knows very well that the members of the committee believe very strongly in States rights in this area, and believe that the State experiment stations should be allowed to meet the problems of the people they serve. This is but one illustration of that fact. I am sure our committee thoroughly approves of the use of funds mentioned by the Senator in the way he has suggested.

Mr. YOUNG of North Dakota. Pesticides seem to have caused acute problems in Maryland and other States surrounding Washington, D.C., with respect to dairy products.

Mr. HOLLAND. That is true. Our committee was somewhat upset by the fact that the Food and Drug Administration, which entered an order requiring that milk be poured out for an indefinite period of time, went ahead to say there was not enough of the particular chemical or residual poison in the milk to be hurtful to anybody. Nevertheless, the milk had to be poured out. So the committee felt that pointed the way to the apparent need for amendments in the basic legislation and suggested that such need be reported to the legislative Committee on Agriculture and Forestry, of which the distinguished Senator from North Dakota [Mr. YOUNG] is a member, and of which the distinguished Senator from Louisiana [Mr. ELLENDER] is chairman. He also is a member of our subcommittee. I hope that will be done, because it does not make sense to the public or to a Senator or to a Member of the House or to anybody else to say that farmers must pour out thousands of dollars worth of rich milk because there is a trace of pesticide in it when at the same time the people who are drinking the milk are reassured that there is not

anything in it to hurt them or their children. That makes the matter more ridiculous than it should be.

Mr. YOUNG of North Dakota. The trace was so minute that no device known to man could have detected it before. It was found only because of a new device. It was a pesticide that had been approved for use by the Department of Agriculture.

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

Mr. HOLLAND. I yield to the Senator from South Dakota.

Mr. MUNDT. I believe we shall receive assistance in the whole field of utilization research, perhaps in conjunction with the new Consumers Committee, because obviously people are frightened by new labels or sounds. For a while people were worried about consuming butter, milk, or other dairy products, because they thought the increased cholesterol would cause them to drop dead from a heart attack. Medical science has taken a second look at that theory, and now it is not certain that dairy products and cholesterol are detrimental to human beings, but may in fact be extremely beneficial.

Every time there is a scare headline about food stuffs the poor farmer is likely to find himself in difficulty.

The Senator from North Dakota has been most helpful in pressing for this particular item.

With reference to the matter of utilization and industrial uses research, I call attention to the Members of Congress generally, and especially to Members of the Senate, that I believe that under the leadership of our chairman, with the assistance of his staff, the committee has performed a real public service by spelling out, on pages 14 and 15 of the report, what is hoped to be accomplished in the field of utilization and industrial uses research.

The Senate has a great record in this field. For many years it has passed measures and has increased appropriations and led the fight in this area. Senator Capehart, when he was a Member of the Senate, the Senator from Nebraska [Mr. CURTIS], the Senator from North Dakota [Mr. YOUNG], the Senator from Georgia [Mr. RUSSELL], the senior Senator from South Dakota, now speaking, and other Senators introduced bills in that field. They have passed the Senate. They have gone to the House. They have never been approved. The Senate additionally has passed money measures for expanded industrial-use research. They have never been fully approved. We have spelled out in this year's report exactly what we intend to accomplish with the money to be expended.

I call especial attention to the item for utilization new uses research. There is one phrase in that phrase that I want to call attention to, namely, "utilization and industrial uses research." I quote from the top of page 15 of the report, where it is spelled out in boxcar letters high in the sky:

Development of new and improved industrial products from cereals, \$650,000.

This does not mean the development of a new breakfast food, a new box, a new

label, or a new package. It means that we shall try to find a new and improved industrial use for the cereal crops of America, opening up imaginative new markets, commercial markets, industrial markets, for the products of the farm.

Once we crack this sonic barrier, the only farm problem in America will be how to produce more and more farm commodities, and produce two blades of grass where one blade grew before.

The same applies to another paragraph on that page:

Development of new dehydrated and frozen milk, meat, poultry, and egg products—

That is all right so far, but adding—new and improved industrial uses—

A new phrase is emphasized—industrial uses—

for animal fats and hides, wool, and mohair, \$500,000.

Again from that page of the report:

Development of new and improved industrial products—

Industrial products—I emphasize it to make sure the Department of Agriculture will not overlook it. I repeat for my colleagues in the Senate that the emphasis is on industrial products—

from soybeans, flaxseed, peanuts, castor, and aflour, \$300,000.

This is added to the normal inclusion of the traditional utilization and research for other products.

Here is the new world of opportunity for the American farmer. Here is the great unlimited opportunity for the ranchers and farmers of America. Here is the place where the scientist with a balding brow, and spectacles reposing on his nose, in the great laboratories of America is going to find the magic formula for making automobile tires now derived from butadiene, derived from the farm products of America; here is the place for making newsprint from the fibrous products of the country, better newsprint than that made from timber, which is imported from abroad. We are developing a host of industrial products, which can fill all the exhibits of a new world's fair, all made from the products of the farm. The committee is carrying the torch by pointing the way and by providing funds and by saying, "Let us get going in this business of unlocking the door for new developments in a new era of opportunity for the farmer by finding new industrial uses for our farm products through the miracles of science and of synthetics."

I thank my friend from Florida, the chairman of the subcommittee, for permitting me to say a few mild words in support of utilizing the industrial potentialities for expanding our farm markets.

Mr. HOLLAND. I thank the Senator. The enthusiasm of the Senator for industrial utilization has been well known. If there was any question about it, it was reestablished on a very high plane by his remarks, with which I thoroughly agree.

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

Mr. HOLLAND. I am very happy to yield to the Senator from Wyoming, a

member of our subcommittee and of the full Committee on Appropriations, and a diligent Senator in taking care of the interests of agriculture.

Mr. McGEE. I thank the Senator, the chairman of the subcommittee, for his comments. I heard something said about research in his colloquy with our good friend from South Dakota. I note that on page 10 of the report the committee states that several meritorious research proposals were made to the committee, but that they could not be allowed at this time. One of them, the Wool Quality Research Laboratory, has a great bearing on my State of Wyoming. The Senator remembers, I am sure, that a year ago we were able to direct the preparation of feasibility studies on the Wool Quality Research Laboratory needed by the woolgrowing Western States. We were interested in having it located on the campus of the University of Wyoming at Laramie where many wool research projects are already being conducted.

I wonder if the chairman would care to observe what the status of this laboratory is.

Mr. HOLLAND. I am very happy to do so. I believe I have already mentioned its status. We had before us, as I recall, nine requests by distinguished Senators from the inclusion of laboratories, without budget approval in advance, and funds for construction. One of them was the wool quality research laboratory, which was so ardently advanced by the distinguished Senator from Wyoming.

Unfortunately, however, it could not be approved. The Senator from Kansas [Mr. CARLSON] earlier referred to the wheat laboratory. The Senator from South Dakota [Mr. MUNDT] had requested one. The Senator from Nebraska [Mr. HRUSKA] had requested one for livestock research. I could continue to mention others. However, I have mentioned them only in the Senator's particular area. We came to the conclusion, because of the large program for utilization research on which we embarked last year, and which involves several new laboratories, and among them the one for weed control research on cotton. Also we are embarking this year, on several additional laboratories requested in the accelerated pesticides program referred to earlier. We decided, therefore, that on these unbudgeted items. We ought to refer them back to the Department and ask to make a survey of the situation, stating that we thought every one of the proposed programs had merit, including the one the Senator from Wyoming has mentioned.

Undoubtedly the one the Senator has mentioned has merit. We asked the Department to give us a report on all of them. We also asked it to give us a full report on the extensive facilities which we have already provided for experimentation throughout the Nation, so that we could have a unified picture of the entire research program before we moved further.

In spite of the fact that several Senators, members of the subcommittee, and also of the full committee, including

the Senator from Wyoming, had projects which came within this group of eight or nine, they all agreed that, reluctant as they were to admit it, that that was the sounder way of approaching the problem. We hope to have these projects reported upon fully.

I join the Senator from Wyoming in the hope that his project will be in the budget next year.

What we have done is without prejudice, and with the statement that each of these projects has merit, as evidenced by the fact that it affects Senators who have pressed these programs and the important industries which they represent.

Mr. McGEE. I thank the chairman of the subcommittee. He has always been a great friend of the West. His interests have been tied closely to our needs out there. We are grateful to him. Our needs in the wool growing industry are rather acute. That is the reason why we have been pressing for this facility as vigorously as we have. I have been exceptionally eager to get along with the establishment of this research laboratory, to strengthen the position of the wool growing industry.

There is much justification for the sense of urgency we feel in regard to the wool quality research laboratory. That is the reason for my interrogating the Senator at this time.

Mr. HOLLAND. I appreciate the comment of the able Senator. No one could have been more industrious in bringing the proposal to the attention not only of our committee, but of the Senate as a whole. Our action is without prejudice, and with the statement that the programs have high merit, but with the conditions attached that we have had to attach to all nine similar requests.

Mr. McGEE. I wish to ask the Senator one further question. It has to do with the request that the sum of \$95,000 be included in a different research program. I refer to the program at Fort Collins, Colo., dealing with automated irrigation. I raise the question because this program, too, has become more urgent than we had anticipated. Our needs for the project now appear to be outrunning the pace research effort. The Seedskadee project in Wyoming is a designated testing site for the automated irrigation being developed. I wonder if the chairman can tell me whether the allowance for \$95,000 to set up research on automated irrigation is in the bill.

Mr. HOLLAND. I am glad to state to the Senator that it has been included by the committee. This is shown by item 20 at page 14 of the report. I read it into the RECORD:

20. For accelerating research investigations dealing with the automation of gravity water applications for irrigation, the committee has included \$95,000 for this program of research headquartered at Fort Collins, Colo.

I remember that the Senator was extremely eager and diligent in pressing the inclusion of this item.

Mr. McGEE. I thank the Senator. I ask unanimous consent that there may be included in the RECORD at the appropriate place a copy of a letter which

I received from the Department of Agriculture on this particular question.

Mr. HOLLAND. I am glad to have it included at this point. I ask unanimous consent that it may be included in the RECORD.

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

U.S. DEPARTMENT OF AGRICULTURE,
AGRICULTURAL RESEARCH SERVICE,
Washington, D.C., July 31, 1964.

HON. GALE W. MCGEE,
U.S. Senate.

DEAR SENATOR MCGEE: This letter is in response to your request for information concerning research on the automatic application of irrigation water.

A system for automating gravity water application on the farm has been conceived and is in its initial phase of testing and development by our research staff at Fort Collins, Colo. The system needs refinement and field testing under actual field irrigation conditions.

Developments of this kind are necessary for survival of irrigated agriculture. Competition from domestic, industrial, and recreational users of water is increasing at an alarming rate. Irrigated agriculture is notorious in its inefficient use of water. Automation of irrigation systems would materially aid to the efficiency of water use and, in addition, save farm labor.

The automatic system under development is based on a pneumatic valve that will turn water deliveries on or off to an irrigated field, using manual valves for rate control. Components for automation include time clocks, three-way solenoid valves, compressed air source and either radio or wire systems for activation. The time clock is programed according to optimum water-use requirements.

Pneumatic valves have been developed into positive control devices, experimental models manufactured, and a timing system suitable for automatic operation of turn uses has been designed. The system needs to be fabricated and tested in the field under actual field conditions. Refinements will need to be made, fail-safe devices developed and evaluated, the radio or wire refined for this specific application, lower cost solenoids developed, and the system expanded to include complete farm coverage.

The current level of research on this problem is one professional man-year per year and one technician man-year per year. With materials, travel, and other operating costs, total expenditure is approximately \$26,000 per year.

For optimum development, the additional men, materials, etc., are required:

1 professional man.....	\$10,000
5 technicians.....	30,000
Materials required in the laboratory.....	4,000
Contract research.....	5,000
Improvement of a hydraulic test laboratory facility.....	6,000
Field installations at Newell, S. Dak., and Seedskaadee, Wyo.....	25,000
Travel.....	2,000
Overhead.....	13,000
Total.....	95,000

H. A. RODENHISER,
Deputy Administrator.

Mr. HOLLAND. The Senator used the letter very effectively in his labors in the committee. The RECORD should show that letter, bearing on this particular problem.

Mr. MCGEE. I thank the Senator.

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

Mr. HOLLAND. I yield.

Mr. JAVITS. New York is not often thought of in terms of a bill of this kind; but, as the Senator knows, New York is a major agricultural State. As a Senator who represents the whole State, I try to keep very much in touch with agricultural matters.

I feel that my State, which is a major dairy State, would be gratified by the degree to which the special milk program has received attention in the bill. I am especially gratified by the fact that the program of special milk availability to nonprofit summer camps and child care institutions is provided for in a generous way in the bill. I had the honor of helping to expand the concept of the department as to the legal definitions which would encompass that kind of aid. It is most gratifying to see this work so successfully being carried through.

Mr. HOLLAND. On that point, the Senator from Wisconsin [Mr. PROXMIRE], who also represents a very heavy milk-producing area, serves on our committee. He invited the attention of the committee to the very program which the Senator from New York has just mentioned. I think it is fully cared for in the bill. I am glad the Senator from New York has the same opinion. I want him to know that the Senator from Wisconsin and other members of the committee who represent heavy milk-producing States took care of that provision very well.

Mr. JAVITS. I am also pleased to see the availability of funds for the purpose mentioned by the distinguished Senator from North Dakota [Mr. YOUNG] with respect to experiment, research, and various forms of testing, and other activities, to improve the quality and output of milk.

As a member of the Government Operations Subcommittee which is investigating pesticides, a subcommittee headed by the distinguished Senator from Connecticut [Mr. RIBICOFF], I am gratified to see the Appropriations Committee emphasize pesticide research; that is, not the alarming aspects of pesticide use, or what might even be considered as the sensational conclusions concerning the presence of harmful pesticides in foods and other products, but the redeeming aspects of the whole pesticides movement, which is making possible for the American people the great improvement in the standard of living, especially in terms of food, which they enjoy. Therefore, the determination of the committee to provide for, what I always believed in, a thorough scientific research program to permit pesticides to be more useful to the American people, is most heartening. It takes up exactly where the President's committee on this subject said we should begin.

The subcommittee and its chairman are entitled to strong commendation for the constructive and intelligent nature of that approach.

Mr. HOLLAND. I appreciate the expression of the Senator from New York. There was no difference of opinion in our rather large committee on this subject. As I recall, there are 27 Members of the Senate on the Committee on Appropriations, a membership which is larger than that of any other Senate

committee. We all felt that to make the \$29 million available was the logical next step in carrying out one of the most important programs that we could get underway, one of the most needed programs in our Nation. I am glad that the Senator from New York feels as he does. We deeply appreciate his cordial remarks. I thank the Senator from New York.

Speaking for the full committee, we also greatly appreciate the kindness of the junior Senator from New York.

Mr. KEATING. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am happy to yield.

Mr. KEATING. Mr. President, I want to congratulate the chairman and the members of the committee who have worked long and hard hours on the agricultural appropriation bill.

As a Senator from the second largest dairy State in the Nation, I am particularly grateful for the committee's work on the special milk program. I have discussed this program on several occasions with the distinguished Senator from Wisconsin [Mr. PROXMIRE], who also represents a great dairy State. Sometimes the views of the Senator from Wisconsin and the Senator from New York are in conflict, but on this subject we share a united position. Earlier this year it was my privilege to join with the Senator from Wisconsin in sponsoring S. 2751, to provide a supplemental appropriation of \$2 million for the program.

It was in 1954 under President Eisenhower that the special milk program was initiated and it has enjoyed wide bipartisan support through the years. And well it might. For it has enabled many thousands of youngsters to receive the nutritional values of milk and at the same time has brought a measure of stability for the dairy farmer of America.

We continually concern ourselves about the physical fitness of our youth. In my judgment, there are few programs which are so singularly directed toward this goal. How many are the children who would have to forgo the food value of milk, were it not for this farsighted program.

There is no question but that this is an economically justified undertaking. If we did not have this milk distribution program, the Commodity Credit Corporation would have to go on the market to purchase dairy products in order to insure the current price support level. Such an undertaking would be more expensive than this beneficial health program.

It is readily apparent that the dairy farmer has benefited from this program. For the oversupply of milk has been reduced through consumption by our young people. And we must continue to push forward for an ever-increased level of consumption and expansion of our dairy markets.

On another but related subject, it has recently come to my attention that the export subsidy on nonfat dry milk has been placed on a bid basis, and that one of the reasons for doing so was the depletion of our CCC stocks for use under the donation program.

At a time when we must constantly seek new markets for our excess agricultural production, I am particularly concerned that this new policy will result in contraction of our export markets. Placing the export subsidy on a bid basis will eliminate any long-term contracts for the export of nonfat dry milk. It also may place the United States in a position where it will be priced out of the European market where we have been selling in the vicinity of 125,000 metric tons annually. If this is the ultimate effect of the policy, then it is time to re-think our donation program which has heretofore been a sound method of assisting our friends abroad and reducing our large stocks of surplus commodities. I want to make it very clear that I do not want to see us destroy this commercial market. For the result can only be harmful to our dairy farmers' income and necessitate increased purchases by the Commodity Credit Corporation.

I am hopeful that the subsidy on nonfat dry milk will be reconsidered with a view toward the further expansion of our exports of dairy products.

The increased appropriation for the special milk program will be beneficial to thousands of New York children and the important dairy industry of my State, and I am most appreciative of the action taken by the committee.

Mr. HOLLAND. I thank the Senator from New York.

SPECIAL FOREIGN CURRENCY RESEARCH

The committee recommends an appropriation of \$4 million for the special foreign currency research program. This is the amount of the revised budget estimate and consists of \$2 million for market development research and \$2 million for projects dealing with scientific research. The Department is expected to be selective in the projects undertaken with these foreign currencies so that the results of the research will be beneficial to American agriculture.

PAYMENTS TO STATES COOPERATIVE RESEARCH AND EXTENSION PROGRAMS

The committee recommends increases above the budget of \$1,250,000 for State experiment stations and \$2,705,000 for the State extension services to provide for pay adjustments for the employees of these State organizations comparable to those granted Federal workers in the pay legislation under Public Law 87-793. Last year the appropriation act included about half the funds required for this purpose and the committee's recommendations will provide the remaining one-half. The committee believes that these employees should be granted salary increases comparable to those granted to Federal employees.

The recommendation for the Cooperative State Research Service also includes an increase of \$8,792,000 as a part of the overall program for pesticides research. These increases include \$3 million for payments to the States. The additional amounts provided for payments to States under the Hatch Act are for the pesticide program. The States could make provision for testing pesticide residues in milk. This total increase also includes, for the first time, funds

for grants for facilities under the act of July 2, 1963, Public Law 88-74. The committee recommends the budget estimate of \$3,242,000 for this purpose, to be distributed to the States on a matching basis for the construction of research facilities required for the pesticides research program. The committee has included funds for the use of authority under the act of September 6, 1958. Under this authority basic grants can be made for research. The committee has included \$2 million for this purpose, to be used for pesticides research grants.

For the Extension Service, the committee recommends, in addition to the \$2,705,000 referred to a moment ago for pay adjustments, an increase of \$2,100,000 to be allocated to State extension services to accelerate specialized assistance by county agents to users of pesticides. The committee believes it is essential that producers be aware of the directions to be followed in making use of the various registered and approved chemicals.

Mr. MUNDT. Mr. President, in connection with the discussion by the Senator from Florida on the Cooperative Extension Service funds, I ask unanimous consent that a statement I have prepared on that subject may be inserted in the RECORD.

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

EDUCATION KEY TO THE PROGRESS OF THE AMERICAN PEOPLE

Included in the agricultural appropriation bill being discussed this morning is an item of \$85,274,000 to support the Cooperative Extension Service. These dollars, for the most part, will be allocated to the States where they will be matched with State and county funds and will be used to support extension educational work in nearly every county in the United States. The importance of this work in this day and time cannot be overemphasized.

We all recognize the importance of a healthy, efficient and competitive agriculture in the economic development of this country and the importance of farmers who are modern and up to date in the application of technology and management. Certainly our educational effort addressed to them must recognize and prepare them for the changes that constantly occur within this vast industry. Since specialization is increasing everywhere, technology, its understanding and its application are more important than ever. The successful farm manager of today and even more so the successful manager of 1980 must be knowledgeable in the scientific aspect of farming and ranching. Therefore, if American agriculture is to be strong, there must be a continuing flow of research results to those who produce food and fiber for the Nation. The variables in need from State to State and county to county demand effective interpretation and adaptation of technology to different situations. Thus the communication and teaching of such information require highly competent and well-trained people who carry on a continuing program of education to keep pace with the rapid advance of scientific knowledge and changing economic environment.

This is the mission of the Cooperative Extension Service.

The union of research and extension education was a most fortunate one and has had the net effect of shortening the farmer's workday and lightening his labor, and providing the most effective means we have

found to date of preserving and strengthening the family farm, increasing the purchasing power of the farm family, elevating the dignity of farming by raising it to the level of a profession, and giving young people on farms better education and better job opportunities. Beyond the farm it has helped to raise the standard of living of all of the people of the United States. In fact, this research-extension team has played a major role in helping our farmers to attain a position in our society which cannot be matched in any other part of the world. It has demonstrated—beyond any question of doubt—that scholarship, through a program of education for action, can be effectively supplied to family living and creative intelligence—with equal effectiveness—to farm operations. As a result—and as nowhere else in the world—that portion of the Lord's Prayer which states, "Give us this day our daily bread * * *" has been answered here.

Although we may think of extension as the quiet, deliberative voice of education, it can and does have the ability to act quickly. In South Dakota last year, it was extension that moved promptly to meet a serious outbreak of corn rootworm and thereby saved corn growers in our State an estimated \$1 million.

In like manner in the wide field of public awareness and interest it was extension that explained our new State water conservation enabling legislation to our citizens and is now assisting them in cooperation with other Federal and State agencies to make effective use of this legislation. To most farmers, and particularly to us in the high plains, a supply of supplemental water is essential to a stabilized agriculture.

The only way the commercial family farm can survive today is to have free access to research information and its interpretation.

Monopoly of knowledge is just as deadly to the family farm as monopoly of capital and productive resources is to other types of industry.

The free access to information through the Extension Service is the link that prevents such a monopoly. Without the free flow of knowledge, the large corporate farm will swallow up the family farm.

Of direct benefit to all our people is our agricultural productivity, matched by an efficient, expanding marketing industry.

My own State of South Dakota is primarily an agricultural producing State. In 1963, about 80 percent of the State's \$636 million worth of agricultural products was marketed outside the State. That doesn't mean that marketing isn't important. It does mean that South Dakota, as well as all other major agricultural States, must produce and market high-quality products in order to compete in distant markets. It also means that the marketing systems must be efficient.

Consequently, we in South Dakota are concerned with two questions in marketing: How can we make the existing marketing system more efficient, and how can we provide profitable opportunities for new or expanded markets?

In a grain and grass State like South Dakota, livestock represents the best major use of our resources. The Extension Service is therefore concerned with such subjects as management efficiency in country grain elevators or the feasibility of a livestock slaughter plant.

South Dakota farmers and ranchers (and their neighbors in the banks, feed plants, farm supply houses, and machinery dealerships) are interested in producing high-quality products to meet market demands. They are equally interested in efficient and expanded markets as is this same group in most other agricultural States. A strong, effective extension education program is essential to achieving this goal.

But agriculture and marketing of its products are not the only effort in the scope of extension work.

Extension educational work with American youth through 4-H clubs involves 2¼ million boys and girls age 10 to 19. Approximately 500,000 private citizens provide day-to-day leadership to the 4-H clubs as local leaders. The main purpose of 4-H club work is to train young men and women in such essentials as citizenship, respect for work, acceptance of responsibility, cooperation, pride and responsibility of ownership, respect for our democratic institution, and to learn about possible careers affecting their future. These purposes in 4-H club work train youth today to be responsible citizens tomorrow. These goals are achieved through many 4-H club projects and club activities. The program is broad enough to meet the needs of most boys and girls, regardless of their background. Career exploration, both as a project and as a part of formal school activities, is emphasized because it is estimated that within the next 10 years, 90 percent of the farm boys and girls who reach 25 years of age will need to find their way into the off-farm labor market.

Youth today will be our leaders tomorrow. The key to continued economic progress is contingent upon the training our youth receives today. Their willingness to accept responsibility, their ability to think and act responsibly and their capacity to be imaginative and to innovate must be a part of today's training. Four-H Club work provides this training.

The forces of change—which projected farming out of a simple way of life into the maelstrom of big business and which have catapulted the small community into next-door relationships with the city and country—have not bypassed the family. The family has seen its pattern of living molded and shaped by forces in the community and the changing economy. Some of these forces have their origin in technology—others arise out of the increasing family mobility and are reflected in changes in human needs and human satisfactions.

The objectives of home economics education are directed toward assisting families to prepare and adjust to a changing society. Families today, both rural and urban, consume a much higher portion of their income than did the self-sufficient families of yesterday. This places a premium on knowledge in home management. Financial management, wise use of credit, housing, nutrition, health, and homemaking efficiency, are major program concerns of extension home economics work.

This threefold purpose of the Cooperative Extension Service, Agriculture, home, and youth is in a larger sense a program for the development of people themselves. It is true that its teachings are directed toward the improvement of many practices but its fundamental objective is always the same—better, richer, fuller, and more rewarding lives for the people it serves.

Extension work is permissive and dedicated to—

1. Assisting farm people in their growth toward leadership and economic independence.
2. Assisting farm people in achieving the most efficient agriculture the world has ever known through improvements in their managerial skills and in putting the results of research to work on their farms and in their homes.
3. Providing the farmer with a more effective and efficient means of handling his products as they move on from the farm gate to the consumer, and of reducing costs for farm supplies and services.
4. Helping young people to grow and develop so that they will become better prepared for tomorrow's responsibilities.

5. Helping farm families to make a better living and a richer, fuller, more rewarding life a reality, rather than an empty dream.

6. Assisting people in achieving a stabilized income through better and more orderly management of their resources by means of realistic use of land and water resources.

7. Helping families to broaden their horizons, expand their economic opportunities and develop a greater appreciation for the importance of participating actively and effectively in programs that involve and affect their own communities, their counties, their State, and Nation.

I'm sure we are all aware that our agriculture which only recently was highly independent is today highly interdependent. The farmer doesn't operate in a vacuum. He and his welfare are greatly influenced by a multitude of political, economic, and social forces. Daily the individual farmer and his family are confronted with momentous and difficult decisions. Each new decision calls for a wider range of knowledge and a higher degree of skill. To help him and America, a strong extension educational program is necessary if new agricultural technology is to be fully used and solidly integrated into our economy, if farm people are to achieve their potentialities as citizens, as people, and as parents of those who in time will direct our country's destiny, and if the family farm is to be preserved as a dynamic, efficient institution.

SOIL CONSERVATION PROGRAMS

Mr. HOLLAND. The committee concurs with the House in providing \$100,511,000 for conservation operations by the Soil Conservation Service. This is an increase of \$1,761,000 above the budget and the amount recommended by the House.

The committee recommends an appropriation of \$65,848,000 for watershed protection, the same as approved by the House. However, the committee recommends the appropriation for watershed planning be continued as a part of the overall appropriation rather than being made a separate appropriation item as proposed by the House. The committee recommends \$5 million for watershed planning, which is \$524,000 below the amount proposed by the House for this purpose and \$501,000 over the budget request. The committee believes this will be adequate to carry on this important activity, particularly since additional amounts will be provided from local sources to augment the development of plans for the small watershed program.

A reduction of \$2,767,000 is recommended for flood prevention in the 11 major watershed projects financed under this item. This will provide a total of \$22,656,000 which, together with the carryover from June 30, 1964, of more than \$8 million, will provide adequate funds for carrying on the work of these projects this year.

For the Great Plains conservation program the committee recommends \$14,744,000, the amount of the budget and \$568,000 over the House bill. For the new pilot program of resource conservation and development program, the committee recommends \$2,044,000 as proposed in the budget, an increase of \$548,000 over the House bill.

The increase of \$1,100,000 for the Economic Research Service consists of \$500,000 for economic research relating to pesticides and \$600,000 for the eco-

nomics studies authorized under Public Law 88-297 for the studies to determine and to report upon the year-to-year changes in the cost of producing cotton.

CROP ESTIMATES AND MARKETING ACTIVITIES

The committee recommends an increase of \$461,000 for the Statistical Reporting Service, consisting of \$361,000 to initiate the timber price reporting service and \$100,000 to extend the pilot flower estimates program to the 17 principal producing States. The committee believes these two services to producers of timber and flowers should be undertaken without further delay. The committee concurs in the action of the House in denying the budget proposal to eliminate \$94,000 to consumer surveys. This work should not be curtailed.

The committee has received many complaints about the new market news service initiated August 1, 1963, by the Agricultural Marketing Service. It has thoroughly reviewed this matter and is directing the Secretary of Agriculture to see to it that the leased wire system be limited strictly to market reporting and marketing information and the routine type administrative instructions which were carried on the leased wire system prior to August 1, 1963.

The Secretary is also directed to make certain that all news media receive equal opportunity and access to the market news information.

SCHOOL LUNCH AND SPECIAL MILK PROGRAMS

The budget proposed, and the House agreed, to finance the special milk program last year from section 32 funds. The law provides that this program shall be financed from a direct appropriation. Therefore, the committee is recommending an appropriation of \$106 million as a direct appropriation for this program in 1965, which is an increase of \$6,166,000 above the 1964 level. This increase is required to meet the increased demand and to permit participation by a greater number of children.

The committee concurs in the House bill of \$146,400,000 for the school lunch program, which is an increase of \$9,784,000 above 1964. In addition to this appropriation, there is a transfer of \$45 million from section 32 for this program. Also surplus commodities acquired under section 32 regular programs are available for donation to the school lunch program.

Mr. PROXMIRE. Mr. President, will the Senator from Florida yield?

The PRESIDING OFFICER (Mr. WALTERS in the chair). Does the Senator from Florida yield to the Senator from Wisconsin?

Mr. HOLLAND. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I commend the Senator from Florida for the superlative job he has done on this appropriation bill—it is \$344 million below the request of the President, which was already said to be tight. This is a big saving for American taxpayers, and yet it leaves the essential services of the Department of Agriculture intact. What is even more impressive, this bill represents a \$1 billion reduction—\$970 million under the appropriation for last year. For years

Federal farm programs have been the prime target of the critics of Government spending, so this achievement is most remarkable. The Senator from Florida deserves great commendation for bringing it about.

I believe that the Senator from Florida has done an outstanding job. I should like to say to the Senator from North Dakota [Mr. YOUNG], the ranking minority member on the subcommittee, that he deserves great credit, too. The Senator from Florida has earned my undying gratitude also for the prudent way he has handled the special school milk program.

Mr. HOLLAND. Mr. President, first let me express my great appreciation to the Senator from Wisconsin for his remarks; also, to the distinguished Senator from North Dakota [Mr. YOUNG] for his kind words in his behalf.

Mr. YOUNG of North Dakota. I thank the Senator from Wisconsin for his comments.

Mr. HOLLAND. We are glad to find that the distinguished advocate of economy in Government, the Senator from Wisconsin [Mr. PROXMIRE], has found our approach to this problem this year to be such that it can meet with his approval. We appreciate it very greatly.

Mr. PROXMIRE. I thank the Senator. I believe that this bill represents a great achievement. What the Senator from Florida has so accurately described in referring to the treatment of the school milk program in the bill will be of no real cost in my judgment to the taxpayers. That is because, we have a law which provides price supports for dairy products requiring the Government to buy surplus milk for the Commodity Credit Corporation at the present rock bottom support price. Since milk will be in surplus, it is clear that school milk purchases simply mean lesser CCC purchases. The fact is that in December, 1963, because of the limitation of the 1964 special school milk appropriation, the Secretary of Agriculture had to inform the top educational officials of many States that there must be a cut-back in Federal support for the special school milk program. In light of this, the Senator from Florida as chairman of the subcommittee generously agreed to accept my proposal to increase this amount over what the House had agreed upon which was approximately \$100 million to \$106 million. This will not only help children improve their health with nutritious milk, and create the healthy milk drinking habit. It will not increase cost to the taxpayer.

It makes all the sense in the world. Instead of having this milk go into storage where it would be of no use to anyone it will go instead into the stomachs of hungry children. Only 1 percent of the schools in this country provide a program of milk for children whose parents cannot afford to pay for it. Ninety-nine percent of the schools do not provide it so that if this had not been restored by the Senator from Florida, it would mean that the poorer children whose parents felt they could not afford this milk, would be deprived of milk which would not cost the taxpayers

anything additional. So I believe that what the Senator from Florida has done is compassionate, humane, logical, and sensible. I congratulate him, and I thank him very much, not only on behalf of my own State, but also on behalf of the children of this country.

Mr. HOLLAND. I appreciate those generous words. I am glad that the Senator has made his case so effectively and so eloquently in the RECORD. The whole country will now be able to read what the committee has been hearing from the Senator from Wisconsin as we conducted our hearings. I believe that he is entitled to major credit for the merited increase in this item.

Mr. NELSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from Wisconsin.

Mr. NELSON. I should like to join in endorsing the remarks of my colleague from Wisconsin [Mr. PROXMIRE] and to commend him also for his efforts in behalf of the children of our country as well as the dairy farmers.

I commend the Senator from Florida, as chairman of the committee, for his constructive consideration of this matter.

Mr. HOLLAND. I thank the Senator from Wisconsin [Mr. NELSON] warmly. There was no difference of opinion in our subcommittee or in the full committee. Every Senator on both committees is equally entitled to credit. I believe particular credit should go to the Senator from Wisconsin [Mr. PROXMIRE] who effectively, frequently, and always ardently, was arguing for both the interests of the schoolchildren and the dairy industry. I believe it is clearly a saving of money which otherwise would be put into surplus dairy products, if this larger amount is not made available for consumption by children as whole milk.

USE OF SECTION 32

Mr. President, the committee is greatly concerned about the increasing tendency in recent years to use section 32 funds as a convenient mechanism for paying expenses of various programs of the Government without following the normal appropriation process. The section 32 authorization is designed to provide funds for surplus removal and to stabilize market prices for the perishable commodities. The Department and the Bureau of the Budget are reminded of this basic purpose, and this permanent appropriation should not be misused by continuance of these abuses. The shift of the financing of the special milk program from section 32 funds to a direct appropriation is in keeping with this admonition.

The committee also recommends a reduction in the amount of these funds which may be used for the pilot food stamp program from \$45 million proposed by the House, to \$35 million. The budget estimate had recommended the use of \$51,125,000. The committee recommends this reduction because Congress is now approving legislation to place the food stamp program on a permanent basis, including an authorization for appropriations. Two years ago the committee expressed its view in opposition to use of section 32 as authority for

and as the financing mechanism for the pilot stamp program. It is expected that upon enactment, the food stamp program will be placed on a full financing by direct appropriation and that the section 32 funds will be reimbursed by amounts used in fiscal 1965 prior to enactment of the pending legislation.

As I mentioned earlier, the committee does not recommend the full use of the \$25 million limitation under section 32 for long-term, continuing research programs. However, the committee does recommend the use of \$11 million of these funds for research in 1965.

This consists of \$1 million for research on health-related problems of tobacco. The House proposed \$1,500,000 for this purpose—although it was not budgeted—and indicated that this should be carried out in facilities at the University of Kentucky.

Since the principal problem area in this connection stems from Flue-cured tobacco, the committee directs that at least one-half of the \$1 million be directed to and utilized in the Flue-cured producing area. That would be at the Government Experiment Station at Oxford, N.C. The committee also has directed the Department to make certain that it does not invade the province of medical research in connection with its intensified tobacco research investigations. That research would be handled by the Department of Health, Education, and Welfare, which is being well provided for, as I understand, in the regular appropriation bill for that Department.

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

Mr. HOLLAND. I yield.

Mr. COOPER. I appreciate the work that the Senator from Florida [Mr. HOLLAND], has done, as chairman of the Subcommittee on Agriculture, of the Committee on Appropriations, in connection with the appropriation bill for the Department of Agriculture.

I have the pleasure of serving on the legislative Committee on Agriculture and Forestry with the Senator from Florida. I know his great interest in this field.

Kentucky may not be the largest State in agricultural production, but it is an agriculture State. Approximately half of the income of the people of Kentucky comes from agriculture.

We are the largest producers of burley tobacco. But agriculture in Kentucky is quite diversified. Kentucky is the third largest producer of cheese in the United States, following Wisconsin and New York. Kentucky has become quite a cattle State, although perhaps not as large a cattle State as the Senator's State of Florida.

The Senator from Florida has just spoken of the appropriation for research on tobacco, particularly as it may be connected with health.

Money has been appropriated from year to year for tobacco research. But since the statement of the Surgeon General of the United States with regard to smoking and health, there has been great interest throughout the country in the subject of research to determine more accurately what connection, if any, there

is between smoking and various ailments such as cancer, heart disease, and others.

The subject is of great interest to the tobacco industry. I believe 21 States produce tobacco. Tobacco ranks fifth, in point of income, among the agricultural products of the United States. Tobacco furnishes more than \$3 billion in taxes to our Government each year. It affects hundreds of thousands of farm families. It represents the largest source of agricultural income in my home State of Kentucky.

I am interested, and we are all interested, in doing all that is possible to determine more accurately the relationship of smoking to health. As the Senator from Florida [Mr. HOLLAND] noted, research will go forward on the medical phase. To the extent that the Government participates, it will be done by means of appropriations to the Department of Health, Education, and Welfare.

But it is also necessary in this field for research to be done with tobacco itself. The Surgeon General, testifying earlier this year at hearings conducted by the House Subcommittee on Tobacco, supported this kind of research.

Mr. President, I ask unanimous consent to have Dr. Terry's statement printed at this point in the RECORD.

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

STATEMENT OF DR. LUTHER L. TERRY, SURGEON GENERAL OF THE UNITED STATES, BEFORE THE SUBCOMMITTEE ON TOBACCO OF THE HOUSE COMMITTEE ON AGRICULTURE, JANUARY 29, 1964

Now with regard to research, which is much more appropriate to this hearing, this is our second major program category. Three kinds of research are called for:

1. First we need to know much more about the relationship of smoking to certain diseases as well as to overall mortality. Coronary artery disease, now the leading cause of death in this country, is a good example. The committee was unable to reach a firm conclusion as to the role smoking plays in causing or precipitating death from this disease. We need to find out for sure whether smoking is a factor in this disease or whether it should be exonerated.

2. Social and behavioral research is another important field. We need much more knowledge about why people start smoking, why they maintain this habit, how they can stop once started. We need to know more about the alleged beneficial effects of smoking. If such exist, we need to know how to measure them so that the benefit can be balanced against the hazard. This is one of our dilemmas in the smoking problem. In other areas—automobiles and traffic accidents, pesticides and insecticides—we can at least approximate a balance of benefit against risk. We cannot do this with smoking because we can not at this time measure the benefit.

3. The third research category is how to make smoking safer. There are a number of approaches which are feasible and definitely need increased support.

We need to know much more about the substances in tobacco smoke which produce the health hazards. Until we know more in this area, we will be handicapped in our efforts to remove the hazard. It is difficult to design a method of removing something if you do not know what it is. For example, the known substances in tobacco smoke can account for only a small portion of its cancer-producing power. We have no real clues

as to what it is in tobacco smoke that influences coronary artery disease—if indeed it does.

There would seem to be a fertile field for research such as that proposed in the resolution now before this committee. In this specific context, I am sure the committee will realize that I must speak with some caution and reservations since I am not an agricultural or horticultural expert.

I still feel nonetheless that I can wholeheartedly support additional research of the types which the resolution would authorize and direct. It is well known that strains of tobacco differ quite widely in various constituents. It is well known that the levels of some of these constituents influence the amount of hazardous or potentially hazardous substances in tobacco smoke. I would give a great deal to know whether the types of tobacco used for pipes and cigars have anything to do with the lesser hazards associated with these modes of tobacco use. If tobacco behaves as other vegetables, I am sure that the amount of some of its constituents will vary with the conditions of culture, soil, climate, fertilizer, and other agricultural practices.

This suggests, however, another area of research. Any vegetable material, when burned under the conditions prevailing when tobacco is smoked, will produce hazardous substances. Coal, oil, paper, even spinach, all produce benzo(a)pyrene, a potent cancer-producing substance, when burned. The efficiency of the combustion process makes a marked difference in the amount of this chemical in the smoke. As a matter of fact, most of the cancer-producing compounds identified in cigarette smoke are not present in the native tobacco leaf but are formed during the burning process.

These facts suggest that it will not be enough simply to develop better strains of tobacco and better methods of cultivation. We must also develop better methods of preventing the formation of these substances during the burning of tobacco, as well as of removing by filtration or other means the hazardous substances that are formed. Both of these areas are promising avenues for further development—and have the potential of making smoking safer.

It is well known that cigarettes can now be produced which yield quite low amounts of tars and nicotine, either by selection of the types of tobacco, by filters, or other means. It is relatively easy to measure this quantitatively. What isn't so well known, or so easy to measure, is the biological significance to man of the substances which do come through. Tobacco smoke is an exceedingly complex mixture of many different substances. It is not the amount of tars and nicotine removed that counts, it is the type and amount of hazardous substances that get into man that is important.

In summary, gentlemen, the actions which I have outlined have the common purpose of avoiding or minimizing the intake of hazardous substances by the American people. Action on many fronts is urgently needed. The Public Health Service intends to do what it can. This important and complex problem also calls for appropriate action by other Federal agencies, by State and local agencies, by nongovernmental organizations, and by the tobacco industry.

Mr. COOPER. Mr. President, the House proposed \$1.5 million for tobacco research. The House directed in its report that this fund be used by the facility at the University of Kentucky, Lexington, Ky.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD that section of the House report which makes this recommendation. The

chairman of the House subcommittee, Representative WHITTEN, who managed the bill in the House, made a similar statement in presenting this bill to the House of Representatives.

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

STATEMENT OF HON. JAMIE L. WHITTEN, CHAIRMAN, HOUSE SUBCOMMITTEE ON APPROPRIATIONS FOR THE DEPARTMENT OF AGRICULTURE, IN THE HOUSE OF REPRESENTATIVES, MAY 19, 1964

THE TOBACCO PROBLEM

Tobacco has been a major agricultural commodity through the years. It is produced in 21 States and is the fifth largest income-producing crop to farmers. It is an \$8 billion industry with growers receiving about \$1.2 billion per year. It pays some \$3.3 billion each year in taxes to our Federal, State, and local governments.

Due to the implications of the Surgeon General's report, it is essential that we find the answers through research. In this effort we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found.

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

The committee hearings disclose that the University of Kentucky has a Tobacco Research Laboratory built with \$4.5 million of State funds which is now available and has been offered to the Department of Agriculture by university and State officials for such research. It is located adjacent to the new Medical Research Center at this University and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the committee has included \$1,500,000 of section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location in collaboration with the State university, State agencies, the Department of Health, Education, and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

Mr. COOPER. Mr. President, I would also like to insert in the RECORD at this point the statement of the Governor of Kentucky, Governor Breathitt, and my own statement on this subject at the hearings held in January by the House Subcommittee on Tobacco. In addition, during the hearings of the House Appropriations Subcommittee, Congressman NATCHER of Kentucky, elicited a great deal of useful testimony as a member of that committee, and I would like to include in the RECORD his final statement at the close of those hearings.

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

STATEMENT OF HON. EDWARD T. BREATHITT, GOVERNOR OF KENTUCKY, BEFORE HOUSE COMMITTEE ON AGRICULTURE, JANUARY 29, 1964

Governor BREATHITT. Thank you, Mr. Chairman, Congressman COOLEY, and members of the Kentucky delegation and other distinguished Congressmen who are present at this hearing. I deeply appreciate this op-

portunity to be invited to speak in behalf of the resolutions of Congressman COOLEY and others in support of additional money for tobacco research.

It is a privilege to appear before you to discuss the importance of research in accomplishing maximum assurances of health in the use of tobacco.

Within the past few days I have discussed the contribution which the University of Kentucky at Lexington is ready and eager to make in an intensive investigation of the problem of tobacco and health. I talked with Dr. John W. Oswald, president of the university; Dr. William R. Willard, vice president for the medical center; and Dr. William A. Seay, dean of the College of Agriculture and Home Economics and director of the Kennedy Agricultural Experiment Station. I also talked with Beardsley Graham, president, Spindletop Research, which research center also is at Lexington and which cooperates closely with the University of Kentucky. All are vitally interested in tobacco research pertaining to health.

The university as a whole, and especially the medical center and the Agricultural Experiment Station with the National Tobacco Research Laboratory, stands ready to undertake expanded research on tobacco and health.

Our new \$4.5 million Agricultural Research Center, which houses the National Tobacco Research Laboratory—a facility which received a doubling of its support to approximately \$400,000 from Congress this year for which we are deeply grateful in the tobacco industry—is physically adjacent to the new \$27.8 million university medical center, and Spindletop Research has recently occupied a new \$4 million facility nearby—all of which have been built primarily by Kentucky money rather than by Federal funds. These institutions are ideally located for a completely integrated program of research on tobacco from the agronomic through the medical phases.

They are staffed by able scientists capable of taking hold of a research problem of this kind and pursuing it with ability and imagination. They are now working together in several areas of research, for example, in enzyme chemistry, in germ-free animal laboratory techniques, and in identification of tobacco smoke constituents. All these are pertinent to the effects of tobacco on health.

I should mention that it is the philosophy of President Oswald, who himself is a well-known scientist, from the University of California, that the total applicable resources of the university shall be brought to bear on each major problem regardless of college and departmental lines. University scientists in general chemistry, biochemistry, biology, or any other discipline would thus be brought into the study if it were felt that they could make a contribution to it. There is an intensification of graduate work in these lines at the present time.

What seems to be needed is identification of the compounds or constituents of smoke which are detrimental and should be controlled, including such matters as the possible buildup of radioactive materials in stored leaf. Research required for this identification needs to be done with the plant and its smoke by agricultural and chemical researchers, and with the effects of the smoke on animals by medical researchers. These two groups of researchers need to be in close cooperation.

Thus a completely integrated program of research from the agronomic and the medical standpoint is essential. The University of Kentucky, located as it is in an important tobacco-producing area, with the National Tobacco Research Laboratory adjacent to a medical center, and all these within a few miles of Spindletop Research, is in a unique position to carry out such a program.

Only yesterday, January 28, it was announced that the University of Kentucky Medical Center has been granted the sum of \$784,805 from the Public Health Service to establish a center for the clinical study of human illness. For that we are also grateful, gentlemen.

Obviously the study of disease induced by smoking would be closely related to this soon-to-be-established center for the study of human illness.

May I here add my comment on what I conceive to be a responsibility of the utmost importance on the part of the Federal Government to support a greatly expanded program of research into the question of tobacco and health. Tobacco has great social and economic importance to our people and to the Government. It provides jobs, tax money, solace, and satisfaction. These must be protected.

We have noted a tendency in some quarters to begin seeking substitutes for tobacco in cigarette making. The report that has caused so much of present concern, "Smoking and Health," states that the products of burning when cigarettes are made of vegetable fibers other than tobacco have the same inherent properties of possible carcinogenic materials that are in the tobaccos presently being used. This avenue, therefore, is no way out of our dilemma. Since smoking of some form of materials will undoubtedly continue for a long while to come, it seems clear that Agriculture, and Health, Education, and Welfare, and all other agencies and departments concerned should join forces to do a thorough and objective job of finding out the facts and devising means of meeting them.

On the basis, therefore, of an outstanding background of successful experience into tobacco research, and of a desirable complex of agricultural, chemical, and medical research already in existence at Kentucky, and of a strong research program already underway in our National Tobacco Research Laboratory and at Spindletop Research, I would propose that a sizable appropriation be made annually to the University of Kentucky, to be used in intensive investigations into the relationship between tobacco smoking and health and the means of controlling or eliminating the injurious effects.

And not only to the University of Kentucky, but we feel that every possible support can be given to all other research facilities in this Nation, and in Congressman COOLEY'S State, and in the other States, and in the other institutes that can give research in this vital field. We feel that a crash program is important to resolve the problem that confronts the people today.

This is a program that should be started at once and scheduled on a crash basis. I assure you that we are ready for it and believe that the use of the facilities I have described will hasten the day when people may smoke with maximum assurance of health.

I pledge the cooperation of all departments of the University of Kentucky and of all agencies of the Commonwealth of Kentucky in making this research successful.

Mr. Chairman and members of the subcommittee, I appreciate this opportunity to make this statement and the recommendations I have included.

I pledge our support in the overall research program to the members of this committee, the Members of Congress, and to industry toward the overall solving of this problem, in addition to those facilities which we have available and which we desire and hope to be the recipient of additional funds, so that we can accelerate our crash program.

I thank you.

Do you prefer to hear from our commissioner of agriculture while he is here with us now? He has a very short statement.

Mr. ABBITT. I want to thank you for your splendid statement, Governor. I appreciate your being here.

Chairman COOLEY. Let me ask the Governor one question. I want to congratulate and commend you upon your fine statement. Specifically, do you not regard these problems that we are talking about as national problems and not ones which only concerns Kentucky and the tobacco States?

Governor BREATHITT. Yes, sir.

Chairman COOLEY. Problems which concern all areas of the country?

Governor BREATHITT. I agree with that.

Chairman COOLEY. The reason that I brought that out is that someone has suggested that it is something which Mr. COOLEY has started because of our interest in our own district.

Governor BREATHITT. I think that it is of concern in every State in the Union.

Chairman COOLEY. It is now a national problem?

Governor BREATHITT. I agree with you, Congressman COOLEY.

Chairman COOLEY. Thank you.

Mr. STUBBLEFIELD. Governor Breathitt, is it not true that during the last session of the legislature, the State appropriated a million dollars for building a tobacco research center?

Governor BREATHITT. It is true, Congressman STUBBLEFIELD.

Mr. Chairman, with your permission, we have brought exhibits showing the facilities which we have built with State funds, and also with the appropriations which you have been so gracious to grant us, for a national tobacco research center. And I would ask that these be presented to the committee. You will notice that on these pictures there is the new medical building, the \$27.5 million medical center, immediately adjacent to the National Tobacco Research Institute. And directly behind them you will see the greenhouses.

We have the dean of the college of agriculture available for any questions which any of you might ask concerning these facilities.

STATEMENT OF HON. JOHN SHERMAN COOPER, SENATOR FROM KENTUCKY, BEFORE HOUSE COMMITTEE ON AGRICULTURE, JANUARY 31, 1964

I appreciate the opportunity to support the proposals to increase efforts in tobacco research.

I have carefully studied the recent report of the Surgeon General's Advisory Committee, and it must be given serious consideration because it concerns the health of our citizens. Coming from a State which is the largest producer of burley tobacco, and in which tobacco production accounts for 40 percent of the State's agricultural income, I am, of course, also concerned about the effect which the report might have on the tobacco industry.

Immediately after the report was released, I read articles and heard news reports stating that the report concluded that filters were not effective in lessening the dangers to cigarette smokers. I wrote to Surgeon General Terry to inquire about this because it was my conclusion from reading the report that the Committee did not make a judgment on this matter.

I would like to insert into the record today the exchange of correspondence between Mr. Terry and myself in which he states in part, "The Committee felt that the development of better filters or more selective filters is a promising avenue for further development." I notice that in Mr. Terry's statement before your committee earlier this week he again stressed this point by stating, "We must also develop better methods of preventing the formation of these substances during the burning of tobacco, as well as of re-

moving by filtration or other means the hazardous substances that are formed. Both of these areas are promising avenues for further development—and have the potential of making smoking safer."

It is the opinion of the Surgeon General, the American Medical Association, and numerous other groups which have studied this question, that there is a great need for further research on the question of smoking and health. The report left many unanswered questions.

You heard the excellent statement of Governor Breathitt of Kentucky on Wednesday of this week, and today that of Congressman NATCHER whose constructive work for expanded research you know. I would like to call to your attention again briefly the facilities which are located in Kentucky which are already able to undertake new research. The University of Kentucky recently completed its new agricultural research center, which includes the National Tobacco Research Laboratory. Next to this is located the new University Medical Center, and nearby is the Spindletop Research Center—all of which have the capability and the desire to be a part of an expanding tobacco research program. It is the aim of Dr. Oswald, the new president of the university, to coordinate the university's resources in areas which would benefit from such combined contributions, and it seems to me that this is one area of study which could benefit greatly from the combined research efforts of the National Tobacco Research Laboratory, the University of Kentucky Medical Center, and the Spindletop Research Laboratory.

I would like to speak upon one other matter briefly, although it is not specifically before you today, and this is with regard to the tobacco price support program. I believe most of us recognize that the program has been sound economically. It has brought fair prices to growers, the quality of tobacco has been emphasized, and the program has operated without any substantial loss to the taxpayer. Although it has not been mentioned widely, I know there have been proposals made to end the price support program because of the recent report. To do so would result in unrestricted production of cheap tobacco, disastrous prices for farmers, loss of marketing controls, and the end of Government supervision of tobacco quality through official grading of tobacco, and be of no help either to the economy of the tobacco States or in relation to the health report.

I mention this in relation to the proposals to increase research on the issue of smoking and health, because increased research is important for the continued well-being of one of our most successful farm programs, as well as in the interest of the health of our people and in the economy of many of our States.

STATEMENT OF HON. WILLIAM H. NATCHER, REPRESENTATIVE FROM KENTUCKY AND MEMBER OF THE HOUSE COMMITTEE ON APPROPRIATIONS, BEFORE THE COMMITTEE, MARCH 19, 1964

Mr. NATCHER. Mr. Chairman, we now have available in Kentucky adequate facilities for an expanded program for tobacco research.

In 1960, the Legislature of the Commonwealth of Kentucky first appropriated \$1 million for an agricultural research building, and later this amount was increased until the total cost of the building amounted to \$4½ million. This is a large four-story building with thousands of feet of floorspace now available for such a program. With this research facility which was dedicated in December of 1963, we have the necessary headhouse and hothouses used in conjunction with such research facilities. In the immediate vicinity, only a city block away and on the same campus, is located a large \$11 million medical research facility. These

facilities are under the control and operation of the University of Kentucky and are now available to accommodate such a program of research for tobacco. This agricultural research facility has received from the Federal Government annual appropriations for use in carrying on a tobacco research program with part of the funds used in constructing the headhouse and hothouses now available.

The State of Kentucky is the second largest producer of tobacco in the 21 producing States. Tobacco is of great concern to the Commonwealth of Kentucky and our people at the University of Kentucky are offering the facilities now in existence for an expanded program in tobacco research which will include studies of the factors which may be detrimental to health. Only recently I have received the following telegram from Dr. John W. Oswald, president of the University of Kentucky:

"WILLIAM H. NATCHER,
"House of Representatives,
"Washington, D.C.:"

"The University of Kentucky is prepared and anxious to expand significantly its research program on tobacco in an effort to help solve problems connected with smoking and health. It is also preparing for prompt activation of the first coordinated program in this country in agricultural and health sciences in solving these problems. The agricultural sciences research center together with the facilities in the new chemistry and physics building could make space available immediately to undertake an expanded agricultural and chemical research program of \$1½ million per annual of operating money. At the same time the medical center which is adjacent to the agricultural science center could make space available immediately to undertake a research program on medical phases of the problem. On a half million dollars operating money per annum staff in the college of medicine will be engaged in the kind of medical research which is closely connected and coordinated with the agricultural and chemical research. The university has developed an advisory committee reporting directly to the president of the university composed of faculty from all appropriate areas to insure coordination of all research programs at the university which will be connected in any way with the objectives of this program.

"JOHN W. OSWALD,
"President, University of Kentucky."

Mr. Chairman, the testimony presented to our committee during the hearings this year clearly indicates the necessity of an expanded program of research for tobacco. The situation today demands that, in an expanded research program for tobacco, we include studies of the factors which may be detrimental to health and ascertain as soon as possible those quality factors and other characteristics which will preserve the desirable characteristics of tobacco and eliminate any factors which may be detrimental to health. If tobacco is harmful to the health of our people then, Mr. Chairman, we should do something about it now. The consumer, and as you know there are millions of them, must be protected. As you have stated and others who have appeared before our committee, tobacco is an \$8 billion industry which pays into our Federal, State, and local governments \$3,300 million a year in taxes. The amount received by the producer for tobacco is the fifth largest amount received from any agricultural commodity.

To meet the present-day requirements we must immediately use existing Federal and State facilities and, if necessary, enter into contracts for additional tobacco research at any other facilities available. Time is of the essence and, Mr. Chairman, we should move now.

Research in the chemistry and physiology of tobacco has increased tremendously in recent years, but we must have more research underway at the present time. The study of the chemical constituents of tobacco of all types must be continued and expanded. There is a need for fundamental knowledge in biochemistry, enzyme reactions and the pathways of synthesis of tobacco constituents. Once the pathways of the synthesis of alkaloids have been elucidated the plant breeder may use this knowledge in his program to develop a more desirable plant. New varieties of tobacco resistant to the major diseases must be developed. One of the most urgent needs in all types of tobacco is improvement of quality. Fundamental studies of the uptake and utilization of nutrient elements need to be expanded. The quality of tobacco of all types is dependent to a great extent on the chemical changes that occur during senescence of the plant. Because of the implications to the health of the consumer from the use of tobacco with insecticidal residues, there is a continuing and urgent need for safer and yet more effective methods of control of insect pests of tobacco. We must also know more about the effect of the methods of application of insecticides on time of application before harvest. We need to know more about the substances in tobacco smoke which might produce health hazards. We must further know more about the burning process of tobacco. Mr. Chairman, all of these important additions to tobacco research have been urged by a number of witnesses during the hearings.

Our people at the University of Kentucky have the facilities and are ready, under the direction of the Department of Agriculture, to join forces with the Department of Health, Education, and Welfare, private industry, or any other organization or group anywhere in the United States, to bring about an adequate research program for tobacco which will protect the consumer of this country and preserve the large tobacco industry of this Nation.

Mr. Chairman, I recommend that the Congress appropriate \$2 million to be used in an expanded program for tobacco at existing facilities, including those now available at the University of Kentucky in Lexington, Ky. As we go along in this program, additional funds can be appropriated, if necessary, to be used at other places equipped to join with us in this program which is so vital to our people today.

Mr. COOPER. Mr. President, I am happy to note that the two Senators from North Carolina are present in the Chamber. What I shall propose has nothing to do with any conflict between the State of Kentucky and the State of North Carolina so far as the item for tobacco research is concerned.

I do point out that in addition to the problem of the necessity of appropriating funds for tobacco research, there is the question of the availability of facilities.

I have read the record with respect to the questions which the distinguished chairman asked regarding the availability of facilities. The record shows that there are good facilities in North Carolina—I believe at Oxford—although they may need restoration.

In 1957 Representative NATCHER, of Kentucky, began to point out the necessity of expanded tobacco research. At that time, of course, it was not anticipated that there would be the problems connected with health that have since arisen. As a result very largely of his efforts and interests, the State of Ken-

tucky, unlike many States which come to Congress and ask the Federal Government to provide research facilities, built the facilities and spent \$4.5 million in providing the facility at the University of Kentucky at Lexington, Ky. In addition, the State has appropriated the necessary funds to equip the facilities and provide a very able staff.

Since that facility is available, and because it is located at the University of Kentucky, where there is a medical school—one of the most modern in the United States and with new research facilities—the committee and the House recommended that the \$1.5 million be made available to the University of Kentucky.

I noticed, too, that the chairman, in questioning the representatives of the Department of Agriculture, asked their advice upon the manner in which the funds to be appropriated for tobacco research should be allocated. Dr. Nyle C. Brady, the Director of Science and Education for the Department of Agriculture, and, I believe Dr. H. A. Rodenhiser, Administrator for Farm Research, responding to the chairman's questioning, said that they would consider that, roughly, the amount should be distributed on a 50-50 basis.

Referring to page 1393 of the hearings, I point out that the chairman asked if the Department would submit a statement on the question of the division in placement of the work between the two stations. That was done.

At this point I ask to have printed in the RECORD the response of the representatives of the Department of Agriculture, which will be found on pages 1394 and 1395 of the hearings under the heading "Research on health-related problems of tobacco."

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

RESEARCH ON HEALTH-RELATED PROBLEMS OF TOBACCO

Health-related tobacco research may be classified in three general categories: (1) Production research, (2) marketing and utilization research, and (3) medical research. The Department of Agriculture has the responsibility for research in the first two categories, while that in the third category is supported by the Department of Health, Education, and Welfare.

Personnel in production research would be largely biological scientists concerned with those elements of tobacco production which help assure a quality product. Included would be geneticists and plant breeders, agronomists, plant physiologists, plant pathologists, entomologists, biochemists, and agricultural engineers.

Marketing and utilization research would require physical as well as biological scientists and would include chemists, biochemists, physicists, and chemical and processing engineers. They would evaluate the effects of marketing and processing practices on the quality of the tobacco and would characterize constituents in the product and the smoke derived therefrom.

Medical research would be done by scientists in the various fields of medicine. They would evaluate the effects of tobacco products on human health and would identify the constituents responsible for these effects.

Production research must of necessity be done in the regions where the crop is being

grown. Thus, production research on burley tobacco must be carried out where this type is grown, and work on Flue-cured tobacco must be done in Flue-cured belt. It is suggested that at least half of the production research effort should be devoted to Flue-cured tobacco.

Utilization and medical research is done mostly under laboratory or clinical conditions. Thus, the location of facilities to do these types of research need not be associated necessarily with the production areas of given types of tobacco. There are some marked advantages, however, of having maximum coordination between utilization and medical research efforts. This can be accomplished most easily if the research in these two fields is done in close proximity.

In response to the House report on the agricultural appropriation bill for fiscal 1965, scientists from the Department of Agriculture and Health, Education, and Welfare have visited the University of Kentucky. They were impressed with the facilities and staff at that institution available for both agricultural and medical research. The advantages of a jointly sponsored tobacco research program were noted and are being explored further by scientists in our two Departments.

At the present time, no determination has been made of the extent of participation of Health, Education, and Welfare in support of medical research at the University of Kentucky. Until this determination is made it is not possible to suggest an allocation of funds for agricultural research on tobacco at locations other than the University of Kentucky.

Mr. COOPER. Mr. President, that statement speaks for itself. The response points out what the chairman indicated a few moments ago. The question of research and utilization of tobacco, as distinguished from the production of tobacco, is necessary in connection with medical research efforts.

The Department stated:

This can be accomplished most easily if the research in these two fields is done in close proximity.

I read on:

In response to the House report on the agricultural appropriation bill for fiscal 1965, scientists from the Departments of Agriculture and Health, Education, and Welfare have visited the University of Kentucky. They were impressed with the facilities and staff at that institution available for both agricultural and medical research. The advantages of a jointly sponsored tobacco research program were noted and are being explored further by scientists in our two Departments.

At the present time, no determination has been made of the extent of participation of Health, Education, and Welfare in support of medical research at the University of Kentucky.

I now emphasize the last sentence:

Until this determination is made it is not possible to suggest an allocation of funds for agricultural research on tobacco at locations other than the University of Kentucky.

That concludes the statement of the Department of Agriculture.

The statement of the Department of Agriculture—particularly that last statement in response to the questions of the chairman—would indicate that the money should be allocated to the University of Kentucky.

Reading the record, I can understand how the committee may have come to its decision to allocate this sum equally.

However, I believe that when the Department of Health, Education, and Welfare makes its determination as to what public funds it will recommend for medical research connected with the utilization of tobacco, its report as to the proper facilities to be used will have great weight.

I repeat again that for 7 or 8 years the University of Kentucky has been establishing the facility to which I have referred. The State of Kentucky has built a tobacco research facility and has provided equipment. It has a staff. It needs further equipment, which the appropriation would provide. In view of the fact that the House voted \$1.5 million; in view of the fact that it is important, as we all agree, that the research should go forward as quickly as possible, in view of the fact that at the University of Kentucky we have a facility which can proceed immediately.

I ask the members of the Committee on Agriculture—and I am not a member of the Committee on Appropriations for this particular purpose—if they would not consider an amendment in which my colleague from Kentucky [Mr. MORTON]—and, I hope, the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] would join—to appropriate the full sum of \$1.5 million.

This is a very important subject, for it involves research into the effects of smoking upon health. It is of interest to the entire country. The Senator from Oregon [Mrs. NEUBERGER] is very much interested in it. She has been talking about it for years. She is one of those who went before the committee of the House and asked that a tobacco research laboratory be established and that a special and expanded program of research be undertaken. I hope that the chairman will favorably consider our request.

Mr. HOLLAND. I appreciate the kind remarks of the Senator from Kentucky. I can well understand his concern about the tobacco problem. It is a very great product of his State. His State is noted for the production of beautiful women, speedy race horses, and one other product which is a byproduct of agriculture, tobacco. Mostly burley tobacco, however—

Mr. COOPER. Someone has said that we produce all the necessities of life.

Mr. HOLLAND. I will not object to anything that the Senator says in that regard, because he represents a great State and he represents it well.

The committee has been very much disturbed about the problems of tobacco. If anything, we have felt that those problems have a closer impact on the flue-cured tobacco industry than on any other part of that varied industry, because that is the principal product that goes into cigarettes. That seems to be the subject of most of the adverse comments. We felt that anything we began on the program should be divided between the burley country, of which Kentucky and Tennessee are the principal producers and the Flue-cured areas, of which Virginia, North Carolina, South Carolina, Georgia, and Florida are the principal producers.

However, there were many problems in connection with this subject. The item was not budgeted.

Mr. COOPER. I understand.

Mr. HOLLAND. The House committee, on which the Senator's State is so ably represented by the distinguished Representative whom he has mentioned, Mr. NATCHER, started the item with \$1.5 million, drawn more or less out of thin air, but based upon the knowledge that all of us have of the critical situation in which tobacco is now placed, and suggested that the entire program be carried on in the very fine facilities of the University of Kentucky.

We felt that we would be only inviting a fight, and a very justifiable fight, if we tried to put in a nonbudgeted item of the size left in the bill—\$1.5 million—to start the program if we did not show some understanding of the fact that those engaged in the production of Flue-cured tobacco are vitally interested, and perhaps more anxious about the situation than any others.

I am perfectly willing to be open-minded on the question in conference. I should not like to accept an amendment because there are not enough members of the committee present to justify me in so doing. I am perfectly willing to be openminded on every aspect of the problem.

For the RECORD I wish to say that this is an illustration of what happens when unbudgeted items are taken up. If there had been budget recommendations, there would have been a dovetailing of the Department of Health, Education, and Welfare program with the agricultural part of the program, which would have been made sense, and we could have acted in a constructive way.

There were no budget recommendations in either of these fields. We are doing the best we can, treating the subject rather generously. We have approached the problem in a way that will bring about no great criticism, and certainly no controversy or fight from either side. I think there will be none.

Mr. COOPER. The Senator is correct when he says that this item is unbudgeted. That item arose because of the report that came from the Surgeon General.

Mr. HOLLAND. The item will be in conference with the full amount of \$1.5 million. Perhaps we can get some specific advice from the Budget Bureau or from the Department itself. We had too little in order to deal with this matter in a way completely satisfactory. We have suggested what seems to be the wisest approach.

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

Mr. HOLLAND. I yield to my friend the distinguished senior Senator from North Carolina.

Mr. ERVIN. I say to my friends from Kentucky that North Carolina has a very substantial stake. The most substantial stake, as the Senator from Florida pointed out, is in Flue-cured tobacco. North Carolina, however, has a very substantial stake in burley tobacco, because burley tobacco is grown in most of the

mountain counties in North Carolina, and it is the only money crop of the people in those areas who grow it. So, like Kentucky, we are interested in burley tobacco, and we also have a tremendous stake in Flue-cured tobacco, because North Carolina farmers depend for half of their total income on Flue-cured tobacco.

I wish to express to the Senator from Florida and the other members of the Appropriations Committee my gratitude and the gratitude of North Carolina for retaining at least two-thirds of the appropriation in the bill, notwithstanding that it was not budgeted, and also recommending that it be made available, half to the University of Kentucky and half to North Carolina, for research, not only on burley but also Flue-cured tobacco.

In common with the Senators from Kentucky, my colleague [Mr. JORDAN] and I have been much concerned by what we consider to be, in many respects, an absolutely unjustified attack on the tobacco industry. This industry is not only bring a livelihood to hundreds of thousands of people, both on the farm and in the factory, as well as those who sell tobacco products, but it brings in, according to my recollection, \$3.5 billion in excise taxes alone to the Federal, State, and local treasuries.

The Senator from Georgia and I, on two occasions, visited the President in recent days and asked the President to urge inclusion in the budget for the next fiscal year of substantial amounts for tobacco research.

Senators from Kentucky, North Carolina, and other States that have such a great economic interest in this matter should make common cause, as we have done on other occasions, to see if we cannot get a substantial appropriation for tobacco research in all areas in the next fiscal year.

An industry which pays \$2 billion or more in excise taxes into the Federal treasury is justified in having substantial research in order to overcome the objections of the Surgeon General's committee and other objections to the use of tobacco manufactured for cigarettes.

I thank the committee for its action in recommending the allocation of funds for research into the two types of tobacco. There are fine research facilities in Lexington, at the University of Kentucky, and also at Oxford. I think our cause is a common one. We really have no divergent interests in this matter.

I thank the Senator again for what he did in committee and what he is doing on the floor in this connection.

Mr. HOLLAND. For myself and for all other members of the committee, because there was no difference of opinion in the decision that these problems should be attacked, even though the matter was not budgeted, and we should make a beginning and a substantial one, I thank the Senator for his kind comments.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished Senator from North Carolina.

Mr. JORDAN of North Carolina. I join my distinguished colleague from North Carolina in the remarks he has made about tobacco, not only flue-cured but burley tobacco, because it is a common cause, as he has pointed out. In the mountain counties of the western part of North Carolina, as the Senator from Kentucky and the Senator from Florida know, burley tobacco is grown on many small farms. It is planted on slopes where no other crops can be planted. So this matter relates to problems that face both burley and flue-cured tobacco growers.

I am sure we have no objection to getting a million and a half dollars for research, so long as it is divided 50-50. We do not want it divided as the jackrabbit and the horse are divided 50-50—one horse and one jackrabbit.

This amount is justified because, as has been pointed out, and so far as I know, practically all the health hazards that have been blamed on smoking have been directed to cigarettes. North Carolina produces more flue-cured tobacco than the rest of the States put together. Not only does it involve an economic problem for North Carolina, but it has a great many other effects on our State's economy as well as its social life.

To go back to the research station at Oxford, the record of the hearings shows that the research station at Oxford is the oldest research station in the world. That goes back a long time. It takes in the whole world. It has not had the money to do the job it should be able to do. Of course, the question of health hazards has been brought to the forefront in the last 2 or 3 years, particularly this year, more so than ever before; but the research laboratory at Oxford has devoted time and attention to breeding tobacco. Up to now the faults that have been laid to tobacco have not been proved to be true. It is asserted that nicotine is bad. Our State colleges have done extensive research on tobacco. They have learned through research and plant development that tobacco with less nicotine in it can be grown.

The same thing is true with regard to tars. Much stress is laid on tars as being dangerous to health. We do not know that they are but it is asserted that they are. Our State has spent a tremendous amount of money in research in that field.

I feel very strongly that, since the finger of suspicion has been pointed largely at tobacco used in cigarettes, and since more than half of the Flue-cured tobacco grown is grown in North Carolina, it should have more money for research. If the Senator can persuade the conferees to grant \$1.5 million, and we are given half of it, we will not quarrel with it. I believe we can use it very wisely.

Mr. HOLLAND. The conferees from both Houses will be striving to find out how much can be appropriately used this year, and where and what way it can be used to best advantage. I am sorry that we did not have a full budget examination and recommendations on both the Agriculture Department's inter-

est in this particular matter and its part in any research to be undertaken by the Department of Health, Education, and Welfare. It illustrates how helpful it is and how much in the cause of real economy it is to have real studies made and then have the results incorporated in and represented in the agency budget requests.

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

Mr. HOLLAND. I am glad to yield to the distinguished junior Senator from Kentucky.

Mr. MORTON. I appreciate what has been done by him and his committee. This is not a question, as I see it, of burley versus Flue-cured or Kentucky versus North Carolina tobacco. We are faced with an emergency. Research is required. I should like to read a few pertinent paragraphs from the House report, which was submitted by Mr. WHITTEN, of the Committee on Appropriations, at page 6:

THE TOBACCO PROBLEM

Tobacco has been a major agricultural commodity through the years. It is produced in 21 States and is the fifth largest income-producing crop to farmers. It is an \$8 billion industry with growers receiving about \$1.2 billion per year. It pays some \$3.3 billion each year in taxes to our Federal, State, and local governments.

Due to the implications of the Surgeon General's report, it is essential that we find the answers through research. In this effort we must have the cooperation of the Department of Agriculture, the Department of Health, Education, and Welfare, and private industry, to determine the properties of tobacco which may affect the health of smokers and to develop means to eliminate any harmful substances found.

It is extremely important that this research begin immediately. The answers to this problem must be found just as rapidly as possible to prevent economic ruin for growers, substantial losses of revenue to the Federal and local governments, and possible injury to the public health.

The committee hearings disclose that the University of Kentucky has a Tobacco Research Laboratory built with \$4.5 million of State funds which is now available and has been offered to the Department of Agriculture by university and State officials for such research. It is located adjacent to the new medical research center at this university and is ideally situated for a coordinated agricultural-medical research problem of this nature. Accordingly, the committee has included \$1,500,000 of section 32 funds in the bill for 1965 to enable the Department to immediately initiate tobacco research at this location in collaboration with the State university, State agencies, the Department of Health, Education, and Welfare and other public and private organizations which can contribute to a concerted approach to this urgent research need.

I appreciate what the Senator from Florida has done and what his committee has done. We must move on this matter. I point out that we have this modern research facility, built with State funds, which started a few years ago. The facility has now been dedicated. It started with a \$1 million appropriation by the State Legislature of Kentucky. It went up to \$4½ million. It is there. I trust that we shall solve the problem for burly and Flue-cured tobacco. We are as anxious as North Carolina to solve the problem.

I appreciate the courtesy of the Senator from Florida.

Mr. HOLLAND. I thank the Senator. It is quite a problem. A complete program must be worked out. There are two Government departments involved. There are two stations, one a State station, and the other a Federal station. The Federal station is an old station which has been doing this work in a satisfactory way, with a limited staff. The State station consists of probably the best group of buildings that has been accumulated for this work. There are two industries; the great center of one is in Kentucky, and the great center of the other is on the Atlantic seaboard, North Carolina being one of five or six of the principal States involved in tobacco production.

The committee, while not trying to be a Solomon, has tried to start this program on a basis on which it will not be seriously questioned, so that we can come forth with a program that will be moving. I believe it will be equally beneficial to all concerned if we can get it moving. It is highly necessitous that we get the program moving. I am sure all will agree that the committee has approached the problem in an attempt to reach the desired objectives and to do the best possible job in connection with it.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. JORDAN of North Carolina. I note that in addition to the tobacco problem, with which the Senator's committee has dealt with so well, the report also speaks of accelerated research on the sucker control problem.

Mr. HOLLAND. I am sure that the sucker problem has given many headaches to Senators from tobacco-producing States.

Mr. JORDAN of North Carolina. I am delighted that the Senator has included that item. The whole committee has done a marvelous job in working out these appropriations. I especially wish to say to the two distinguished Senators from Kentucky that I appreciate their cooperation. This is a cooperative undertaking. Both tobaccos are in trouble. From the standpoint of the average person, tobacco is tobacco. He does not know the difference between burley and Flue-cured tobacco. He does know when it comes to a little Turkish tobacco.

Mr. HOLLAND. I believe there was a letter received from the distinguished Senators from Maryland, where a slightly different kind of tobacco is raised.

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

Mr. HOLLAND. I yield.

Mr. COOPER. I had intended to propose an amendment for myself, and for my colleague from Kentucky [Mr. MORTON], in which our two colleagues from North Carolina [Mr. ERVIN and Mr. JORDAN] have also expressed a desire to join, asking that the appropriation be increased from \$1 to \$1.5 million for tobacco research. The amendment reads:

On page 20, line 3, strike out "\$11 million" and insert in lieu thereof "\$11.5 million."

I understand the Senator to say now that his mind is open on this subject, and then when he goes to conference he will consider the possibility and necessity of increasing the amount contained in the Senate bill for tobacco research. I believe the Senator said that a few moments ago.

Mr. HOLLAND. I am sure that I speak for both myself and the distinguished Senator from North Dakota [Mr. YOUNG] who will be on the conference committee. I shall be on that committee. We have no prejudice whatever in this matter. We wish to approach this problem in a way that will be most effective. We are trying to find a program which will deal effectively with this bad problem. I believe the Senator will find that we are not adamant in any way.

I yield to the distinguished Senator from North Dakota, whom I see on his feet.

Mr. YOUNG of North Dakota. I believe this would be the best way of handling it. If nothing is added, we shall have adequate leeway in conference. The conferees on the Senate side will look with considerable favor on a proposal of this kind.

Mr. COOPER. I thank the Senator from Florida and the Senator from North Dakota.

Mr. JORDAN of North Carolina. Will the Senator yield once more?

Mr. HOLLAND. I am glad to yield to my distinguished friend from North Carolina.

Mr. JORDAN of North Carolina. Would the Senator from Florida agree to have a copy of the letter which appears in the report of the hearings included in the RECORD at this point?

Mr. HOLLAND. Yes. I would also agree to a similar showing from the Senators from Kentucky, if they wish, as well as from the Senators from Maryland. Such a letter is also included in the printed hearings.

Mr. JORDAN of North Carolina. Mr. President, I ask that the letter and statement which begin at page 1385 and run through to the top of page 1388 of the hearings be printed in the RECORD at this point.

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

U.S. SENATE,

Washington, D.C., July 16, 1964.

HON. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Agriculture Appropriations, Senate Committee on Appropriations.

DEAR MR. CHAIRMAN: We are sure you share the concern of the tobacco growers and the entire tobacco industry concerning research on pesticides and medical health. We have carefully reviewed the action taken by the House of Representatives and the version of the agriculture appropriations bill passed by the House to provide funds for research on burley tobacco.

While burley tobacco is important, most of the concern as to the health factors affecting tobacco is related to Flue-cured tobacco used in cigarettes. Such Flue-cured tobacco constitutes approximately 65 percent of the tobacco grown in the United States.

In view of this fact, we request that the Senate committee include a provision in the agriculture appropriations bill whereby a pro-

portionate share of the funds for tobacco research would be allocated to research on flue-cured tobacco.

In connection with the long-range research program on tobacco, both with regard to pesticides and the health factors, we have a tobacco research station at Oxford, N.C. During fiscal year 1964, the Department of Agriculture made funds available to this station in the amount of \$299,300. This station, like many other research stations, needs modernization and renovation in order to carry out an effective tobacco research program.

There is attached a statement showing the modest program of research at Oxford, N.C., together with estimates of needs for renovation of this facility which would enable it to expand its present research program.

We urge that an appropriation be included in the agriculture appropriations bill to provide for adequate funds to enable a continuation of the research program the tobacco research station at Oxford, N.C., is conducting on pesticides and health factors as they relate to flue-cured tobacco.

With all kinds wishes, I am,
Sincerely yours,

SAM J. ERVIN, JR.
B. EVERETT JORDAN.

STATEMENT OF PRESENT AND PROPOSED TOBACCO RESEARCH AT OXFORD, N.C.

The tobacco research station at Oxford, N.C., is one of the oldest research stations in the world devoted primarily to tobacco research. The present investigations on breeding, fertilizers, curing, and cultural practices are the programs on which a worldwide reputation was established. Significant accomplishments have been the discovery of new knowledge on plant nutrition requirements, the development of varieties resistant to the prevalent disease, and new information on curing procedures to maximize the quality potential present in leaf at harvest.

Funds available under regular appropriations in fiscal year 1964 for direct research on tobacco at Oxford amount to approximately \$299,300 and are distributed as follows:

	1964 funds available	Professional man-years
Oxford:		
Crops research.....	\$181,000	7.0
Entomology research.....	55,000	3.0
Agricultural engineering research.....	42,300	1.8
Subtotal.....	278,300	11.8
Funds allocated to agricultural engineering research at Blacksburg, Va., but used at Oxford through detail of engineering personnel.....	21,000	-----
Total funds available at Oxford, N.C.....	299,300	11.8

In addition to the regular funds available, nonrecurring funds of \$235,500 are available in 1964 by transfers from CCC funds for research on tobacco. Of this amount \$93,500 is allocated for research contracts.

The \$181,000 available for crops research includes an increase of \$123,200 at location level, provided in fiscal year 1964 to accelerate research effort at Oxford, emphasizing the production of high-quality leaf. During the interim of hiring, part of this increase is being used to provide equipment and head-house-greenhouse space to provide for more effective research. Research will be conducted on the identification of quality factors in the growing plant as related to cured leaf quality, placing primary importance on constituents which may be hazardous to health. Techniques will be developed to study the physiology and biochemistry of the tobacco plant from seedling to cured leaf, and means developed to enhance those

characteristics which are desirable and remove or reduce those which are undesirable. New varieties and cultural practices will be developed to facilitate the production of tobacco safe to smoke.

Because the recent report by the Surgeon General implicates cigarette smoking as a health hazard, new and different needs for research at the Oxford Tobacco Research Station are brought into focus. The new research would include studies on (1) the biogenesis, biosynthesis, and nature of inheritance of compounds which may be hazardous to health; (2) effective means to reduce or eliminate hazardous compounds through breeding or changed cultural practices; (3) the physiology and biochemistry of the tobacco plant as influenced by modifications in cultural practices; (4) the chemical composition and physical properties of cured leaf as influenced by different production and curing practices. Such new and expanded crops research programs are feasible and their scope would depend upon the magnitude of additional support.

The \$55,000 available at Oxford in fiscal year 1964 for research on control of tobacco insects continues this program at the same level as in 1963. In addition, \$150,500, a portion of the funds available in fiscal year 1964 by nonrecurring transfers from CCC funds will be used to obtain equipment (\$57,000) and for research contracts (\$93,500) to support research on methods of rearing or collecting large numbers of tobacco hornworms and budworms.

A program increase of \$30,000 under the 1965 budget increase of \$1,500,000 for research on pesticide residue hazards is planned for research to be conducted at Oxford on sterility methods and attractants for tobacco insects.

The principal program at Oxford on insect control is a joint entomology and agricultural engineering effort concerned with black light traps. At present, major entomological research emphasis is aimed at developing effective methods of controlling tobacco insects that will avoid insecticide residues on the harvested leaf. Black light traps are being investigated for tobacco hornworm control. Stalk cutting, a cultural practice which reduced late season breeding of hornworms and budworms, is also being evaluated. Mass rearing and sterilization techniques for the hornworm and tobacco budworm are being developed in preparation for field tests of the sterile male release method.

Research on tobacco insects at Oxford will continue to be concerned with the evaluation of black light traps and cultural practices for hornworm and budworm control.

Engineering research on development and use of light traps to control tobacco insects was initiated at Oxford in fiscal year 1962 at a cost of about \$46,000 by special assignment of engineering personnel from Blacksburg, Va., \$25,000 of this was an allocation from the contingency research fund. These funds were used to purchase and install 365 light traps on an area of 113 square miles in the vicinity of Oxford and to assign agricultural engineers from Blacksburg to this program. During fiscal year 1963, the work was continued with support of \$21,000 from Blacksburg covering assignment of engineering personnel. The 1964 Agricultural Appropriation Act provided an increase of \$42,300 at location level for engineering research on flue-cured tobacco in North Carolina, making a total at Oxford of about \$63,300 of regular funds available for engineering research in 1964. In addition, \$85,000 is available on a nonrecurring basis by transfers from CCC funds. The combined financial support in 1964 of approximately \$148,300 will make possible the installation of an additional 585 light traps servicing a total area of 314 square miles. The 1965 budget estimates propose an additional

\$75,000 to expand the light trap program, also a portion of the budget increase of \$1,500,000 for research on pesticide residue hazards proposed for 1965.

With reference to your request for information on additional funds which could be used effectively at Oxford beyond amounts in the 1965 budget estimates we are furnishing the following:

Additional amounts without new facilities:	
Crops research—health related tobacco research, principally on development of new varieties low in tars, etc.....	\$175,000
Entomology research—control of flea beetles, budworms, hornworms, and aphids, including expansion of research on use of light traps for controls of tobacco budworm.....	300,000
Agricultural engineering research—planting and weed and pest control research, including cooperation in evaluation use of light traps and sound attractants for tobacco budworm control.....	140,000
Total.....	615,000

New facilities: Remodeling present facilities (\$150,000) and construction of additional head-house—greenhouses (\$350,000) ..	500,000
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These extended facilities would provide for more effective research and require an additional \$100,000 for operating costs..... 100,000

Mr. HOLLAND. Mr. President, if there are any other requests on this subject, I shall be glad to have them presented, because the committee does not wish to preclude the fullest discussion of this subject.

The remaining \$10 million proposed for research with section 32 funds consists of \$5 million for cost of production research, of which \$4,130,000 is specified on pages 12 through 14 of the committee report, leaving \$870,000 to be used by the Agricultural Research Service and the Cooperative State Research Service for urgent work in the various States. The committee also recommends the use of \$5 million for utilization and industrial uses research in accordance with the breakdown shown on pages 14 and 15 of the committee report. The use of section 32 funds for research should be very limited. Every agricultural program financed under this appropriation bill is on a regular appropriation basis. All long-term research activities should be similarly financed.

In other words, we wish to make it clear that while we may start items that we believe are appropriate under section 32, if they become regular research items we expect them to appear in the regular budget and to be provided for out of regular funds from the time they become permanent research items.

The committee recommends an appropriation of \$87,500,000 for the Sugar Act program, the budget estimate, an increase of \$1,100,000 above the House bill and \$9,500,000 above 1964. The payments under this program are mandatory to those producers who comply with the requirements of the act. The 1963 production of sugar is estimated to be about 830 tons higher than in 1964 and

present indications are that the 1964 crop will continue at least at that level. I want to emphasize that this program does not impose any burden on the taxpayer because the actual collections arising from use of Sugar Act legislation from 1938 to 1963 exceed the costs under the program by more than \$527 million.

This program is financed by a processing tax against refineries. It has more than taken care of subsidies to growers and has allowed large sums to be added to the general revenue each year.

AGRICULTURAL CONSERVATION

The committee concurs in the House action in continuing the agricultural conservation program for 1965 at \$220 million, exclusive of administration, the same amount authorized for the 1964 program. The Congress has for several years found it necessary to continue this program at this level, even though the Budget Bureau each year requests its reduction. I hope the Budget Bureau will recognize the value of this program in protecting land and water resources.

The appropriation of \$194 million for the conservation reserve program is \$100 million less than last year and this decrease proposed in the revised budget estimates is due to the reduction in the number of contracts enforced.

This is a longtime program, which is gradually playing out year after year. The amount provided this year is, as stated, much less than it has been in earlier years.

The committee recommends \$20 million for the cropland conversion program, including the estimate of \$10 million requested in Senate Document No. 83 for the 1964 program. This is the amount of the budget estimate. We also recommend an appropriation of \$4 million for emergency conservation measures. This estimate was not considered by the House, since it was submitted to the Senate on June 24 and printed in Senate Document No. 82. This estimate was submitted in response to the recommendations of this committee in considering an estimate for this same purpose in the Supplemental Appropriation Act of 1964. We believe this program should be provided for in the regular annual appropriation bill rather than relying on supplementals.

CREDIT PROGRAMS

The committee recommends \$365 million for electrification loans and \$70 million for telephone loans by the Rural Electrification Administration. This is in addition to funds estimated to be carried over in 1964 of about \$25 million for electrification loans and \$23 million for telephone loans. The Rural Electrification Administration Administrator has established some procedures to carry out the directions carried in the Senate last year and we hope that he will continue to do so in the future. Both of these programs have benefited the rural as well as the urban segments of our Nation and is helping to improve standards of living in rural areas. The committee does not approve of the plan of the REA Administrator to conduct power supply surveys prior to receipt of a loan application for generation and transmis-

sion purposes. It is believed that if the REA will limit its power surveys to the purpose and general directives contained in the committee report last year, this increase will not be necessary. The committee has denied the use of funds for this purpose and reduced the recommended appropriation to the amount in the budget, which is a reduction of \$213,000 under the House bill.

The committee recommends a total of \$360 million for the loans by the Farmers Home Administration from its direct loan account. This is the same as proposed by the House and is \$35 million above the budget estimate. Of this amount \$50 million is continued as a contingency fund for farm-operating loans to be used as and when needed. An increase of \$1,500,000 above 1964 and in the House bill is proposed for loans for rental housing for elderly persons of low or moderate income in rural areas. This will provide a total of \$5 million, the same amount as the budget estimate.

In connection with this same item, I wish to pay credit to the distinguished Senator from North Dakota [Mr. YOUNG] who has been deeply interested in the program for elderly people living in rural areas.

REIMBURSEMENT APPROPRIATIONS

The budget requested an appropriation of \$1,724 million to reimburse the Commodity Credit Corporation for a part of its losses incurred in 1963 for price support and related programs. Its total losses in 1963 were \$2,654,853,000 but the budget estimate was limited to that amount estimated to be needed to permit the Corporation to carry out its authorized programs in 1965. The committee proposes a reduction in this estimate of \$150 million since the exact amount cannot be determined at this time. The committee is recommending a provision in the bill to prevent the mandatory use of the microunits reading as a part of cotton classing during the fiscal year 1965. This is a significant change in the requirement for price support loans and it had not been brought to the attention of the committee by the Department. The committee believes that if the microunits reading is essential to cotton classing, it should be made a part of the regular classing standards.

Under the limitation placed in the bill, any producer who wished to have a microunits reading could still get it, but it would be voluntary action and would be at his own expense.

The committee recommends restoration of \$125 million of the House reduction of \$281 million in the budget estimate for carrying out title I of Public Law 480 sales of commodities for foreign currencies. Expenditures under the program are governed by provisions of the basic legislation and agreements entered into thereunder. This increase is necessary to finance the necessary costs under the program and will provide \$1,737 million, a reduction of \$156 million under the budget estimates.

The committee recommends the revised budget estimate of \$220,453,000 for

emergency famine relief under title II of Public Law 480 and \$35 million for long-term supply contracts under title IV which is a reduction of \$20 million below the budget estimates and the House bill. The committee believes these amounts will be adequate to carry out the program in 1965.

The estimate of \$31,838,000 for International Wheat Agreement is recommended. Any additional cost in 1965 will be considered in connection with future estimates. An appropriation of \$102,860,000 is recommended for the cost to the Commodity Credit Corporation of agricultural commodities bartered for strategic and other materials which are transferred to the supplemental stockpile. This is \$20 million over the House bill and \$17,160,000 below the budget estimates. The committee believes this additional amount is needed to cover the estimated cost of this program to the Corporation in 1965.

Mr. President, I have completed my prepared remarks. I note the presence in the Chamber of the distinguished senior Senator from Nebraska [Mr. HRUSKA], who has been detained elsewhere by necessary business until a few minutes ago. I wish to have the RECORD show that he has rendered yeoman service to the subcommittee and the full committee, and that agriculture has no more firm or steadfast friend than the senior Senator from Nebraska.

He is one of those who were so vitally interested in the station in his State, a station that has great merit. I have already covered that item, but I wish to make it clear that he is one of the Senators who were gracious enough to follow the program. Let us see what will be recommended next year. Our action is completely without prejudice to any recognition of the merits of each of the eight or nine programs that were recommended.

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

Mr. HOLLAND. I am glad to yield to the Senator from North Dakota.

Mr. YOUNG of North Dakota. I commend the Senator from Florida for an excellent job of handling one of the most difficult appropriation bills of all. There are no items in any appropriation bill more complex than in this one. It covers a great variety of problems scattered all over the country, dealing with probably the most important things human beings are concerned with, the production of food and fiber. I know of nothing that could be more important. The Senator has very carefully and most judiciously scrutinized every item and has gone into great detail and study of every item.

As ranking minority member of the subcommittee chaired by Senator HOLLAND, I have been in a position to note the great amount of work the Senator has performed for many months, as a result of which this appropriation is in an excellent state.

I also commend the members of our staff—Ray Schafer and Ed King—for the work that they have done.

This is one of the most misunderstood budgets of all. The appropriation this year is for \$5,338 million. Most of the people in the country believe that this money will be used for subsidies to farmers.

I invite the attention of Senators to a few items in this appropriation bill in which the farmers of the country have no part at all.

For example, there is \$1,992,453,000 available to reimburse the Commodity Credit Corporation for foreign aid activity, including emergency famine relief, and other items under Public Law 480 of the program.

Mr. HOLLAND. That is a part of our foreign policy.

Mr. YOUNG of North Dakota. The Senator is correct. That is part of the foreign aid program. Yet this item is in the agriculture budget as a subsidy to agriculture. I should like to mention a few other items. For example, under Rural Electrification Administration, there is \$365 million for authorized loans by the REA, and \$70 million for a rural telephone loan program. The repayment record on this is almost 100 percent, yet it shows up as an expenditure in this appropriation bill. There is also the \$360 million loan program of the Farmers' Home Administration which helps many people. This loan program also has a near perfect repayment record.

Then there are the \$191 million school lunch program and the \$106 million for the special milk program. These are available to many millions of school pupils, youngsters in child-care centers and those in nonprofit summer camps of America.

Mr. HOLLAND. This is a part of our social program.

Mr. YOUNG of North Dakota. The Senator is correct.

These are only a few of the many items in the bill which should not be charged to agriculture at all.

Mr. HOLLAND. The Senator should also mention the foodstamp program, which is another important part of the bill.

Mr. YOUNG of North Dakota. Yes. There are also the meat and poultry inspection services, and many other items.

Mr. HOLLAND. I thank the Senator from North Dakota for his well-chosen remarks relative to these items. More money is included in the bill for purposes not directly related to agriculture than is included for direct service to agriculture. There is no question about that. I thank the Senator for his services and also for his more than kind remarks with reference to me.

Mr. MILLER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am more than happy to yield to the Senator from Iowa.

Mr. MILLER. I thank the Senator from Florida for yielding to me. I have a few questions I have been waiting to ask him, since these have not been touched upon in his report. They relate to section 32 of the limitation, \$35 million, in connection with the food stamp

program. I should appreciate knowing how much the limitation was for the previous year.

Mr. HOLLAND. Forty-five million dollars and in the legislation which is now pending, with every indication of early passage, will be set up as a permanent food stamp program to be financed out of regular funds. We stated in our report that the reason why we cut it down and insisted upon reimbursement later, too, was that we wished to merge it into the program which was about to be created by passage of the proposed legislation. I believe the Senate has already passed the measure.

Let me inquire of the Senator from Louisiana whether the food stamp bill has passed the Senate.

Mr. ELLENDER. I believe that our bill was accepted.

Mr. MILLER. My second question relates to the new Market News Service, referred to on page 26 of the committee report.

Was any consideration given to whether this was essential, and whether it should be continued?

Mr. HOLLAND. There was a great deal of consideration and a great deal of anxiety on that subject. If the Senator reads the hearings, he will find a good many pages devoted to the subject. Many able witnesses were heard, not only from the Department and from various agricultural groups which availed themselves of that service, but also from some of the reporting groups which were adverse to it, and also from representatives of the American press associations who were adverse to it. We went into the subject thoroughly. It is covered in the report, in the remarks on page 26, which are not all complimentary to the service. We decided not to ask for its immediate discontinuance, but to deal with the matter as recommended in the report.

Mr. President, I ask unanimous consent, in order that the RECORD may be clear, to have printed in the RECORD four paragraphs on pages 26 and 27 of the committee report dealing with the subject of the new Market News Service.

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

NEW MARKET NEWS SERVICE

The committee has thoroughly examined the new Market News Service initiated August 1, 1963, by the Agricultural Marketing Service and announced in AMS Bulletin No. 510. The Department maintains that its sole intent in initiating this service was to extend the availability of market news information to interested parties, individuals, or organizations who are willing to pay the cost of installing a teletype printer and the leased wire rental charge between the place of business and the nearest leased wire market news circuit. Prior to the initiation of this service, similar market news leased wire information had been made available to a few organizations.

During the hearings, the committee examined into this matter thoroughly and the only example cited to it of a "news" item carried over the leased wire system dealt with a release on apples. To make its position clear on the potential misuse of the leased wire system for the dissemination of market news information in collaboration with the various States, the committee di-

rects that the Secretary of Agriculture see to it that the leased wire system which carries market news information be limited strictly to market reporting and marketing information and the routine administrative instructions which were carried on the leased wire system prior to August 1, 1963.

Further the Secretary of Agriculture is directed to see to it that all media of news dissemination receive equal opportunity and access to market news information.

The committee notes that the newly established National Commission on Food Marketing has as one of its areas of inquiry "the effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry." It is hoped the Commission will give particular attention to the new Market News Service and its operation.

Mr. MILLER. I noted with approbation the paragraphs which the Senator has just placed in the RECORD. However, my recollection was that this news service was established without any particular prior request or notification of Congress. It seemed to me that so much anxiety had been expressed from very reliable sources that the program, unless it had extremely strong justification, might well have been discontinued.

Is the attitude of the committee such that this service, say, in the presentation next year, will have to justify very strongly its continued life to receive further appropriations for its activities?

Mr. HOLLAND. First, we expect the Secretary to carry out the desires of our committee. Second, we expect to examine the program next year rather critically. We did not include directions for any particular sort of report for next year. We felt that the agricultural industries would be reporting to us how they reacted. Apparently, the greatest use being made of the news service is on the part of livestock processing firms in the Senator's own area of the country—let us say in the middle area of the country. There are about 20 important livestock organizations using that service.

We felt that a trial period without any specific directions would be better. We have not closed our minds to the problem at all.

Mr. MILLER. One of the reasons why I am concerned about this problem is that I am a cosponsor—along with a great many other Senators—of a bill which is calculated to get the Federal Government out of some of these areas in order that private enterprise, private business, and taxpaying business can operate. It seemed to me that it was a step in the wrong direction when this news service was established in 1963, especially without any particular prior coordination with Congress.

I have one further—

Mr. HOLLAND. Let me answer that, before the Senator goes to his next question. This program began on August 1, 1963, just a year ago. When we conducted the hearings it was not a year old. Please note in the last paragraph that we made a special request that the newly established National Commission on Food Marketing should make this one of their areas of inquiry, and give us a report.

I read from the paragraph:

The effectiveness of the services, including the dissemination of market news, and regulatory activities of the Federal Government in terms of present and probable developments in the industry.

We felt that the new commission would be watching the matter throughout these months and that they might be in a position to give us some worthwhile recommendations.

Mr. MILLER. Mr. President, I believe that is entirely appropriate. I hope the Senator does not mind my expressing the wish at this time that a policy might be adopted within the Committee on Appropriations which would in effect put our agencies on notice that if, without prior coordination with Congress, some new program is set up which will be directed toward taking over functions that private business can handle. When that agency comes before the Committee on Appropriations with a request for funds to continue the project, it will have to weather an intensive period of questioning over the justification for such action.

Mr. HOLLAND. I thank the Senator. I believe if the Senator rereads our treatment of the micronaire situation, he will see that we made it clear to the Department that we would not stand for its putting in a new test at the expense of the producers, to cost them between \$600,000 and \$900,000 a year. They acted on it without anything having been said to us about it; or without it having been submitted to Congress; and without an amendment of the Cotton Classification Act, or standards having been requested. The Senator from Louisiana [Mr. ELLENDER], as the able chairman of the Committee on Agriculture and Forestry, would have brought such a proposal to an early hearing. Nothing was done except to put new regulations in effect. We, in effect, by our handling of the matter, have called it off for this year except for any producer who voluntarily wants it done.

Mr. MILLER. I thank the committee for taking that action. As I recall, there was a proposal made that meat inspection and poultry inspection services no longer be financed by appropriations.

Mr. HOLLAND. That is a matter for the legislative committee, and not to be determined by the Committee on Appropriations.

Mr. MILLER. I would like to know whether the appropriations contained in the bill continue the prior longstanding arrangement with respect to that function.

Mr. HOLLAND. Until the law is changed establishing a changed authorization, we shall adhere to it, and the appropriations in the bill do adhere to it.

Mr. MILLER. My final question relates to the Commodity Credit Corporation. It is covered on page 40. I note that the committee states that the amount recommended is \$1,125,400,000, below the 1964 appropriations, although the net realized losses for the fiscal year 1963 were \$2,654,853,000. The budget estimate did not request the full reimbursement of that loss.

I wonder if the Senator from Florida could tell us why this budget estimate did not come up to the full amount of that loss, or why the 1965 bill does not provide for full coverage of the loss.

Mr. HOLLAND. That is not a closed door. This loss, or gain—sometimes it is a gain in some commodities—is a continuing amount carried by the Commodity Credit Corporation. It rarely comes out, at the end of any predicted period, very close to what had been predicted. We feel that handling it in a supplemental bill next spring, after we have more history on it, would be a far more accurate way of handling the problem.

Mr. MILLER. I note that this amount is more than a billion dollars less than the amount of the loss for 1963. Is it normal procedure for the Committee on Appropriations to provide in its principal appropriations bill for as much as a billion dollars leeway to be handled by supplemental appropriations?

Mr. HOLLAND. We do not know that there will be that much. The 1964 appropriation was roughly \$2,700 million, but the budget estimate for this year was \$1,724 million. We have recommended \$1,574 million. The difference in the figures indicates how uncertain this estimate has to be at this stage. It will continue to be uncertain, but it will be a liquidated estimate later in the year. It is not possible to foresee that at this time.

The Senator understands, that with relation to stored products, sometimes the price goes down. They are sold at a great loss. Occasionally they are sold without a loss. Sometimes they have been sold at a profit. That happened at one time with respect to cotton. A very large amount of money was involved. My recollection is that the profit was something over \$800 million. The Senator from Louisiana [Mr. ELLENDER], I am sure, would like to know that figure.

Mr. ELLENDER. Mr. President, up to a few years ago the cotton program showed a profit of a quarter of a billion dollars.

Mr. HOLLAND. This is a matter of trying to keep up with the stock of goods on the shelf and the way in which it is handled. It is not always possible to foresee a year in advance how the Bureau of the Budget will treat it.

Mr. MILLER. Mr. President, I appreciate that it is always a difficult and complex problem. But what caught my eye was the fact that the committee, on page 40 of its report, made this statement:

The net realized losses for fiscal 1963 were \$2,654,853,000, but the budget estimate did not request a full reimbursement of realized loss.

I would appreciate it if the Senator might elaborate on that statement. It is a little peculiar to the Senator from Iowa.

Mr. HOLLAND. We have given them enough to get by on this year. We shall have a more stable figure next year. I know the distinguished Senator from North Dakota [Mr. YOUNG] would be familiar with that. I am glad to recognize

him. I am certain he will be able to supply the answer.

Mr. YOUNG of North Dakota. Mr. President, it is very difficult to estimate in advance the cost of some of these programs. The estimates of this year's wheat program are around \$400 million less than for the previous year. This is one area where we could bring about a savings.

Mr. WILLIAMS of Delaware. Mr. President, does the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. Mr. President, this is an established loss of \$2,654,853,000. It has already been established for fiscal year 1963. The only advantage of providing approximately \$1.5 this year is to create the impression that we are cutting the budget by \$1 billion, when, in reality, every Senator knows that it will be put in the supplemental budget that will come later.

The loss has already been established. The goods have been sold. There can be no possible recovery, because the goods have already been sold. This is merely a bookkeeping item by means of which we are trying to give the public the impression that we are cutting the budget when, in reality, it is something that has already gone down the drain.

Mr. HOLLAND. The Senator is a little salty in his remarks. But we may find when it comes to figuring it out that the amount has been greatly diminished. This is the 1963 figure. We do not know how the commodities that were acquired this year will be disposed of. We do not what will happen. We shall see next year.

I stated very frankly to the Senator from Iowa [Mr. MILLER] that this may be followed by a supplemental request next year. We have found that it is best to deal with it in that way. Anyone who wants to add or subtract at the end of the year can find out very easily by how much the budget has been reduced.

Mr. MILLER. Mr. President, I asked the Senator from Florida [Mr. HOLLAND] for a response. I thank the Senator from Delaware [Mr. WILLIAMS] for his observations.

What concerned me was that it appeared that we were, by over a billion dollars, falling short of meeting the loss established back in fiscal 1963.

I trust—and frankly, I am quite confident of it—the Senator's assurance that supplemental appropriations can take care of the item. But apropos of that, I believe the point of the Senator from Delaware ought to be remembered. A budget estimate is made for purposes of perhaps persuading people that a certain degree of fiscal integrity is being practiced and that a certain amount of savings is being effected. It would behoove some of us to point out whether or not that budget estimate lays the foundation for, say, a \$1 billion supplemental appropriation as a follow-on, which I am sure is the case in the present situation.

Mr. WILLIAMS of Delaware. There can be no question about it.

Mr. HOLLAND. That is a practice which, whether good or bad, has grown

up. I have before me page 431 of our worksheets, on which it is shown that for the fiscal year 1961 we did the same thing to the extent of \$1,057 million. This amount has never been replaced since that time. The Commodity Credit Corporation seems to be able to get along perfectly well. I have no bricks to throw at the preceding administration; I have none to throw at the present administration. We must do our duty when the estimates come before us, to see what we think will carry the CCC on. We have so provided in this bill, as we have frequently done heretofore. I have served on this same committee under administrations headed by Presidents of both parties. I have not noted any change of policy in this direction. I am not going to try to explain it as anything else but what it is. It is replacing, every time that we are asked to do so, enough to be sure that the Commodity Credit Corporation can continue to operate and serve all the useful purposes for which it was set up, and then winding up the matter as best we can at the end of the year.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. The Senator is perfectly correct. This is not the first time it has been done, nor is this the first administration which has practiced the procedure, although it is being practiced to a greater extent now. If the Senator will examine the financial statement of the Commodity Credit Corporation, he will find that the corporation has a borrowing capacity of around \$13.5 billion. I believe the most recent figures show that \$12.5 billion is owed to the Treasury. The corporation has an inventory of only about \$5.5 billion. Even assuming that it could move that inventory without any loss at all, which is quite an assumption in itself, it would still have an accumulation of \$7 to \$8 billion of losses which have been sustained over the years and have not been written off.

At some time some Congress will have to appropriate the \$7 or \$8 billion which has gone down the drain. That is money which has been spent and lost, and upon which there can be no possible recovery. The goods have gone, and as yet the amount has not appeared in any of the budgets of any of the Congresses.

In other words, we own the Commodity Credit Corporation. It has about \$12.5 billion worth of liabilities, and only about \$5.5 billion of inventories—even counting the inventory at full value. So, in order to give an impression that we are cutting our budgets and that we are holding expenditures down, we have postponed the \$7 or \$8 billion of extra expenditures for the past 4 to 5 years.

Mr. HOLLAND. Mr. President, I wish the subject were as simple—even though it is not pleasant—as stated by the Senator from Delaware. It does not happen to be that simple. For example, the Department of Agriculture asked us, as it has asked us before, to put a provision in the bill that would not require it to carry as a part of its losses the accumulated interest on its borrowings from the

Treasury Department, which run into hundreds of millions of dollars.

Under the legislation on the books, that amount must be carried and must be repaid eventually from the CCC to the Treasury Department. I think we would all say that that is rather queer bookkeeping; and yet that provision is in existing law. Rather than try to have made an important part of this bill involving new legislation of great meaning in terms of dollars and cents, our committee omitted the provision, and every other request for proposed legislation. I do not remember how many there were. Perhaps the Senator from North Dakota [Mr. YOUNG], the Senator from Nebraska [Mr. HRUSKA], or the Senator from Louisiana [Mr. ELLENDER] can refresh my memory. There were perhaps 3 or 4 requests for proposed legislation. We left them all out. We wanted the bill to be free from the troublesome features which have made the bill more difficult in years past.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. WILLIAMS of Delaware. From a bookkeeping standpoint the procedure may be disadvantageous. But from the standpoint of the taxpayers, it would not make a particle of difference whether the Commodity Credit Corporation paid the interest to the Treasury, or whether the Treasury paid the interest direct. The fact is that the \$7 billion, which we have not faced, represents money that has been borrowed. It is costing around \$280 million a year to carry the interest on that amount. If we were to appropriate that money to the Commodity Credit Corporation and the Commodity Credit Corporation should pay off the debt, it would merely mean that the Federal Government would then float the bonds directly in the open market and pay the interest, as it should do, and the taxpayers would know what it was costing. As it is, the cost is being covered up. The impression is being given that it is not costing the taxpayers anything because the Commodity Credit Corporation is paying the interest. It is not paying the interest. It is accumulating it as an extra debt that will be paid in years to come. The present Congress and Congresses that have preceded for 4 to 5 years have been postponing this \$7 to \$8 billion writeoff. Some day some Congress will have to write it off. It will be one grand slam when it does.

Mr. HOLLAND. I thank the Senator for his comment. In closing, I wish to call attention to the fact that at this point the accumulation of a quarter of a billion dollars of interest payable by one agency of the Government to another accounts for a good deal when the debt is spread over a period of a great many years.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, that the bill as thus amended be regarded for the purpose of amendment as original text, and that no points of order shall be considered as having been waived.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 23, after the word "for", to strike out "five" and insert "six".

On page 3, line 13, after "\$100", to strike out "\$97,656,000" and insert "\$115,316,000".

On page 3, line 14, after the amendment just above stated, to insert a comma and "plus the following amounts, to remain available until expended, for the planning, construction, alteration, and equipping of research facilities: \$1,000,000 for crops research facilities at Fort Collins, Colorado; \$850,000 for facilities at the Agricultural Research Center, Beltsville, Maryland; \$800,000 for a stored-product insects laboratory, Savannah, Georgia; \$260,000 for plans for a livestock insects and toxicology laboratory, College Station, Texas; \$338,000 for plans for a plant disease, nematode, and insect laboratory, Beltsville, Maryland; \$160,000 for plans for an insect attractants and stored-product insects laboratory, Gainesville, Florida; \$1,600,000 for a peanut research laboratory, at Dawson, Georgia, on a site acquired by donation, and: *Provided*, That research investigations undertaken at the national peanut quality evaluation laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut producing areas: and \$240,000 for plans for a Western cotton insects and physiology laboratory, Tempe, Arizona; a cotton disease laboratory, College Station, Texas; a cotton physiology laboratory, Stoneville, Mississippi; pilot cotton ginning facilities at Stoneville Mississippi, and Mesilla Park, New Mexico; and facilities in the High Plains region in Texas for cotton ginning and storage research; in all, \$120,564,000."

On page 4, line 24, after "(21 U.S.C. 114b-c)", to strike out "\$65,255,000" and insert "\$69,036,400".

On page 6, line 4, after the word "butter", to strike out "\$30,454,000" and insert "\$30,837,000".

On page 6, after line 14, to insert:

"SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For payments in foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, \$4,000,000: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 for this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a)."

On page 7, after line 15, to insert:

"FOREST SERVICE

"FOREST PROTECTION AND UTILIZATION

"For an additional amount for "Forest protection and utilization", for Forest research, \$2,750,000, of which \$900,000 for Forest research construction shall remain available until expended.

On page 7, line 25, after the word "research", to insert "for basic scientific research, and for facilities,"; on page 8, at the beginning of line 2, to strike out "\$40,863,000" and insert "\$45,113,000"; in line 6, after the word "Agriculture", to strike out "\$1,000,000" and insert "\$1,550,000"; in line 8, after "(16 U.S.C. 582a-582a-7)", to insert a semicolon and "\$2,000,000 in addition to funds otherwise available, for grants for support of basic scientific research under the Act approved September 6, 1958 (42 U.S.C. 1891-1893; \$3,242,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90)", and in line 21, after the word "all", to strike out "\$42,440,000" and insert "\$52,482,000".

On page 9, line 8, after "(7 U.S.C. 341-349)", to strike out "\$65,725,000" and insert "\$70,530,000"; and in line 11, after the word "all", to strike out "\$67,295,000" and insert "\$72,100,000".

On page 9, line 21, after the word "employees", to strike out "\$7,410,000" and insert "\$7,510,000".

On page 10, line 10, after the word "possessions", to strike out "\$2,451,000" and insert "\$2,551,000".

On page 10, line 17, after "(7 U.S.C. 1621-1627)", to strike out "\$1,082,000" and insert "\$1,102,000".

On page 12, after line 6, to strike out:

"WATERSHED PLANNING

"For necessary expenses for small watershed investigations and planning, \$5,524,000, to remain available until expended."

On page 12, after line 10, to strike out:

"WATERSHED PROTECTION

"For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001, 1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

On page 13, after line 7, to insert:

"WATERSHED PROTECTION

"For necessary expenses to conduct surveys, investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008) and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$65,848,000, with which shall be

merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706 (a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$5,000,000 together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

On page 14, at the beginning of line 15, to strike out "\$25,423,000" and insert "\$22,656,000".

On page 15, line 6, after "(16 U.S.C. 590p)", to strike out "\$14,176,000" and insert "\$14,744,000".

On page 15, at the beginning of line 15, to strike out "\$1,496,000" and insert "\$2,044,000".

On page 16, line 18, after the word "products", to strike out "\$9,476,000" and insert "\$10,576,000".

On page 17, line 15, after the word "laws", to strike out "\$11,431,000" and insert "\$11,832,000".

On page 18, line 12, after the numerals "1946", to strike out "\$39,389,000" and insert "\$39,590,125".

On page 18, line 21, after "(7 U.S.C. 1446, note)", to strike out "\$99,831,000" and insert "\$106,000,000", and in the same line, after the amendment just above stated, to strike out the comma and "to be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612)".

On page 20, line 1, after the word "than", to strike out "\$45,000,000" and insert "\$35,000,000"; in line 3, after the word "of", to strike out "\$25,000,000" and insert "\$11,000,000," and in line 7, after the numerals "1964", to strike out the comma and "of which amount \$2,000,000 shall remain available until expended for construction, alteration and modification of research facilities".

On page 20, line 20, after "(7 U.S.C. 1766)", to strike out "\$18,790,000" and insert "\$20,488,000".

On page 21, line 10, after "(7 U.S.C. 1-17a)", to strike out "\$1,100,000" and insert "\$1,119,000".

On page 22, line 9, after the word "appropriation", to insert a colon and "*Provided further*, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program function prescribed in administrative regulations."

On page 22, at the beginning of line 23, to strike out "\$86,400,000" and insert "\$92,300,000".

On page 26, line 17, after the word "amended", to strike out "\$7,200,000" and insert "\$20,000,000".

On page 26, after line 18, to insert:

"EMERGENCY CONSERVATION MEASURES

"For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures."

On page 28, line 5, after the word "service", to strike out "\$3,784,000" and insert "\$3,853,000".

On page 29, line 9, after the word "Library", to strike out "\$1,347,000" and insert "\$1,547,000".

On page 30, line 4, after the word "Agriculture", to strike out "\$3,530,000" and insert "\$3,314,000".

On page 31, line 15, after "(5 U.S.C. 55a)", to strike out "\$11,641,000" and insert "\$11,428,000".

On page 32, line 14, after the word "loans", to strike out "\$3,500,000" and insert "\$5,000,000".

On page 33, line 2, after "(40 U.S.C. 440-444)", to strike out "\$39,544,000" and insert "\$39,794,000"; in line 3, after the word "than", to strike out "\$2,000,000" and insert "\$2,250,000", and in line 7, after the word "amended", to strike out the colon and "*Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases".

On page 34, line 14, after "(15 U.S.C. 713a-11, 713a-12)", to strike out "\$1,724,000,000" and insert "\$1,574,000,000".

On page 35, line 12, after the word "hereof", to insert a colon and "*Provided further*, That no part of the administrative funds authorized under this head or of the capital funds of the Commodity Credit Corporation shall be available to formulate or administer a cotton loan program during fiscal year 1965 which requires that microunre readings shall be mandatory as a part of the cotton classing in connection with cotton loans."

On page 36, line 2, after the word "Act", to strike out "\$1,612,000,000" and insert "\$1,737,000,000", and in line 6, to strike out "\$55,000,000" and insert "\$35,000,000".

On page 36, line 19, after "(7 U.S.C. 1856)", to strike out "\$82,860,000" and insert "\$102,860,000".

On page 37, line 6, after the word "and", to strike out "seventy-two" and insert "seventy-four".

On page 38, after line 10, to insert a new section, as follows:

"Sec. 507. No part of any increase provided in this Act above the 1964 appropriation for any project or activity shall be used to build up such project or activity to an annual rate greater than the level provided in this Act."

Mr. HOLLAND. Mr. President, if there are no amendments to be offered, I ask that the bill be read the third time.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 11202) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon and that the Chair appoint the conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to; and the Chair appointed Mr. HOLLAND, Mr. RUSSELL, Mr. ELLENDER, Mr. YOUNG of North Dakota, and Mr. MUNDT conferees on the part of the Senate.

Mr. STENNIS. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. STENNIS. I am familiar enough with the bill and the work which the Senator from Florida has done so that I can testify to the work as outstanding. The Senator is to be highly commended as well as thanked by the Senate for his very fine services.

Mr. HOLLAND. Mr. President, I appreciate those gracious words. I accept them on behalf of the entire subcommittee and the full committee, of which the Senator from Mississippi is one of the most useful members.

Mr. JORDAN of North Carolina. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JORDAN of North Carolina. I should like to add a word to what the Senator from Mississippi has so ably said. Not only the chairman of the subcommittee and the members of the subcommittee, but also the entire staff have rendered distinguished service. This is a tremendous job, requiring days and nights of work. The chairman has worked diligently at it, and has come forth with a bill which the Senate has passed.

I have spent a great deal of time talking about tobacco. But I also commend the committee chairman on his treatment of all agriculture products. Cotton received a great deal of attention by the committee, as did peanuts and other commodities. It was an excellent job. I wish the Senator to know that we appreciate it very much.

Mr. HOLLAND. I thank the Senator.

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

Mr. HOLLAND. I yield.

Mr. BARTLETT. I desire to join in the expressions which have just been made. Additionally, I wish to say that when the full committee met to mark up the bill, I marveled at the ability of the Senator from Florida to handle the intricate technical questions concerning it—and it is a large and detailed bill—without reference to a single note. He did an excellent piece of work.

Mr. HOLLAND. Mr. President, I thank the Senator. I pass on much of that compliment to my excellent staff on both sides of the aisle.

Mr. President, I yield the floor.

reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1057. An act to promote the cause of criminal justice by providing for the representation of defendants who are financially unable to obtain an adequate defense in criminal cases in the court of the United States;

S. 1642. An act to amend the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, to extend disclosure requirements to the issuers of additional publicly traded securities, to provide for improved qualifications and disciplinary procedures for registered brokers and dealers, and for other purposes; and

S. 1991. An act to charter by act of Congress the Pacific Tropical Botanical Garden.

TRUST STATUS OF CERTAIN LANDS ON ROSEBUD SIOUX RESERVATION, S. DAK.

Mr. CHURCH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 136, a bill to place in trust certain lands on the Rosebud Sioux Reservation in South Dakota.

The PRESIDING OFFICER (Mr. BREWSTER in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 136) to place in trust status certain lands on the Rosebud Sioux Reservation in South Dakota, which was, on page 4, after line 2, strike out "1,075.01" and insert "1,375.01".

Mr. CHURCH. Mr. President, the Senate passed this measure on October 22, 1963. At the time the bill was reprinted, the figure in section 2 showing the total acreage covered by that section was misprinted. The House has amended S. 136 to make the necessary correction. It is simply a technical amendment that does not change the bill at all. The total acreage was printed as 1075.01, whereas it should be 1375.01.

Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 136.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to.

AMENDMENT OF ALASKA OMNIBUS ACT—CONFERENCE REPORT

Mr. BIBLE. Mr. President, on behalf of the distinguished junior Senator from Washington [Mr. JACKSON], who is absent on official business, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2881) to amend the Alaska Omnibus Act to provide assistance to the State of Alaska for the reconstruction of areas damaged by the earthquake of March 1964 and subsequent seismic waves, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of August 6, 1964, pp. 17747-17748).

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BIBLE. Mr. President, the conference report was unanimously agreed to by the conferees on behalf of the Senate and the conferees on behalf of the House of Representatives.

Mr. President, I ask unanimous consent to include in the body of today's RECORD an August 2, 1964, telegram from Gov. William A. Egan to Senator JACKSON expressing his support for the conference version of this, the major Alaska earthquake relief bill.

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

JUNEAU, ALASKA,
August 2, 1964.

HON. HENRY M. JACKSON,
Senate Office Building,
Washington, D.C.

DEAR HENRY: I fully support your Alaska omnibus bill amendment as adopted by House and Senate conferees providing for joint Federal and Alaska State governments financial support designed to alleviate effect of mortgages that existed on homes destroyed or severely damaged in Alaska as result of earthquake and seismic sea waves of March 27, 1964. Alaska Department of Law has cleared State constitutionality for State participation. Please accept my appreciation.

Kindest regards.

WILLIAM A. EGAN,
Governor of Alaska.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina [Mr. THURMOND].

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

The PRESIDING OFFICER. The clerk will call the role.

The legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, what is the pending question?

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its

Aug 18, 1964

- 14. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 1974, to amend the Federal Employees' Group Life Insurance Act with regard to filing designation of beneficiaries (S. Rept. 1472); and H.R. 3545, to amend section 131 of title 13, U. S. C., to provide for taking of the economic census 1 year earlier starting in 1968 (S. Rept. 1475). p. 19434
- 15. THE INTERIOR AND INSULAR AFFAIRS COMMITTEE reported with amendment S. J. Res. 6, to cancel any unpaid reimbursable construction costs of the Wind River irrigation project, Wyo., chargeable against certain non-Indian lands (S. Rept. 1464); H. R. 5498, to provide temporary authority for the sale of certain public lands (S. Rept. 1471); S. 2327, to amend section 27 of the Mineral Leasing Act of Feb. 25, 1920 in order to promote the development of coal on the public domain (S. Rept. 1466). p. 19352
- 16. LEGISLATIVE PROGRAM. Sen. Mansfield announced that today, Wed., the Senate would take up the conference reports on the wilderness and housing bills, the Northwest power intertie, food-for-peace, and Labor and HEW appropriation bills. pp. 19413-4

HOUSE

- 17. MEAT IMPORTS. Both Houses, the House by 232 to 149, agreed to the conference report on H. R. 1839, to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products. The conferees reported that a "new text is substituted for both the text of the bill as passed by the House and the text of the Senate amendment." This bill will now be sent to the President. pp. 19390-405, 19479-501
- 18. CONTINUING RESOLUTION. Both Houses passed H. J. Res. 1160, making continuing appropriations for fiscal year 1965. The resolution provides funds through Sept. 30, 1964 for continuing those functions of the Government for which annual appropriation bills have not yet been enacted. This bill will now be sent to the President. pp. 19376, 19437-40
- 19. AGRICULTURE APPROPRIATION BILL, 1965. Conferees were appointed on this bill, H. R. 11202, and consent was given that the committee have until midnight, Tues., to file a report. p. 19440
- 20. POLLUTION; BUDGET. Rep. Monagan commended the new Budget Bureau directive requiring that all Federal facilities and buildings hereafter designed and constructed to include adequate systems for the control and treatment of discharges resulting in either air or water pollution. p. 19441
- 21. AWARDS. Passed without amendment H. R. 12342, to authorize certain retired and other personnel of the U. S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries. Mentioned in this bill are several employees of this Department. pp. 19448-78
- 22. COFFEE. Insisted on further disagreement to Senate amendments to H. R. 8864, to implement the International Coffee Agreement. Conferees were appointed for a further conference. Senate conferees have been appointed. pp. 19501-7
Rep. Dwyer urged the House to reject the conference report on H. R. 8864. pp. 19538-9
- 23. RESEARCH. Agreed to the conference report on H. R. 4364, to provide for the free entry of mass spectrometers for Oregon State and Wayne State universities. This bill will now be sent to the President. pp. 19513-4

24. ELECTRIFICATION. By a vote of 230 to 134 agreed to the conference report on S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. pp. 19519-25
25. WILDLIFE. Agreed to the conference report on S. 793, to provide a permanent basis for the management of the four wildlife refuges in the Klamath River Basin of Calif. and Ore. p. 19526
26. HOUSING. Received the conference report on S. 3049, the housing bill (H. Rept. 1828). pp. 19553-67, 19568
27. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2411, to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom south unit, American River division, Central Valley project, Calif. (H. Rept. 1826). p. 19568
28. TARIFFS. Rep. Dent stated that he has "battled against the intemperate program of tariff cutting that has plagued American industry" and inserted a statement presented to the Democratic Party platform committee on trade policies. pp. 19544-6, 19546-7
29. APPALACHIA. Rep. Schwengel inserted the transcript of testimony gathered on a "factfinding" tour of the Appalachian region. pp. 19531-8
30. BALANCE OF PAYMENTS. Rep. Curtis inserted his report on the recent progress of the balance of payments and stated that "it is indeed an alarming situation." pp. 19442, 19529-30

ITEMS IN APPENDIX

31. FARM INCOME. Rep. Michel inserted an article, "Farm Income and Political Demagogues." pp. A4374-5
32. RESEARCH. Extension of remarks of Rep. Garmatz inserting an address before the Maryland Governors' Conference on the development of the national oceanographic program and the part Congress has taken in connection with it. pp. A4386-8
33. WHEAT. Extension of remarks of Rep. Findley inserting an article and stating that it "shows how the United States sale of wheat to Russia helped Castro solve a bread problem in Cuba." p. A4388
34. OPINION POLL. Rep. Quie inserted the results of a questionnaire, including items of interest to this Department. pp. A4390-1
35. MEAT PRICES. Extension of remarks of Sen. Metcalf stating that the Mont. cattleman has "for many years been unable to understand why cattle prices can be as low as they are most of the time, and beef prices at the meat counter be as high as they consistently are," and inserting two articles on this subject. p. A4394
36. HOUSING. Speech in the House by Rep. Donohue urging support and early enactment of the housing bill. p. A4399

BILLS INTRODUCED

PUBLIC WORKS.

37. /S. 3134, by Sen. Inouye, to require bidders for public works construction

The appropriation bills, 88th Cong., 2d sess., as of Aug. 18, 1964—Continued

(Does not include back-door appropriations or permanent appropriations¹ under previous legislation. Does include indefinite appropriations carried in annual appropriation bills.)

Title and bill number	Prior year appropriations	Senate					Final appropriation		
		Budget estimates to Senate	Amount as passed	Senate action compared with—			Amount as approved	Final action compared with—	
				Prior year appropriations	Budget estimates	House action		Prior year	Budget estimates
1964 DEFICIENCIES									
Department of Health, Education, and Welfare (H.J. Res. 875):									
Original resolution, 88th, 1st ¹		\$41,886,000	\$258,090,000		+\$216,204,000	+\$216,204,000			-\$41,886,000
Subsequent consideration, 88th, 2d ²		\$247,802,000	\$31,598,000		-\$216,204,000	-\$216,204,000	\$289,688,000		+\$41,886,000
Total, H.J. Res. 875		289,688,000	289,688,000				289,688,000		
Department of Labor (H.J. Res. 962)		42,000,000	42,000,000				42,000,000		
Disaster relief (H.J. Res. 976)		50,000,000	50,000,000				50,000,000		
Deficiency, 1964 (H.R. 11201)		1,436,177,743	1,349,637,143		-\$86,540,600	+\$84,723,454	1,336,687,143		-\$99,490,600
Total, 1964 deficiencies		1,817,865,743	1,731,325,143		-\$86,540,600	+\$84,723,454	1,718,375,143		-\$99,490,600
1965 APPROPRIATION BILLS									
District of Columbia (H.R. 10199)	(\$313,469,518)	(357,862,300)	(342,181,975)	(+\$28,712,457)	(-\$15,680,325)	(+\$3,976,775)	(341,242,200)	(+\$27,772,682)	(-\$16,620,100)
Federal payment, 1965 regular	40,368,000	53,220,000	44,220,000	+3,852,000	-9,000,000	+3,500,000	40,720,000	+352,000	-12,500,000
Loan authorization	(19,300,000)	(14,400,000)	(26,400,000)	(+\$7,100,000)	(+\$12,000,000)		(26,400,000)	(+\$7,100,000)	(+\$12,000,000)
Interior (H.R. 10433)		1,035,961,000	1,029,226,400		-6,734,600	+20,050,800	1,028,277,200		-7,863,800
1965 regular appropriations	1,011,029,500	998,903,000	993,554,400	-17,475,100	-5,348,600	+17,078,800	994,069,200	-16,960,300	-4,833,800
Loan authorization	(6,000,000)	(20,000,000)	(14,000,000)	(+\$8,000,000)	(-\$6,000,000)		(14,000,000)	(+\$8,000,000)	(-\$6,000,000)
1964 supplementals		37,058,000	35,672,000		-1,386,000	+2,972,000	34,208,000		-2,850,000
Treasury-Post Office (H.R. 10532):									
1965 regular appropriations	6,055,766,000	6,268,691,000	6,240,423,000	+184,657,000	-28,268,000	+15,003,000	6,233,273,000	+177,507,000	-35,418,000
1964 supplementals (by transfer)		(1,675,000)	(1,100,000)		(-575,000)		(1,100,000)		(-575,000)
Legislative (H.R. 10723)		255,999,745	210,380,685		-45,619,060	+36,754,045	210,300,885		-45,698,860
1965 regular appropriations	\$217,304,244	\$255,788,045	\$210,231,685	\$-7,072,559	\$-45,556,360	\$+36,785,045	210,300,885	-7,003,359	-45,487,160
1964 supplementals		211,700	149,000		-62,700	-31,000			-211,700
Labor-Health, Education, and Welfare (H.R. 10809):									
1965 regular appropriations	5,795,436,500								
1964 supplementals									
Defense (H.R. 10939):									
1965 regular appropriations	48,223,210,000	47,471,000,000	46,774,401,000	-1,448,809,000	-696,599,000	+15,134,000	46,752,051,000	-1,471,159,000	-718,949,000
1964 supplementals (by transfer)		(6,000,000)	(6,000,000)				(6,000,000)		
State, Justice, Judiciary (H.R. 11134)		1,999,164,700	1,720,855,700		-268,309,000	+28,227,900	1,717,157,800		-282,006,900
1965 regular appropriations	1,840,233,900	1,915,089,700	1,700,405,700	-139,828,200	-214,684,000	-1,772,100	1,686,707,800	-153,526,100	-228,381,900
1964 supplementals		84,075,000	30,450,000		-53,625,000	+30,000,000	30,450,000		-53,625,000
Agriculture (H.R. 11202)		5,583,625,600	5,338,672,525		-244,953,075	+156,007,525			
1965 regular appropriations	6,246,297,215	5,566,962,800	5,323,872,525	-922,424,690	-243,090,075	+141,207,525			
Loan authorization	(855,000,000)	(753,000,000)	(795,000,000)	(-\$60,000,000)	(+\$42,000,000)				
1964 supplementals		16,663,000	14,800,000		-1,863,000	+14,800,000			
Independent offices (H.R. 11296)		14,249,653,400	13,613,224,000		-636,429,400	\$+5,494,258,500	13,454,859,000		-794,794,400
1965 regular appropriations	13,275,913,050	14,104,653,400	13,613,224,000	+337,310,950	-491,429,400	+5,494,258,500	13,454,859,000	+178,945,950	-649,794,400
1964 supplementals		145,000,000			-145,000,000				-145,000,000
Military construction (H.R. 11369): 1965 regular appropriations	1,585,880,000	1,879,000,000	1,582,969,000	-2,911,000	-296,031,000	-16,045,500			
Public works (H.R. 11579): 1965 regular appropriations	4,401,240,700	4,440,749,000	4,443,283,200	+36,042,500	+2,534,200	+117,314,000	4,430,791,700	+23,554,000	-9,954,300
Foreign assistance (H.R. 11812): 1965 regular appropriations	3,264,023,137								
Total, 1965 regular	91,962,702,246	82,954,056,745	80,926,584,510	-1,976,658,099	-2,027,472,235	+5,822,463,270	73,802,775,585	-1,268,289,809	-1,705,318,560
1964 supplementals (included in 1965 bills)		283,007,700	81,071,000		-201,936,700	+47,741,000	64,658,000		-201,686,700
Total, all appropriations		85,054,930,183	82,738,980,653		-2,315,949,535	+5,954,927,724	75,585,808,728		-2,006,495,860
Total, loan authorizations	(880,300,000)	(787,400,000)	(835,400,000)	(-\$44,900,000)	(+\$48,000,000)		(+\$40,400,000)	(+\$15,100,000)	(+\$6,000,000)

Footnotes on p. 19440.

FOOTNOTES FROM PRECEDING TABLE

¹ This resolution passed both Houses in 88th Cong., 1st sess. House bill included \$41,886,000 for activities to combat mental retardation; Senate bill added \$216,204,000 for "Payments to school districts." Resolution not finally adopted in 1st sess.

² Action renewed in 88th Cong., 2d sess.

³ Estimates submitted to Congress in H. Doc. No. 203, dated Jan. 21, 1964, considered as follows: "Payments to school districts," \$216,204,000 (previously added by Senate); "Defense educational activities," \$31,168,000; "Compliance activities, Mexican farm labor program," \$430,000.

⁴ Resolution not actually reported by Appropriations Committees for House or Senate consideration. Figures shown for balancing purposes. Amounts shown as reported and passed by Senate include \$31,168,000 for "Defense educational activities"; and \$430,000 for "Compliance activities, Mexican farm labor program."

⁵ Resolutions not reported by Appropriations Committees. Considered and passed in House and Senate without committee action. Figures shown for balancing purposes.

⁶ Includes Senate items.

⁷ Excludes Senate items.

⁸ Amount of \$5,200,000,000 reported for National Aeronautics and Space Administration eliminated on point of order by House due to lack of legislative authorization.

⁹ Final amount appropriated includes \$41,886,000 for activities to combat mental retardation; \$216,204,000 for "Payments to school districts"; \$31,168,000 for "Defense educational activities"; and \$430,000 for "Compliance activities, Mexican farm labor program."

NOTE.—Totals reflect amounts approved and comparisons at latest stage of congressional action on each bill.

(Mr. MAHON asked and was given permission to revise and extend his remarks and include certain material in connection with the continuing resolution.)

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AGRICULTURAL APPROPRIATION BILL FOR 1965

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 11202, the agricultural appropriation bill for 1965, with Senate amendments thereto, disagree to the amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, NATCHER, MAHON, HORAN, and MICHEL.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill H.R. 11202, the agricultural appropriation bill for 1965.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CALL OF THE HOUSE

Mr. GOODELL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 235]

Adair	Hébert	Pilcher
Albert	Hoeven	Pirnie
Alger	Hoffman	Powell
Avery	Jones, Ala.	Rains
Baring	Jones, Mo.	Roosevelt
Barry	Kee	Ryan, Mich.
Bo'ton,	Kluczynski	St. George
Frances P.	Ky	Sheppard
Buckley	Lindrum	Shiely
Daddario	Lankford	Smith, Calif.
Dawson	Lesinski	Thompson, La.
Diggs	McClory	Toll
Dingell	McDowell	Tollefson
Ellsworth	Macdonald	Wallhauser
Gibbons	Miller, Calif.	Whalley
Gill	Miller, N.Y.	Widnall
Gray	Morse	Winstead
Harvey, Mich.	Patman	Wyman
Henley	Pepper	

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF A COMMISSIONER GENERAL FOR U.S. PARTICIPATION IN THE CANADIAN UNIVERSAL AND INTERNATIONAL EXHIBITION

Mr. FASCELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill S. 2905.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. HAYS. Mr. Speaker, reserving the right to object, this bill was called up yesterday and was passed over without prejudice on the request of the gentleman from Michigan [Mr. FORD].

Although it was passed out of the subcommittee unanimously in its original form with an amendment and by the full Committee on Foreign Affairs, the gentleman from Florida is now prepared to offer an amendment which in effect would set the salary of the Ambassador at \$22,500, which would leave him with the title of Ambassador but not the salary. Is that correct?

Mr. FASCELL. The gentleman from Ohio is correct.

Mr. HAYS. This, in my opinion, might have the effect of forcing the President to find some fellow who can afford this job even though he would not be qualified for it, and would preclude some career person from taking it because he could not afford to have a job at this salary.

It seems a little strange to me when we passed the salary bill and raised all of the Ambassadors around the world that this one would be picked out and that his salary would be set, although he has the rank of Ambassador, even below a class 4 post. If the gentleman from Michigan [Mr. FORD] is available, may I ask what is his reason behind this?

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Do I understand correctly that the bill that was before us yesterday provided for a salary of \$28,500?

Mr. HAYS. For a class 2 post which, under the new salary schedule, would be that figure.

Mr. CONTE. Twenty-eight thousand five hundred dollars, and this sets the salary at \$22,500?

Mr. HAYS. Yes.

Mr. CONTE. That now satisfies the gentleman from Michigan.

Mr. HAYS. I hope we have not established a precedent around here that every bill reported out of the Committee on Foreign Affairs unanimously has to satisfy the gentleman from Michigan. Normally under these circumstances I would object, but in this case I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There being no objection, the Clerk read the bill, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for United States participation in the Canadian Universal and International Exhibition to be held at Montreal, Canada, in 1967, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), the President is hereby authorized to appoint or designate a Commissioner General, by and with the advice and consent of the Senate, and to appoint or designate not to exceed two other principal representatives, who shall receive compensation, allowances, and benefits as determined by the President but not in excess of that received by a chief of mission at a class 2 post, pursuant to the Foreign Service Act of 1946, as amended (22 U.S.C. 801): *Provided*, That no officer of the United States Government who is designated under this Act as Commissioner General or as a principal representative shall be entitled to such compensation.*

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 1, line 9, after the word "Senate", strike out the comma, the remainder of the line and line 10 down to and including the word "representatives", and on page 2 strike out all on line 1 and on line 2 through the word "that" and insert in lieu thereof "receive annual compensation not in excess of \$22,500 and allowances and benefits as determined by the President but not in excess of those".

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill H.R. 11707 was laid on the table.

CORRECTION OF RECORD

Mr. BETTS. Mr. Speaker, on yesterday during debate on H.R. 12253 I made some remarks which appear on page 19302 of the RECORD, in which I made reference to legislation sponsored by the gentlewoman from Michigan [Mrs. GRIFITHS]. The RECORD reads "the gentle-

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business Postage and fees paid

U. S. Department of Agriculture

Issued Aug. 20, 1964

For actions of Aug. 19, 1964

88th-2nd, No. 163

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Rep. Ashbrook inserted Sen. Dirksen's remarks praising Food Study Commission. Rep. Rogarty inserted AFL-CIO release criticizing wheat-cotton law. Rep. Senner criticized conference report on meat-import bill. House received conference report on wilderness bill. Senate confirmed Schnittker nomination. Both Houses agreed to conference report on housing bill. Senate debated foreign-aid authorization bill. Senate passed bill extending Public Law 480. Conferees agreed to file report on land and water conservation fund bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 11202 (H. Rept. 1832). Attached to this digest is a summary showing action of the conferees. pp. 19578-80
2. HOUSING. Both Houses, the House by 310 to 70, agreed to the conference report on S. 3049, to extend and amend laws relating to housing, urban renewal, and community facilities. This bill will now be sent to the President. pp. 19574-7, 19743-5

3. RECREATION. Passed with amendment S. 27, to provide for establishment of the Canyonlands National Park in Utah. H. R. 6925, a similar bill which was passed previously as reported, was tabled. pp. 19670-76
The "Daily Digest" states that conferees agreed to file a report on H. R. 3846, the land-water conservation fund bill. p. D722
4. RESOURCES. Rep. Bonner inserted his introductory speech and the address of Rep. Roosevelt on the development of our resources. pp. 19678-9
5. FOOD MARKETING. Rep. Ashbrook inserted the remarks of Sen. Dirksen praising the creating of the Food Marketing Commission stating that "In the passage of that resolution we have for the first time moved toward a serious overall examination of our modern agricultural economy." pp. 19704-5
6. WHEAT; COTTON. Rep. Fogarty criticized the wheat and cotton legislation which was passed during this session of Congress, inserted several articles to support his opinions, and stated that in his opinion the legislation was never needed in the first place and that "The administration, through the Secretary of Agriculture, could have rolled back the price support of cotton from $8\frac{1}{2}$ to 4 or 5 cents and that would have been the easiest and simplest solution to help solve the problem." pp. 19713-4
7. RURAL DEVELOPMENT. Rep. Fraser inserted the speech of David E. Bell before a conference between the land-grant universities and the Department of Agriculture on "International Rural Development." pp. 19720-3
8. MEAT IMPORTS. Rep. Senner stated that he voted for the conference report on the meat-import bill "with considerable reluctance because I would have preferred the more protective coverage afforded by the Senate bill." p. 19725
9. TVA. Rep. Fulton spoke on a "reaffirmation" of support of the principles behind the TVA. pp. 19726-8
10. HEALTH. Rep. Sickles expressed the hope that the "House conferees will allow the \$1.5 million in planning money to remain in the budget" for the construction of the Beltsville Environmental Health Center. p. 19754
11. LEGISLATIVE ACCOMPLISHMENTS. Rep. Pelly reviewed the record of the 88th Congress. pp. 19728-30
12. POVERTY. Rep. Frelinghuysen spoke in support of H. Res. 858, to create a select committee to study the administration and operation of the Economic Opportunity Act of 1964. pp. 19677-8
13. WILDERNESS. Received the conference report on S. 4, to establish a National Wilderness Preservation System (H. Rept. 1829). pp. 19571-4
14. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 11369 (H. Rept. 1831). pp. 19570-1
15. RADIATION; FOOD. Rep. Price inserted a memorandum from the Federal Radiation Council to the President, "Radiation protection guidance for Federal agencies," recommending that such guidance be approved for the use of Federal agencies in the conduct of those radiation protection activities affecting the normal production, processing, distribution, and use of food and agricultural products. pp. 19699-701

Conference Report on the Department of Agriculture and Related Agencies Appropriation Bill, 1965

[Note.--Amounts for 1964 include all supplemental appropriations to date, and are adjusted for comparability with the appropriation structure provided in the 1965 Conference Report. Amounts in brackets are not included in totals.]

Agency or Item	Appropriations and Loan Authorizations, 1964	Budget Estimate, 1965 a/	House Bill, 1965	Senate Bill, 1965	Conference Report, 1965
GENERAL ACTIVITIES:					
Agricultural Research Service:					
Salaries and expenses: b/					
Research c/	\$96,433,075	\$116,832,875	\$97,656,000	\$120,564,000	d/ \$119,639,000
Transfer from Commodity Credit Corporation	[15,000,000]	--	--	--	e/
Plant and animal disease and pest control	64,318,000	69,605,000	65,255,000	69,036,400	f/ 68,793,200
Meat inspection	27,896,000	30,837,000	30,454,000	30,837,000	30,837,000
Salaries and expenses (Special foreign currency program)	1,250,000	4,000,000	--	4,000,000	d/ 2,000,000
Section 32 funds for research	[16,000,000]	--	[25,000,000]	[11,000,000]	[12,175,500]
Cooperative State Research Service (principally payments to States)	41,428,000	51,232,000	42,440,000	52,482,000	49,932,000
Extension Service (principally payments to States)	80,081,500	79,979,000	80,269,000	85,274,000	85,174,000
Farmer Cooperative Service	1,059,200	1,102,200	1,082,000	1,102,000	1,102,000
Soil Conservation Service	201,904,000	204,042,000	207,454,000	205,803,000	208,296,000
Economic Research Service	9,246,800	9,976,000	9,476,000	10,576,000	10,576,000
Statistical Reporting Service	10,590,900	11,431,400	11,431,000	11,892,000	11,481,000
Agricultural Marketing Service:					
Marketing Services	37,192,600	39,515,125	39,389,000	39,590,125	39,566,000
Payments to States	1,500,000	1,425,000	1,500,000	1,500,000	1,500,000
Special milk program	99,834,000	f/ [99,831,000]	f/ [99,831,000]	106,000,000	f/ [51,500,000]
School lunch program g/	136,616,000	147,610,000	146,400,000	146,400,000	146,400,000
Food stamp program (transfer from Sec. 32 funds)	[44,625,000]	[51,125,000]	[45,000,000]	[35,000,000]	[35,000,000]

(Continued on next page)

Agency or Item	Appropriations and Loan Authorizations, 1964	Budget Estimate, 1965 a/	House Bill, 1965	Senate Bill, 1965	Conference Report, 1965
Foreign Agricultural Service (salaries and expenses) h/	18,587,500	20,524,000	18,790,000	20,488,000	20,488,000
Commodity Exchange Authority	1,053,000	1,119,000	1,100,000	1,119,000	1,119,000
Agricultural Stabilization and Conservation Service:					
Expenses, Agricultural Stabilization and Conservation	117,970,500	114,562,000	105,602,000	105,602,000	105,602,000
Service i/	78,000,000	93,900,000	86,400,000	92,300,000	90,000,000
Sugar Act program					
Agricultural conservation program j/	215,000,000	225,000,000	225,000,000	225,000,000	225,000,000
Conservation reserve program	294,000,000	194,000,000	194,000,000	194,000,000	194,000,000
Cropland conversion program	11,350,000	20,000,000	7,200,000	20,000,000	15,000,000
Emergency conservation measures	4,000,000	4,000,000	-	4,000,000	4,000,000
Office of Rural Areas Development	120,000	124,000	124,000	124,000	124,000
Office of the Inspector General	9,712,400	9,874,000	9,874,000	9,874,000	9,874,000
Office of the General Counsel	3,698,500	3,853,000	3,784,000	3,853,000	3,853,000
Office of Information	1,634,000	1,648,000	1,648,000	1,648,000	1,648,000
National Agricultural Library:					
Salaries and expenses	1,326,140	1,547,000	1,347,000	1,547,000	1,547,000
Library facilities	450,000	7,000,000	-	-	-
Office of Management Services	2,541,200	2,482,000	2,482,000	2,482,000	2,482,000
General Administration	3,223,000	3,357,000	3,530,000	3,314,000	3,314,000
Forest Service Research (1965 supplemental)	-	2,750,000	-	2,750,000	1,900,000
Total, General Activities	1,572,016,315	1,473,327,600	1,393,687,000	1,573,157,525	1,506,747,200
CREDIT AGENCIES:					
Rural Electrification Administration:					
Loan authorizations m/	[495,000,000]	[428,000,000]	[435,000,000]	[435,000,000]	[435,000,000]
Salaries and expenses	11,149,000	11,428,000	11,641,000	11,428,000	11,578,000
Farmers Home Administration:					
Rural housing loans	25,000,000	-	-	-	-
Loan authorizations n/	[360,000,000]	[325,000,000]	n/[360,000,000]	n/[360,000,000]	n/[360,000,000]
Rural renewal	1,200,000	2,190,000	1,200,000	1,200,000	1,200,000

(Continued on next page)

Agency or Item	Appropriation and Loan Authorizations 1964	Budget Estimate, 1965	House Bill, 1965	Senate Bill, 1965	Conference Report, 1965
CREDIT AGENCIES (Continued)					
Farmers Home Administration (Cont'd)					
Rural housing for the elderly revolving fund	3,500,000	5,000,000	3,500,000	5,000,000	5,000,000
Salaries and expenses	o/ 38,043,900	40,184,000	o/ 39,544,000	39,794,000	o/ 39,544,000
Total, loan authorizations	[855,000,000]	[753,000,000]	[795,000,000]	[795,000,000]	[795,000,000]
Total appropriations, Credit Agencies	78,892,900	58,802,000	55,885,000	57,422,000	57,322,000
CORPORATIONS (Including Public Law 480 and Other Assistance Programs:					
Federal Crop Insurance Corporation: Operating and administrative expenses	6,944,000	6,942,000	6,942,000	6,942,000	6,942,000
Operating expenses payable from previous income	[3,505,000]	[3,649,000]	[3,638,000]	[3,638,000]	[3,638,000]
Total, Federal Crop Insurance Corporation	6,944,000	6,942,000	6,942,000	6,942,000	6,942,000
Commodity Credit Corporation: Reimbursement for net realized losses	2,699,400,000	1,724,000,000	1,724,000,000	1,574,000,000	1,574,000,000
Administrative expense limitation	[41,650,000]	[37,351,000]	[37,351,000]	[37,351,000]	[37,351,000]
Total, Commodity Credit Corporation	2,699,400,000	1,724,000,000	1,724,000,000	1,574,000,000	1,574,000,000
Public Law 480:					
Sales for foreign currencies	1,452,000,000	1,893,000,000	1,612,000,000	1,737,000,000	1,612,000,000
Emergency famine relief	215,451,000	220,453,000	220,453,000	220,453,000	220,453,000
Long-term supply contracts	52,515,000	55,000,000	55,000,000	35,000,000	35,000,000
Total, Public Law 480	1,719,966,000	2,168,453,000	1,887,453,000	1,992,453,000	1,867,453,000
International Wheat Agreement	86,218,000	31,838,000	31,838,000	31,838,000	31,838,000
Bartered materials for supplemental stockpile	82,860,000	120,000,000	82,860,000	102,860,000	92,860,000
Total, Corporations (including Public Law 480)	4,595,388,000	4,051,233,000	3,733,093,000	3,708,093,000	3,573,093,000
TOTAL, ABOVE APPROPRIATIONS	6,246,297,215	5,583,362,600	5,182,665,000	5,338,672,525	5,137,162,200

(Continued on next page)

- a/ Includes effect of amendments to the 1965 budget included in H. Doc. 240, dated March 9, 1964, S. Docs. 82 and 83, dated June 24, 1964 and S. Doc. 85, dated July 9, 1964.
- b/ In addition, a reappropriation of \$1,000,000 of prior years funds is authorized.
- c/ Includes funds for marketing research which were transferred from the Agricultural Marketing Service to this appropriation item.
- d/ Reported in disagreement. The managers on the part of the House will offer a motion to appropriate these amounts.
- e/ Includes \$250,000 for the use of the Secretary in coordinating pesticide activities.
- f/ To be financed by transfer from Sec. 32 funds.
- g/ In addition, a transfer of \$45,000,000 is provided from Section 32 funds for the purchase of agricultural commodities for distribution to schools.
- h/ In addition, a transfer of \$3,117,000 from Section 32 funds is provided.
- i/ In addition, transfers from Commodity Credit Corporation are provided as follows: 1964, \$91,720,000; 1965, \$87,508,000.
- j/ 1964 Appropriation Act, 1965 House and Senate bills and Conference report provide an advance authorization of \$220 million (excluding administrations). Budget estimate proposed \$120 million.
- k/ Deferred because plans and specifications for a new library will probably not be ready in time to begin construction during fiscal year 1965.
- l/ In addition, \$250,000 will be available from ARS research for use of the Secretary in coordinating pesticide activities.
- m/ Includes reserve authorizations as follows: 1964, \$150 million; 1965 budget, \$65 million; 1965 House and Senate bills and Conference report, \$97 million.
- n/ Includes \$50 million reserve authorization.
- o/ In addition, \$500,000 of other funds available to the Farmers Home Administration may be transferred for temporary field employment. The Conference report this item in disagreement but the managers on the part of the House will offer a motion to restore House language and to restrict the use of funds under this head for rural housing grants.

DEPARTMENT OF AGRICULTURE AND RELATED
AGENCIES APPROPRIATION BILL, 1965

AUGUST 19, 1964.—Ordered to be printed

Mr. WHITTEN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 11202]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 10, 11, 16, 19, 41, 46, and 50.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 9, 11a, 13, 14, 15, 17, 20, 22, 27, 30, 31, 32, 36, 37, 38, 40, 42, 44, 45, 47, and 49, and agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$68,793,200; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$49,932,000; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows:

In lieu of the matter stricken and proposed by said amendment, insert the following:

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, \$5,524,000.

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: Provided, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): Provided further, That not to exceed \$4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

And the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$1,770,000; and the Senate agree to the same.

Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,481,000; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$39,566,000; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$103,000,000; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$12,175,000; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: , *of which amount \$500,000 shall remain available until expended for construction, alteration and modification of research facilities.*

And the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$90,000,000; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$15,000,000; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$11,578,000; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$92,860,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 6, 7, 26, 35, and 43.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
GEORGE MAHON,
WALT HORAN,
ROBERT H. MICHEL,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The managers, in consideration of this bill in conference, had budget estimates of \$29,000,000 for pesticides research (S. Doc. 85); \$1,000,000 for boll weevil eradication and \$4,000,000 for emergency conservation measures (S. Doc. 82); \$10,000,000 for the cropland conversion program (S. Doc. 83); plus \$2,000,000 for cost-of-production research on cotton authorized by the wheat-cotton bill recently adopted by Congress. This is a total of \$46,000,000, of which \$44,000,000 was not submitted by the Budget Bureau in time to be considered in the bill by the House. A substantial portion of these items was agreed to in conference in view of their importance to agricultural programs in the coming year.

The conferees, at the instance of the executive branch, have unanimously supported funds in this bill to increase research attention to pests and pesticides in the continuing fight between man, pests, and disease, so as to maintain our fine food supply and high standard of living. In addition, the conferees have provided the Secretary with \$250,000 for the purpose of coordinating the work of the Department in this area, and for the determination and agreement on standard tests and the determination of safe and practical tolerances in cooperation with other departments and agencies of Government.

It is to be noted that it is in these areas where there must be agreement if our food supply is not to be needlessly jeopardized.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

Amendment No. 1—*Salaries and expenses*: Authorizes the construction or improvement of six buildings at a cost of not to exceed \$45,000 as proposed by the Senate instead of five buildings as proposed by the House.

Amendment No. 2—*Research*: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$119,639,000 instead of \$97,656,000 as proposed by the House and \$120,564,000 as proposed by the Senate. The appropriation agreed

to provides the following amounts for items provided under section 32 funds in the House bill:

Staffing and operating new facilities.....	\$1, 350, 000
Research on pesticide residues including expansion of plans for Weed Control Laboratory as provided by House.....	1, 500, 000
Foot-and-Mouth Disease Laboratory, including \$250,000 for renovation of facilities.....	375, 000
Construction of facilities, Fort Collins, Colo.....	1, 000, 000
Renovation of facilities, Beltsville, Md.....	850, 000
Peanut Research Laboratory, Dawson, Ga.....	1, 000, 000

In addition the following Senate increases are agreed to:

Food science research.....	\$250, 000
Stored products insect research.....	200, 000
Funds to be distributed to 11 research locations.....	100, 000
Wholesaling and retailing research.....	200, 000
Pesticide research (S. Doc. 85), including \$250,000 for the use of the Secretary in coordinating pesticide activities.....	13, 758, 000
Cost of production research on cotton.....	1, 400, 000

In connection with the peanut research laboratory, it is agreed that quality research on Virginia and Spanish type peanuts shall continue at the Southern Regional Utilization Laboratory at New Orleans, La. Also, it is agreed that the new Southeastern Regional Laboratory, provided last year, is an addition to the national utilization research laboratories and is not intended to displace such existing utilization laboratories but primarily to meet the research problems of the southeast area.

The planning and construction funds included in the bill are provided with the firm understanding that total construction costs of facilities as set forth in the Senate report are the full amounts to be used for construction, including plans and specifications. The total cost of the new insect laboratory at the Beltsville Research Center shall be limited to \$3,225,000.

Amendment No. 3—*Research*: Eliminates language inserted by the Senate.

Amendment No. 4—*Plant and animal disease and pest control*: Appropriates \$68,793,200 instead of \$65,255,000 as proposed by the House and \$69,036,400 as proposed by the Senate. The increases include the following items:

Plant quarantine inspection.....	\$105, 000
Animal inspection and quarantine.....	100, 000
Federal Insecticide, Fungicide, and Rodenticide Act.....	300, 000
Fire ant eradication.....	750, 000
Sheep scabies eradication.....	783, 200
Pesticide research (S. Doc. 85).....	700, 000
Boll weevil eradication (S. Doc. 82).....	800, 000

The conferees are in accord with Senate report language concerning reprogramming of funds.

Amendment No. 5—*Meat inspection*: Appropriates \$30,837,000 as proposed by the Senate instead of \$30,454,000 as proposed by the House.

Amendment No. 6—*Special foreign currency program*: Reported in disagreement. The managers on the part of the House will offer an amendment to appropriate \$2,000,000 instead of \$4,000,000 as proposed by the Senate.

The conferees are not fully satisfied that all projects proposed under this program are essential and productive. All projects must be

reviewed more critically to make certain that they are of real benefit to American agriculture and will produce worthwhile results.

FOREST SERVICE

Amendment No. 7—*Forest protection and utilization*: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$1,900,000 instead of \$2,750,000 as proposed by the Senate.

COOPERATIVE STATE RESEARCH SERVICE

Amendments Nos. 8 through 12—*Payments and expenses*: Appropriate \$49,932,000 instead of \$42,440,000 as proposed by the House and \$52,482,000 as proposed by the Senate, and insert language relative to basic research and grants for facilities as proposed by the Senate. The increase agreed to includes:

Pesticide research (S. Doc. 85).....	\$3, 000, 000
Grants for facilities (S. Doc. 85).....	3, 242, 000
Salary adjustments.....	1, 250, 000

Funds for grants for support of basic scientific research have not been included. The committees expect future requests for such grant funds to be supported by details on each such grant proposed.

EXTENSION SERVICE

Amendments Nos. 13 and 14—*Cooperative extension work, payments and expenses*: Appropriate \$72,100,000 as proposed by the Senate instead of \$67,295,000 as proposed by the House.

Amendment No. 15—*Retirement and employee's compensation costs for extension agents*: Appropriates \$7,510,000 as proposed by the Senate instead of \$7,410,000 as proposed by the House.

Amendment No. 16—*Federal Extension Service*: Appropriates \$2,451,000 as proposed by House instead of \$2,551,000 as proposed by Senate.

FARMER COOPERATIVE SERVICE

Amendment No. 17—*Salaries and expenses*: Appropriates \$1,102,000 as proposed by Senate instead of \$1,082,000 as proposed by House.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

The conferees have agreed to the use of funds provided under this head for modernization and construction of plant materials centers as follows:

To modernize equipment and facilities.....	\$53, 000
To rehabilitate center, Pullman, Wash.....	70, 000
To establish center in New Jersey.....	102, 000

Amendment No. 18—*Watershed planning and protection*: Appropriates \$5,524,000 for small watershed planning as a separate item as proposed by the House and restores paragraph for watershed protection as proposed by the House.

Amendment No. 19—*Flood prevention*: Appropriates \$25,423,000 as proposed by the House instead of \$22,656,000 as proposed by the Senate.

Amendment No. 20—*Great Plains conservation program*: Appropriates \$14,744,000 as proposed by the Senate instead of \$14,176,000 as proposed by the House.

Amendment No. 21—*Resource conservation and development*: Appropriates \$1,770,000 instead of \$1,496,000 as proposed by the House and \$2,044,000 as proposed by the Senate. The use of this appropriation shall be limited to those pilot projects already approved and underway.

ECONOMIC RESEARCH SERVICE

Amendment No. 22—*Salaries and expenses*: Appropriates \$10,576,000 as proposed by the Senate instead of \$9,476,000 as proposed by the House.

STATISTICAL REPORTING SERVICE

Amendment No. 23—*Salaries and expenses*: Appropriates \$11,481,000 instead of \$11,431,000 as proposed by the House and \$11,892,000 as proposed by the Senate. The amount agreed to includes an additional \$50,000 to extend the pilot flower estimates program. The conferees request the Forest Service to explore the possibilities of using existing cooperative forestry services to provide timber pricing information.

AGRICULTURAL MARKETING SERVICE

Amendment No. 24—*Marketing services*: Appropriates \$39,566,000 instead of \$39,389,000 as proposed by the House and \$39,590,125 as proposed by the Senate. The additional amounts included are:

Poultry inspection.....	\$152,000
Market news service.....	25,000

The conferees do not concur in the language in the Senate report which might appear to concur in the closing of certain market news offices after the current fiscal year. These offices have been rendering a valuable service for many years and should be continued in operation permanently.

It is further agreed that the language in the Senate report concerning the market news service was intended to permit the transmission of weather data along with market reports and routine administrative instructions.

Amendment No. 25—*Special milk program*: Provides \$103,000,000, one-half by appropriation and one-half by transfer from section 32 funds. The House bill provided \$99,831,000 by transfer from section 32 and the Senate bill provided \$106,000,000 by direct appropriation.

Amendment No. 26—*Special milk program*: Reported in disagreement. The managers on the part of the House will offer a motion to provide \$51,500,000 of the total funds by transfer from section 32.

Amendment No. 27—*Section 32*: Provides \$35,000,000 for the food stamp plan as proposed by the Senate instead of \$45,000,000 as proposed by the House.

Amendments Nos. 28 and 29—*Section 32*: Provide \$12,175,500 instead of \$25,000,000 as proposed by the House and \$11,000,000 as

proposed by the Senate. The amount agreed to includes funds for the following purposes:

Cost of production research as provided in Senate bill.....	\$5,000,000
Utilization research as provided in Senate bill.....	5,000,000
Research on health-related problems of tobacco in Kentucky.....	1,500,000
Research on health-related problems of tobacco in flue-cured area..	175,000
Construction and alteration of research facilities in flue-cured area..	500,000
<hr/>	<hr/>
Total.....	12,175,000

FOREIGN AGRICULTURAL SERVICE

Amendment No. 30—*Salaries and expenses*: Appropriates \$20,488,000 as proposed by the Senate instead of \$18,790,000 as proposed by the House. The Department should give attention to having the sales manager report directly to the Secretary of Agriculture in order to give increased attention to sales of commodities for dollars.

COMMODITY EXCHANGE AUTHORITY

Amendment No. 31—*Salaries and expenses*: Appropriates \$1,119,000 as proposed by the Senate instead of \$1,100,000 as proposed by the House.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Amendment No. 32—*Expenses, ASCS*: Inserts Senate language dealing with activities of employes and ASCS committcemen.

Amendment No. 33—*Sugar Act program*: Appropriates \$90,000,000 instead of \$86,400,000 as proposed by the House and \$92,300,000 as proposed by the Senate.

Amendment No. 34—*Cropland conversion program*: Appropriates \$15,000,000 instead of \$7,200,000 as proposed by the House and \$20,000,000 as proposed by the Senate. The amount provided is to cover full financing for both the 1964 and 1965 programs.

Amendment No. 35—*Emergency conservation measures*: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$4,000,000 as proposed by the Senate.

OFFICE OF GENERAL COUNSEL

Amendment No. 36—*Salaries and expenses*: Appropriates \$3,853,000 as proposed by the Senate, instead of \$3,784,000 as proposed by the House.

NATIONAL AGRICULTURAL LIBRARY

Amendment No. 37—*Salaries and expenses*: Appropriates \$1,547,000 as proposed by the Senate instead of \$1,347,000 as proposed by the House. The additional amount is to establish and maintain a Pesticides Information Center.

GENERAL ADMINISTRATION

Amendment No. 38—*Salaries and expenses*: Appropriates \$3,314,000 as proposed by the Senate instead of \$3,530,000 as proposed by the House.

RURAL ELECTRIFICATION SERVICE

Amendment No. 39—*Salaries and expenses*: Appropriates \$11,578,000 instead of \$11,641,000 as proposed by the House and \$11,428,000 as proposed by the Senate. The amount agreed to includes \$150,000 to meet additional responsibilities required by last year's directive of the committees and to process loan applications without delay.

FARMERS HOME ADMINISTRATION

Amendment No. 40.—*Rural housing for the elderly revolving fund*: Appropriates \$5,000,000 as proposed by the Senate instead of \$3,500,000 as proposed by the House.

Amendments Nos. 41 and 42—*Salaries and expenses*: Appropriates \$39,544,000 as proposed by the House instead of \$39,794,000 as proposed by the Senate, and provides \$2,250,000 transfer from the agricultural credit insurance fund as proposed by the Senate instead of \$2,000,000 as proposed by the House.

Amendment No. 43—*Salaries and expenses*: Reported in disagreement. The managers will offer a motion to restore House language which provides \$500,000 for temporary field employment and to restrict the use of funds under this head for rural housing grants.

COMMODITY CREDIT CORPORATION

Amendment No. 44—*Reimbursement for net realized losses*: Appropriates \$1,574,000,000 as proposed by the Senate instead of \$1,724,000,000 as proposed by the House.

Amendment No. 45—*Limitation on administrative expenses*: The managers on the part of the House have receded to Senate amendment No. 45, which prohibits mandatory micronaire readings on cotton for fiscal year 1965.

The managers have taken this action because the Department, in setting up mandatory micronaire readings, did not follow provisions of law requiring 1 year's waiting period after notice as required by the Cotton Standards Act.

In taking this action, the managers on the part of the House do not take any position against voluntary micronaire reading.

FOREIGN ASSISTANCE PROGRAMS

Amendments Nos. 46 and 47—*Public Law 480*: Appropriate \$1,612,000,000 for title I sales as proposed by the House instead of \$1,737,000,000 as proposed by the Senate, and appropriate \$35,000,000 for title IV contracts as proposed by the Senate instead of \$55,000,000 as proposed by the House.

Amendment No. 48—*Bartered materials for supplemental stockpile*: Appropriates \$92,860,000 instead of \$82,860,000 as proposed by the House and \$102,860,000 as proposed by the Senate.

TITLE V—GENERAL PROVISIONS

Amendment No. 49—*Section 501*: Permits the purchase of 474 automobiles as proposed by the Senate instead of 472 as proposed by the House.

Amendment No. 50—*Section 507*: Deletes language of the Senate related to use of increases provided in the bill. It is expected that the Department will follow the procedures outlined in its explanatory outlines as submitted to the conferees on this amendment.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
GEORGE MAHON,
WALT HORAN,
ROBERT H. MICHEL,
Managers on the Part of the House.



matter with dispatch and make the enactment of the mutuality provision its first order of business at the next session.

Mr. PATMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes had it.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 310, nays 70, not voting 50, as follows:

[Roll No. 240]

YEAS—310

Addabbo	Denton	Jennings
Albert	Diggs	Johnson, Calif.
Andrews,	Dingell	Johnson, Pa.
N. Dak.	Donohue	Johnson, Wis.
Arends	Downing	Jonas
Ashley	Duncan	Karsten
Aspinall	Dwyer	Karth
Auchincloss	Edmondson	Kastenmeier
Avery	Edwards	Keith
Ayres	Elliott	Kelly
Baker	Ellsworth	Kilgore
Baldwin	Everett	King, Calif.
Barrett	Fallon	King, N.Y.
Barry	Farbstein	Kirwan
Bass	Fasell	Kluczynski
Bates	Feighan	Knox
Battin	Finnegan	Kornegay
Beckworth	Fino	Kunkel
Bell	Flood	Landrum
Bennett, Fla.	Fogarty	Langen
Berry	Fountain	Latta
Betts	Fraser	Leggett
Blatnik	Frelinghuysen	Lennon
Boggs	Friedel	Lesinski
Boland	Fulton, Pa.	Libonati
Bolling	Fulton, Tenn.	Lindsay
Bolton,	Fuqua	Lipscomb
Oliver P.	Gallagher	Lloyd
Bonner	Garmatz	Long, La.
Bow	Gary	Long, Md.
Brademas	Glaimo	McDade
Bromwell	Gibbons	McFall
Brooks	Gilbert	McLoskey
Broomfield	Gill	McMillan
Brotzman	Glenn	Macdonald
Brown, Calif.	Gonzalez	MacGregor
Broyhill, N.C.	Goodell	Madden
Broyhill, Va.	Grabowski	Mailliard
Burke	Green, Oreg.	Martin, Calif.
Burkhalter	Green, Pa.	Martin, Mass.
Burton, Calif.	Griffin	Matthias
Burton, Utah	Griffiths	Matsunaga
Byrne, Pa.	Grover	Matthews
Cahill	Gubser	Meador
Cameron	Gurney	Michel
Carey	Hagan, Ga.	Miller, Calif.
Cederberg	Hagen, Calif.	Milliken
Celler	Halleck	Mills
Chelf	Halpern	Minish
Chenoweth	Hanna	Monagan
Clancy	Hansen	Montoya
Clark	Harding	Moore
Clausen,	Hardy	Moorhead
Don H.	Harris	Morgan
Cleveland	Hawkins	Morris
Cohelan	Hays	Morrison
Collier	Healey	Morse
Conte	Hechler	Morton
Cooley	Henderson	Mosher
Corman	Herlong	Moss
Cramer	Holfield	Multer
Cunningham	Holland	Murphy, Ill.
Curtin	Horan	Murphy, N.Y.
Daniels	Horton	Murray
Davis, Ga.	Hosmer	Natcher
Davis, Tenn.	Hull	Nelsen
Delaney	Jarman	Nix

O'Brien, N.Y.	Rogers, Colo.	Sullivan
O'Hara, Ill.	Rooney, N.Y.	Taft
O'Hara, Mich.	Rooney, Pa.	Talcott
O'Konski	Roosevelt	Taylor
Olsen, Mont.	Rosenthal	Teague, Calif.
Olson, Minn.	Rostenkowski	Thomas
O'Neill	Roush	Thompson, N.J.
Osmers	Roybal	Thompson, Tex.
Ostertag	Rumsfeld	Thomson, Wis.
Patman	Ryan, Mich.	Trimble
Patten	Ryan, N.Y.	Tupper
Pelly	St Germain	Tuten
Pepper	St. Onge	Udall
Perkins	Saylor	Ullman
Philbin	Schenck	Van Deerlin
Pickle	Schneebell	Vanik
Pike	Schwelker	Van Pelt
Poage	Scott	Vinson
Powell	Secrest	Waggoner
Price	Senner	Wallhauser
Pucinski	Sheppard	Watts
Purcell	Shriver	Weaver
Quie	Sibal	Weltner
Rains	Sickles	Westland
Randall	Sikes	Wharton
Reid, Ill.	Siler	White
Reid, N.Y.	Sisk	Whitener
Reifel	Slack	Wickersham
Reuss	Smith, Iowa	Widnall
Rhodes, Pa.	Springer	Wilson, Bob
Rich	Staebler	Wilson,
Riehlman	Stafford	Charles H.
Rivers, Alaska	Staggers	Wright
Rivers, S.C.	Steed	Wylder
Roberts, Ala.	Stephens	Wyman
Roberts, Tex.	Stinson	Young
Robison	Stratton	Zablocki
Rodino	Stubblefield	

NAYS—70

Abbitt	Findley	Pillion
Abele	Fisher	Poff
Abernethy	Flynt	Pool
Anderson	Ford	Quillen
Andrews, Ala.	Gathings	Rhodes, Ariz.
Ashbrook	Goodling	Rogers, Fla.
Ashmore	Grant	Rogers, Tex.
Becker	Gross	Roudebush
Beermann	Haley	Schadeberg
Belcher	Hall	Selden
Bray	Harrison	Short
Brown, Ohio	Harsha	Skubitz
Bruce	Harvey, Ind.	Smith, Va.
Burleson	Huddleston	Snyder
Casey	Hutchinson	Teague, Tex.
Chamberlain	Jensen	Tuck
Clawson, Del	Johansen	Utt
Colmer	Kilburn	Watson
Curtis	McCulloch	Whitten
Dague	Mahon	Williams
Devine	Marsh	Wilson, Ind.
Dole	Martin, Nebr.	Winstead
Dorn	Minshall	
Dowdy	Passman	

NOT VOTING—50

Adair	Forrester	McIntire
Alger	Gray	May
Baring	Harvey, Mich.	Miller, N.Y.
Bolton,	Hébert	Nedzi
Frances P.	Hoeven	Norblad
Brock	Hoffman	Pilcher
Buckley	Ichord	Pirnie
Byrnes, Wis.	Joelson	St. George
Corbett	Jones, Ala.	Schwengel
Daddario	Jones, Mo.	Shipley
Dawson	Kee	Smith, Calif.
Dent	Keogh	Thompson, La.
Derounian	Kyl	Toll
Derwinski	Laird	Tollefson
Dulski	Lankford	Whalley
Evins	McClory	Willis
Foreman	McDowell	Younger

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:
 Mr. Keogh for, with Mr. Hoffman against.
 Mr. Byrnes of Wisconsin for, with Mr. Adair against.
 Mr. Hébert for, with Mr. Smith of California against.
 Mr. Daddario for, with Mr. McClory against.
 Mr. Laird for, with Mr. Alger against.
 Mrs. May for, with Mr. Foreman against.

Until further notice:
 Mr. Toll with Mr. Talcott.
 Mr. Gray with Mrs. St. George.

Mr. Thompson of Louisiana with Mr. McIntire.

Mr. Jones of Alabama with Mr. Hoeven.
 Mr. Baring with Mr. Harvey of Michigan.
 Mr. Nedzi with Mrs. Frances P. Bolton.
 Mr. McDowell with Mr. Derounian.
 Mr. Dent with Mr. Corbett.
 Mr. Willis with Mr. Younger.
 Mr. Evins with Mr. Tollefson.
 Mr. Shipley with Mr. Derwinski.
 Mr. Joelson with Mr. Pirnie.
 Mr. Ichord with Mr. Kyl.
 Mr. Pilcher with Mr. Norblad.
 Mr. Dulski with Mr. Schwengel.
 Mr. Buckley with Mr. Whalley.
 Mr. Lankford with Mrs. Kee.
 Mr. Forrester with Mr. Brock.

Mr. ASHMORE and Mr. MAHON changed their votes from "yea" to "nay." The result of the vote was announced as above recorded.

The doors were opened. A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ETHEL R. LOOP

Mr. HAYS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 284) for the relief of Ethel R. Loop, the widow of Carl R. Loop.

The Clerk read the title of the bill. The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 5 of the Act entitled "An Act to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system", approved May 1, 1956, as amended (22 U.S.C. 1079d), Carl R. Loop, who died in 1923, while serving as consular officer at Catania, Italy, shall be held and considered to have been a participant under the Foreign Service retirement and disability system at the time of his death.

Sec. 2. No annuity shall be payable as a result of the enactment of this Act for any period prior to the date of such enactment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am aware of the nature of this bill. I believe it will meet a humanitarian need. I trust that it will not be considered a precedent for further legislation in this direction.

Mr. HAYS. I would say to the gentleman, as I did in our conversation yesterday, that as far as I am concerned, any further bills of this nature will have to be considered on their merits.

The bill was ordered to be read a third time, was read the third time and passed,

and a motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE
APPROPRIATION BILL, 1965

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 11202.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 1832)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 10, 11, 16, 19, 41, 46, and 50.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 9, 11a, 13, 14, 15, 17, 20, 22, 27, 30, 31, 32, 36, 37, 38, 40, 42, 44, 45, 47, and 49, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$68,793,200"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$49,932,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter stricken and proposed by said amendment, insert the following:

"WATERSHED PLANNING

"For necessary expenses for small watershed investigations and planning, \$5,524,000.

"WATERSHED PROTECTION

"For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes; *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,770,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,481,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,566,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$103,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,175,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "of which amount \$500,000 shall remain available until expended for construction, alteration and modification of research facilities."; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$90,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$15,000,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,578,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$92,860,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 6, 7, 26, 35, and 43.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
GEORGE MAHON,
WALT HORAN,
ROBERT H. MICHEL,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of

the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The managers, in consideration of this bill in conference, had budget estimates of \$29,000,000 for pesticides research (S. Doc. No. 85); \$1,000,000 for bollweevil eradication and \$4,000,000 for emergency conservation measures (S. Doc. No. 82); \$10,000,000 for the Cropland Conversion program (S. Doc. No. 83); plus \$2,000,000 for Cost-of-production research on cotton authorized by the wheat-cotton bill recently adopted by Congress. This is a total of \$46,000,000, of which \$44,000,000 was not submitted by the Budget Bureau in time to be considered in the bill by the House. A substantial portion of these items was agreed to in conference in view of their importance to agricultural programs in the coming year.

The conferees, at the instance of the executive branch, have unanimously supported funds in this bill to increase research attention to pests and pesticides in the continuing fight between man, pests and disease, so as to maintain our fine food supply and high standard of living. In addition, the conferees have provided the Secretary with \$250,000 for the purpose of coordinating the work of the Department in this area, and for the determination and agreement on standard tests and the determination of safe and practical tolerances in cooperation with other departments and agencies of Government.

It is to be noted that it is in these areas where there must be agreement if our food supply is not to be needlessly jeopardized.

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendment No. 1—Salaries and expenses: Authorizes the construction or improvement of six buildings at a cost of not to exceed \$45,000 as proposed by the Senate instead of five buildings as proposed by the House.

Amendment No. 2—Research: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$119,639,000 instead of \$97,656,000 as proposed by the House and \$120,564,000 as proposed by the Senate. The appropriation agreed to provides the following amounts for items provided under Section 32 funds in the House bill:

Staffing and operating new facilities.....	\$1,350,000
Research on pesticide residues including expansion of plans for weed control laboratory as provided by House.....	1,500,000
Foot-and-mouth disease laboratory, including \$250,000 for renovation of facilities.....	375,000
Construction of facilities, Fort Collins, Colo.....	1,000,000
Renovation of facilities, Beltsville, Md.....	850,000
Peanut Research Laboratory, Dawson, Ga.....	1,000,000

In addition the following Senate increases are agreed to:

Food science research.....	\$250,000
Stored products insect research..	200,000
Funds to be distributed to 11 research locations.....	100,000
Wholesaling and retailing research.....	200,000
Pesticide research (S. Doc. 85), including \$250,000 for the use of the Secretary in coordinating pesticide activities.....	13,758,000
Cost of production research on cotton.....	1,400,000

In connection with the peanut research laboratory, it is agreed that quality research on Virginia and Spanish type peanuts shall continue at the Southern Regional Utilization Laboratory at New Orleans, Louisiana. Also, it is agreed that the new Southeastern Regional Laboratory, provided last year is an addition to the national utilization research laboratories and is not intended to displace such existing utilization laboratories but primarily to meet the research problems of the Southeast area.

The planning and construction funds included in the bill are provided with the firm understanding that total construction costs of facilities as set forth in the Senate report are the full amounts to be used for construction, including plans and specifications. The total cost of the new insect laboratory at the Beltsville Research Center shall be limited to \$3,225,000.

Amendment No. 3—Research: Eliminates language inserted by the Senate.

Amendment No. 4—Plant and animal disease and pest control: Appropriates \$68,793,200 instead of \$65,255,000 as proposed by the House and \$69,036,400 as proposed by the Senate. The increases include the following items:

Plant quarantine inspection.....	\$105,000
Animal inspection and quarantine..	100,000
Federal Insecticide, Fungicide, and Rodenticide Act.....	300,000
Fire ant eradication.....	750,000
Sheep scabies eradication.....	783,200
Pesticide research (S. Doc. 85)....	700,000
Boll weevil eradication (S. Doc. 82).....	800,000

The conferees are in accord with Senate report language concerning reprogramming of funds.

Amendment No. 5—Meat inspection: Appropriates \$30,837,000 as proposed by the Senate instead of \$30,454,000 as proposed by the House.

Amendment No. 6—Special foreign currency program: Reported in disagreement. The managers on the part of the House will offer an amendment to appropriate \$2,000,000 instead of \$4,000,000 as proposed by the Senate.

The conferees are not fully satisfied that all projects proposed under this program are essential and productive. All projects must be reviewed more critically to make certain that they are of real benefit to American agriculture and will produce worthwhile results.

Forest Service

Amendment No. 7—Forest protection and utilization: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$1,900,000 instead of \$2,750,000 as proposed by the Senate.

Cooperative State Research Service

Amendments No. 8 through 12—Payments and expenses: Appropriate \$49,932,000 instead of \$42,440,000 as proposed by the House and \$52,482,000 as proposed by the Senate, and insert language relative to basic research and grants for facilities as proposed by the Senate. The increase agreed to includes:

Pesticide research (S. Doc. 85)-	\$3,000,000
Grants for facilities (S. Doc. 85).....	3,242,000
Salary adjustments.....	1,250,000

Funds for grants for support of basic scientific research have not been included. The Committees expect future requests for such grant funds to be supported by details on each such grant proposed.

Extension Service

Amendments No. 13 and 14—Cooperative extension work, payments and expenses: Appropriate \$72,100,000 as proposed by the Senate instead of \$67,295,000 as proposed by the House.

Amendment No. 15—Retirement and employee's compensation costs for extension agents: Appropriates \$7,510,000 as proposed by the Senate instead of \$7,410,000 as proposed by the House.

Amendment No. 16—Federal Extension Service: Appropriates \$2,451,000 as proposed by House instead of \$2,551,000 as proposed by Senate.

Farmer Cooperative Service

Amendment No. 17—Salaries and expenses: Appropriates \$1,102,000 as proposed by Senate instead of \$1,082,000 as proposed by House.

Soil Conservation Service

Conservation Operations

The conferees have agreed to the use of funds provided under this head for modernization and construction of plant materials centers as follows:

To modernize equipment and facilities.....	\$53,000
To rehabilitate center, Pullman, Wash.....	70,000
To establish center in New Jersey.....	102,000

Amendment No. 18—Watershed planning and protection: Appropriates \$5,524,000 for small watershed planning as a separate item as proposed by the House and restores paragraph for watershed protection as proposed by the House.

Amendment No. 19—Flood prevention: Appropriates \$25,423,000 as proposed by the House instead of \$22,656,000 as proposed by the Senate.

Amendment No. 20—Great Plains conservation program: Appropriates \$14,744,000 as proposed by the Senate instead of \$14,176,000 as proposed by the House.

Amendment No. 21—Resource conservation and development: Appropriates \$1,770,000 instead of \$1,496,000 as proposed by the House and \$2,044,000 as proposed by the Senate. The use of this appropriation shall be limited to those pilot projects already approved and underway.

Economic Research Service

Amendment No. 22—Salaries and expenses: Appropriates \$10,576,000 as proposed by the Senate instead of \$9,476,000 as proposed by the House.

Statistical Reporting Service

Amendment No. 23—Salaries and expenses: Appropriates \$11,481,000 instead of \$11,431,000 as proposed by the House and \$11,892,000 as proposed by the Senate. The amount agreed to includes an additional \$50,000 to extend the pilot flower estimates program. The conferees request the Forest Service to explore the possibilities of using existing cooperative forestry services to provide timber pricing information.

Agricultural Marketing Service

Amendment No. 24—Marketing services: Appropriates \$39,566,000 instead of \$39,389,000 as proposed by the House and \$39,590,125 as proposed by the Senate. The additional amounts included are:

Poultry inspection.....	\$152,000
Market news service.....	25,000

The conferees do not concur in the language in the Senate report which might appear to concur in the closing of certain market news offices after the current fiscal year. These offices have been rendering a valuable service for many years and should be continued in operation permanently.

It is further agreed that the language in the Senate report concerning the Market news service was intended to permit the transmission of weather data along with market reports and routine administrative instructions.

Amendment No. 25—Special milk program: Provides \$103,000,000, one-half by appropriation and one-half by transfer from

section 32 funds. The House bill provided \$99,831,000 by transfer from section 32 and the Senate bill provided \$106,000,000 by direct appropriation.

Amendment No. 26—Special milk program: Reported in disagreement. The managers on the part of the House will offer a motion to provide \$51,500,000 of the total funds by transfer from section 32.

Amendment No. 27—Section 32: Provides \$35,000,000 for the Food Stamp Plan as proposed by the Senate instead of \$45,000,000 as proposed by the House.

Amendments No. 28 and 29—Section 32: Provide \$12,175,500 instead of \$25,000,000 as proposed by the House and \$11,000,000 as proposed by the Senate. The amount agreed to includes funds for the following purposes:

Cost of production research as provided in Senate bill.....	\$5,000,000
Utilization research as provided in Senate bill.....	5,000,000
Research on health-related problems of tobacco in Kentucky.....	1,500,000
Research on health-related problems of tobacco in Flue-cured area.....	175,000
Construction and alteration of research facilities in Flue-cured area.....	500,000
Total.....	12,175,000

Foreign Agricultural Service

Amendment No. 30—Salaries and expenses: Appropriates \$20,488,000 as proposed by the Senate instead of \$18,790,000 as proposed by the House. The Department should give attention to having the sales manager report directly to the Secretary of Agriculture in order to give increased attention to sales of commodities for dollars.

Commodity Exchange Authority

Amendment No. 31—Salaries and expenses: Appropriates \$1,119,000 as proposed by the Senate instead of \$1,100,000 as proposed by the House.

Agricultural Stabilization and Conservation Service

Amendment No. 32—Expenses, ASCS: Inserts Senate language dealing with activities of employees and ASCS Committeemen.

Amendment No. 33—Sugar Act program: Appropriates \$90,000,000 instead of \$86,400,000 as proposed by the House and \$92,300,000 as proposed by the Senate.

Amendment No. 34—Cropland conversion program: Appropriates \$15,000,000 instead of \$7,200,000 as proposed by the House and \$20,000,000 as proposed by the Senate. The amount provided is to cover full financing for both the 1964 and 1965 programs.

Amendment No. 35—Emergency conservation measures: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$4,000,000 as proposed by the Senate.

Office of General Counsel

Amendment No. 36—Salaries and expenses: Appropriates \$3,853,000 as proposed by the Senate, instead of \$3,784,000 as proposed by the House.

National Agricultural Library

Amendment No. 37—Salaries and expenses: Appropriates \$1,547,000 as proposed by the Senate instead of \$1,347,000 as proposed by the House. The additional amount is to establish and maintain a Pesticides Information Center.

General administration

Amendment No. 38—Salaries and expenses: Appropriates \$3,314,000 as proposed by the Senate instead of \$3,530,000 as proposed by the House.

Rural Electrification Service

Amendment No. 39—Salaries and expenses: Appropriates \$11,578,000 instead of \$11,-

641,000 as proposed by the House and \$11,428,000 as proposed by the Senate. The amount agreed to includes \$150,000 to meet additional responsibilities required by last years directive of the Committees and to process loan applications without delay.

Farmers Home Administration

Amendment No. 40—Rural Housing for the Elderly Revolving Fund: Appropriates \$5,000,000 as proposed by the Senate instead of \$3,500,000 as proposed by the House.

Amendments No. 41 and 42—Salaries and expenses: Appropriates \$39,544,000 as proposed by the House instead of \$39,794,000 as proposed by the Senate, and provides \$2,250,000 transfer from the Agricultural Credit Insurance fund as proposed by the Senate instead of \$2,000,000 as proposed by the House.

Amendment No. 43—Salaries and expenses: Reported in disagreement. The managers will offer a motion to restore House language which provides \$500,000 for temporary field employment and to restrict the use of funds under this head for rural housing grants.

Commodity Credit Corporation

Amendment No. 44—Reimbursement for net realized losses: Appropriates \$1,574,000,000 as proposed by the Senate instead of \$1,724,000,000 as proposed by the House.

Amendment No. 45—Limitation on administrative expenses: The managers on the part of the House have receded to Senate amendment No. 45, which prohibits mandatory micronaire readings on cotton for fiscal year 1965.

The managers have taken this action because the Department, in setting p mandatory micronaire readings, did not follow provisions of law requiring 1 year's waiting period after notice as required by the Cotton Standards Act.

In taking this action, the managers on the part of the House do not take any position against voluntary micronaire reading.

Foreign assistance programs

Amendments Nos. 46 and 47—Public Law 480: Appropriate \$1,612,000,000 for title I sales as proposed by the House instead of \$1,737,000,000 as proposed by the Senate, and appropriate \$35,000,000 for title IV contracts as proposed by the Senate instead of \$55,000,000 as proposed by the House.

Amendment No. 48—Bartered materials for supplemental stockpile: Appropriates \$92,860,000 instead of \$82,860,000 as proposed by the House and \$102,860,000 as proposed by the Senate.

TITLE V—GENERAL PROVISIONS

Amendment No. 49—Section 501: Permits the purchase of 474 automobiles as proposed by the Senate instead of 472 as proposed by the House.

Amendment No. 50—Section 507: Deletes language of the Senate related to use of increases provided in the bill. It is expected that the Department will follow the procedures outlined in its explanatory outlines as submitted to the conferees on this amendment.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
GEORGE MAHON,
WALT HORAN,
ROBERT H. MICHEL,

Managers on the Part of the House.

GREATER SOUTHEAST COMMUNITY HOSPITAL FOUNDATION, INC.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2944) for the relief of the Greater Southeast Community Hospital Foundation, Inc.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That parcel 230/55, assessed to the Greater Southeast Community Hospital Foundation, Incorporated, which has been held by the Commissioners of the District of Columbia to be real property exempt from taxation in the District of Columbia, effective July 1, 1964, under the provisions of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1089; 47 D.C. Code 47-801a et seq.), shall be held and considered to have been real property exempt from taxation in the District of Columbia under the provisions of such Act for the period beginning on October 14, 1958, and ending on June 30, 1964. The Commissioners of the District of Columbia are authorized and directed to allow refund to the Greater Southeast Community Hospital Foundation, Incorporated, of any amounts paid as real estate taxation on such parcel for such period.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND DISTRICT OF COLUMBIA POLICE AND FIREMEN'S SALARY ACT OF 1958.

Mr. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12196) to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alignment, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

The Chair hears none and appoints the following conferees: Messrs. McMILLAN, DOWDY, WHITENER, HORTON, and HARSHA.

JURISDICTION OF THE FEDERAL COURTS IN REAPPORTIONMENT CASES

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 845 and ask for its immediate consideration.

Mr. O'HARA of Michigan. Mr. Speaker, I make a point of order.

The SPEAKER. The gentleman will state it.

Mr. O'HARA of Michigan. Mr. Speaker, I make a point of order against the consideration of House Resolution 845 on the grounds that the Committee on Rules is without jurisdiction to bring such resolution to the floor of the House under the provisions of rule 16 of the Rules of the House of Representatives, and I ask permission to be heard on the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. O'HARA of Michigan. Mr. Speaker, a review of the precedents of

this House reveals occasions on which the House has permitted the Committee on Rules to bring before it resolutions making in order the consideration of bills that have been improperly referred to legislative committees, bills that had not yet been referred to the Committee on Rules, and possibly even a bill not yet introduced. In addition, a decision of the Speaker of the House permitted the consideration of resolution of the Committee on Rules of a bill that had not been placed on the calendar at the time the resolution was reported by the Committee on Rules. However, Mr. Speaker, I can find no occasions on which the House has clearly permitted the Committee on Rules to report to it a resolution making in order the consideration of a bill that had been introduced in the House of Representatives and referred by it—properly referred by it—to one of its legislative committees and not yet reported out or acted upon by that legislative committee to which the bill had been referred.

Mr. Speaker, I move to make this point of order after noting the gentleman from Virginia, the chairman of the Committee on Rules, which reported out House Resolution 845, is on record strongly opposing such action by the Committee on Rules as unprecedented and unwarranted. The CONGRESSIONAL RECORD of June 29, 1953, reports the gentleman's opposition to a resolution reported from the Committee on Rules which would have brought to the floor a bill pending before the Committee on Ways and Means and not yet reported by that committee.

The gentleman from Virginia did not follow up the point of order in that matter, but he was persuasive in effecting a recommittal of the resolution and a return to the regular order of business.

The only comparable incident I can find which might provide a precedent for this, Mr. Speaker, was the action taken by this Congress on the price control legislation in the 79th Congress, 2d session, found at page 8059 of the CONGRESSIONAL RECORD. This, however, it might be pointed out, was emergency legislation and a similar version had earlier been reported by a legislative committee, acted upon by the House and vetoed by the President.

I point out that in that instance the request for the rule was based on the fact that the legislation was about to expire and it was impossible to get action through the ordinary channels. The request for the rule was made by the chairman of the committee having legislative jurisdiction over the Price Control Act, a situation distinctly different from the one in which we find ourselves today, where we are asked to consider a rule making in order the consideration of a bill which was referred to a legislative committee, not yet reported by that committee and with no request made for its consideration by the chairman of the committee to which it was referred.

The SPEAKER. Does the gentleman from Virginia [Mr. SMITH] desire to be heard on the point of order?

Mr. SMITH of Virginia. Just briefly, Mr. Speaker. The rules are perfectly

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF BUDGET AND FINANCE

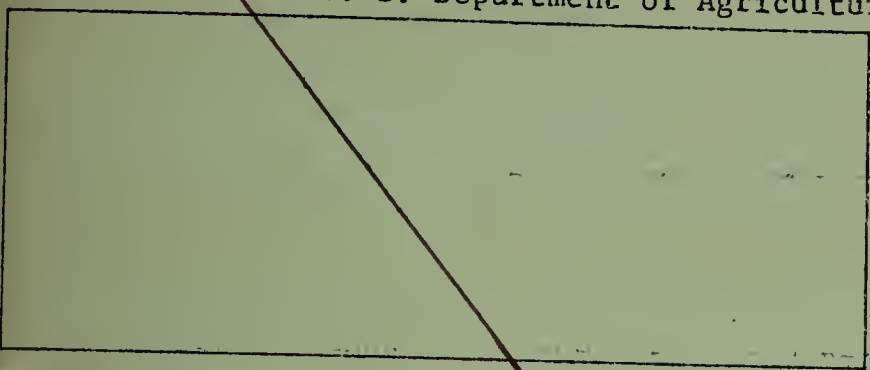
(For information only; should not be quoted or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250

Issued Aug. 21, 1964
For actions of Aug. 20, 1964
88th-2nd, No. 164

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill. House Rules Committee cleared Appalachia and Public Law 480 bills. Both Houses agreed to conference report on wilderness bill. House subcommittee voted to report water resources bill. Senate passed food grain bill. Sens. Hruska, Proxmire and Holland discussed pesticides problem. Rep. Cooley commended and inserted Secretary Freeman's statement to the Democratic platform committee on rural America. Rep. Beermann criticized wheat program and inserted article "which clearly demonstrates complete failure of the administration's wheat program."

SENATE - continued from Aug. 19

1. MINERAL LEASING. Passed as reported S. 2327, to amend section 27 of the Mineral Leasing Act of 1920 to promote the development of coal on the public domain. pp. 19896-7
2. FISHERIES. Passed as reported S. J. Res. 174, to authorize and direct the Bureau of Commercial Fisheries to conduct a survey of the marine and fresh-water commercial fishery resources of the U. S., its territories and possessions. pp. 19897-9

3. WEATHER BUREAU. Passed without amendment S. 2315, to authorize the Weather Bureau to make appropriate reimbursement between the respective appropriations available to the Bureau. p. 19899
4. PERSONNEL. Passed without amendment S. 1974, to amend the Federal Employees' Group Life Insurance Act with regard to filing designation of beneficiary. pp. 19899-900
5. CENSUS. Passed without amendment H. R. 3545, to amend section 131 of title 13, U. S. C., so as to provide for taking of the economic censuses one year earlier starting in 1968. This bill will now be sent to the President. p. 19900

SENATE - AUG. 20

6. AGRICULTURE APPROPRIATION BILL, 1965. Both Houses agreed to the conference report on this bill, H. R. 11202. (See Digest No. 163 for details of the conference report). This bill will now be sent to the President. pp. 19959-65, 19979-88
7. WILDERNESS. Both Houses agreed to the conference report on S. 4, to establish National Wilderness System. This bill will now be sent to the President. pp. 19966-8, 19988-91
8. FOOD GRAINS. Passed without amendment H. R. 11846, to permit purchase of processed food grain products in addition to purchase of flour and cornmeal and donating the same for certain domestic and foreign purposes. Action on S. 2634 a similar bill, was indefinitely postponed. H. R. 11846 will now be sent to the President. pp. 19954-5
9. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 19940-52, 19955-7, 19968-72
10. IRRIGATION. Received a letter from Interior transmitting a loan application from the Bryon-Bethany Irrigation District, Byron, Calif. under the Small Reclamation Projects Act of 1956, to Interior and Insular Affairs Committee. p. 19905
Passed as reported S. J. Res. 6, to cancel any unpaid reimbursable construction costs of the Wind River irrigation project, Wyo., chargeable against certain non-Indian lands. p. 19919
11. MINERAL LEASING. Reconsidered and indefinitely postponed action on S. 2327, to amend section 27 of the Mineral Leasing Act of 1920, to promote the development of coal on the public domain, and passed without amendment H. R. 8960, a similar bill. This bill will now be sent to the President. p. 19920
12. CONSERVATION. Sen. Javits inserted an editorial pointing out what the Congress still must do to be known as the "conservation Congress." p. 19925
13. PESTICIDES. Sen. Hruska conceded that dangers exist in the use of pesticides, but also pointed out the "dangers in a cessation of their use." pp. 19927-30
Sen. Proxmire inserted an article and an editorial outlining the problems of milk producers resulting from pesticide residues and Sens. Proxmire and Holland discussed appropriations for pesticide research and indemnification of dairy farmers. pp. 19932-4
14. ELECTRIFICATION. Agreed to the conference report on S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. This bill will now be sent to the President. pp. 19934-8

visit to Texas, to learn from him whether any such protest had been made or was contemplated. The Ambassador of Costa Rica, in answer to this inquiry, informed officials of the Department of State that no such protest had been made and that a letter had been sent us expressing appreciation for the visit. The Ambassador further stated that since being informed of the publication of the column he would write me a letter for publication denying categorically the statements of the columnist.

We, at King Ranch, have a long history of association, affection and friendship with Latin Americans, and are naturally disturbed by this false and irresponsible charge of discourtesy to the head of a Latin American government while our guest.

Mr. TOWER. I thank the Senator from Florida for yielding.

Mr. HOLLAND. I am happy to have yielded to the Senator from Texas.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 2, 6, 7, 26, and 43, to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H.R. 1213. An act for the relief of World Games, Inc.;

H.R. 2215. An act for the relief of E. A. Rolfe, Jr.;

H.R. 3071. An act to provide for the establishment of Fort Larned as a national historic site, and for other purposes;

H.R. 4018. An act to authorize establishment of the Saint-Gaudens National Historic Site, N.H., and for other purposes;

H.R. 4149. An act to provide for the satisfaction of claims arising out of scrip, lieu selection, and similar rights;

H.R. 4818. An act to amend section 25 of title 13, United States Code, relating to the duties of enumerators of the Bureau of the Census, Department of Commerce;

H.R. 5708. An act to bring certain U.S. commissioners within the purview of the Federal Employees' Health Benefits Act of 1959 and the Federal Employees' Group Life Insurance Act of 1954;

H.R. 5941. An act for the relief of Mrs. Julian A. Erskine;

H.R. 7088. An act for the relief of Joseph Di Ciccio;

H.R. 9425. An act to amend title 13, United States Code, to authorize reimbursement of census enumerators for certain telephone tolls and charges;

H.R. 9560. An act for the relief of Lim Sam Soon;

H.R. 10410. An act to amend further the Farm Credit Act of 1933, as amended, to provide that part of the patronage refunds paid by a bank for cooperatives shall be in money instead of class C stock after the bank becomes subject to Federal income tax, and for other purposes; and

H.R. 11134. An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1965—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. SALINGER in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of Aug. 19, 1964, p. 19578, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I shall not quote from the report in detail. It has already been placed in the CONGRESSIONAL RECORD of yesterday's proceedings of the House of Representatives and appears on pages 19578 through 19580.

The report was agreed to unanimously and was signed by the conferees of both Houses.

I pay my compliments and respects to the other nine members of the conference committee. Present in the Chamber is the ranking minority member of the Senate conferees, the distinguished senior Senator from North Dakota [Mr. YOUNG], who with the distinguished senior Senator from South Dakota [Mr. MUNDT] represented the minority for the conferees of the Senate. The distinguished senior Senator from Georgia [Mr. RUSSELL], the distinguished senior Senator from Louisiana [Mr. ELLENDER], and I, as chairman of the agriculture subcommittee, represented the majority for the Senate conferees.

The Members of the House who served so cooperatively and cordially in the conference were the chairman of the House conferees, Representative WHITTEN, Representatives NATCHER, MAHON, HORAN, and MICHEL.

The conference was long, extending through almost all of 2 days; but it was most pleasant, and I am deeply obligated to all of the nine other conferees.

The conference bill totals \$5,137,162,000, a reduction of \$546,294,400 under

the estimates—and \$1,109,135,015 under the 1964 appropriations.

The total is under the House bill by \$145,333,800, and is under the Senate bill by \$201,510,325.

These reductions come from the fact that in several instances we took the lower figure of each of the two Houses.

Mr. President, I wish to make a statement in regard to certain items in the conference report. The conference committee met for several hours on each of 2 days to work out the several differences between the House version and the Senate version of the agricultural appropriation bill. There were many individual items within the amendments of the Senate to the original House bill.

PESTICIDES PROGRAM

The Senate had included \$29 million in the bill for the accelerated pesticides program. This resulted from an amendment to the budget submitted directly to the Senate in Senate Document No. 85 after the House had acted upon the original budget estimates. Almost all of this program was adopted by the conference committee, with two exceptions.

The construction of a forestry research laboratory was deleted pending the completion of plans and specifications for the rebuilding of this laboratory in the Northeast. The former laboratory, which conducted insect research on forestry products, had been destroyed by fire early this year. We were advised that construction would not begin until the latter part of next year.

The conference committee did not agree to the use of \$2 million for research by grants, but did agree to the full increase over 1964 approved by the Senate for payment to the State experiment stations under the formula of \$8,504,000. This amounted to \$5,262,000 under the Hatch Act formula, and \$3,242,000 for distribution under the formula for research facilities.

CONSTRUCTION OF LABORATORY FACILITIES

All of the laboratory facilities together with funds for plans and specifications for additional laboratory facilities which were carried in the bill as it passed the Senate have been retained by the conferees, including \$1 million for the construction of a peanut quality laboratory at Dawson, Ga. The disposition of the Dawson laboratory was passed over last year without prejudice and has been agreed to, as I have just indicated, and will be used to conduct the program of research originally recommended by the Department.

USE OF SECTION 32 FUNDS FOR RESEARCH

The Senate will recall that in the House version of the agricultural appropriation bill full use was made of the provision agreed to last year to utilize up to \$25 million of section 32 funds for research purposes. The House-passed bill included the full use of this authorization and the Senate reduced it from \$25 million to \$11 million by restoring to direct appropriation several research items for long-term investigations totaling \$6,150,000. The conference committee agreed to the Senate action in regard to these several items, and in most instances to the amount carried in the Senate bill.

I believe that the conferees in both the House and Senate are in general agreement that the use of section 32 funds should be limited to emergency unforeseen research needs, and that long-term research investigations should be moved as rapidly as possible from financing under this provision to the regular appropriation process from general revenue funds. The conference agreement on the use of section 32 funds for research totals \$12,175,000 instead of \$11 million as recommended by the Senate and \$25 million as originally recommended by the House.

The conference report on page 9 sets forth the amounts agreed to as follows:

COST OF PRODUCTION AND UTILIZATION
RESEARCH

For cost-of-production research—\$5 million—as provided in the Senate version of the bill. The items involved in the \$5 million are listed on pages 12 through 14 of the Senate committee report, and the amounts in the Senate report are the amounts agreed to in the conference.

For industrial and utilization research, the conferees agreed to the \$5 million amount recommended by the Senate and the general research objectives as described by the Senate which appear on pages 14 and 15 of the Senate committee report.

RESEARCH ON HEALTH-RELATED PROBLEMS OF
TOBACCO

The House bill provided \$1,500,000 to accelerate tobacco research on the health-related problems of tobacco and directed that the full amount of increase from section 32 funds be used at the University of Kentucky. In the Senate version of the bill only \$1 million was provided for this unbudgeted program to accelerate tobacco research on the health aspects, and with directions that it be divided among major types of tobacco, including work at the University of Kentucky and the acceleration of the work at the Federal station at Oxford, N.C. After careful and thorough consideration of this matter in conference, a total of \$2,175,000 has been agreed to and is recommended in the conference report for tobacco research. The amount agreed to will provide \$1,500,000 on health-related problems of tobacco in Kentucky, and a minimum of \$675,000 for the health-related problems of tobacco in the flue-cured area.

In connection with the Oxford, N.C., station the conference committee believed it feasible to modernize the research facilities at that location prior to greatly expanding the expenditures for research, and \$500,000 of the amount agreed to is for the purpose of construction and alteration of research facilities at the Oxford, N.C., Federal research station.

Mr. MORTON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I am glad to yield to the Senator from Kentucky.

Mr. MORTON. On behalf of myself and the senior Senator from Kentucky [Mr. COOPER] who cannot be here, I wish to thank the distinguished Senator from Florida and the members of the con-

ference for handling this item. I remember that there was a colloquy about it, and I had planned to offer an amendment when the bill was on the floor; but the Senator generously agreed to take it to conference. He has done everything he said he would do, and we are deeply grateful.

I wish to point out that the research work to be carried on at the University of Kentucky will be in the nature of a national program insofar as all types of tobacco are concerned. Speaking for the people of Kentucky, we are indeed grateful.

Mr. HOLLAND. I am certain that the strong urgings and importunings of the two Senators from Kentucky had much to do with this result, as well as the equally strong urgings of the two distinguished Senators from North Carolina. The conference committee as a whole felt that this was one of the most serious problems confronting any basic commodity in agriculture. We believe that we have started the research program as well as it can be started in 1 year.

Mr. MORTON. I agree with the general philosophy of the Senator from Florida as to section 32 funds, that it should be used for emergency research rather than long-range research. In view of the recent developments at the Public Health Service and elsewhere, this is an emergency.

Mr. HOLLAND. The conference committee so regarded it, or it would not have treated the matter—I will not say so generously, but so fully and so much in accord with the request of both major factors of industry—that is, the burley tobacco industry, which is so greatly centered in Kentucky and the flue-cured tobacco which is centered along the Atlantic seaboard, but which I believe the State of North Carolina is the largest producer.

TOBACCO RESEARCH

Mr. MORTON. Mr. President, on behalf of my colleague [Mr. COOPER] I ask unanimous consent to have printed in the RECORD a statement prepared by him on the subject of tobacco research.

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

STATEMENT BY SENATOR COOPER

Kentucky is an agricultural State, and the leading producer of burley tobacco. I am also interested in the farm programs as a member of the Senate legislative Committee on Agriculture and Forestry, and each year I have supported, before the Committee on Appropriations and on the Senate floor, programs which are important to thousands of small farmers in Kentucky and throughout the Nation. The Committee has done good work in providing for these programs, and at this time I wish only to call attention to an item which is discussed in the conference report now before the Senate.

The House bill provided \$1,500,000 for tobacco research, and the report of the House Committee directed that the funds were to be used at the National Tobacco Research Laboratory established, largely with State funds, at the University of Kentucky, adjacent to the new medical school and Spindletop Research Center.

The Senate Committee reduced the amount provided by the House to \$1 million, and directed that the funds should be

equally divided between Kentucky and North Carolina, the leading producers of burley and flue-cured tobaccos, respectively. When the bill was before the Senate, I prepared an amendment for myself and Senator MORTON to restore the House amount. The RECORD contains our rather full discussion, together with the statements of the Senators from North Carolina [Mr. ERVIN and Mr. JORDAN] and the responses of the chairman of the Subcommittee [Mr. HOLLAND] and the Senator from North Dakota [Mr. YOUNG] giving assurance that the Senate conferees would keep an open mind on this subject and consider in conference the special need for additional and expanded research at this time.

I am very glad that the conference agreed to provide the full amount of \$1,500,000 for tobacco research at the University of Kentucky, as adopted by the House. In addition, the conference report provides \$175,000 for tobacco research in the flue-cured area, together with \$500,000 for the renovation or construction of research facilities at the Oxford station—which I am sure is agreeable to the Senators from North Carolina.

This marks the serious beginning of work which can make an important contribution to the questions which have been raised about smoking and health, which I do not derogate and which are of concern to tobacco growers and to the Nation.

I commend and express my appreciation to the members of the conference for their recognition of the need for research, and their action to provide funds promptly to the Department of Agriculture for this purpose.

Mr. HOLLAND. At this point, I wish to pay tribute to the Senator from North Dakota [Mr. YOUNG], for his great effectiveness throughout the consideration of the bill.

Mr. YOUNG of North Dakota. Mr. President, this was one of the most difficult appropriation bills to work on. I do not know of any appropriation bill which has been given greater scrutiny in conference by Members of the House as well as the Senate than this one. It was gone over carefully, and the smallest item was studied. We had some tough problems to deal with. Tobacco research was badly needed. Probably one of the most pressing problems was that of pesticides, and the appropriation was increased by some \$29 million.

This amount is needed to get started and to take care of this pressing problem that has concerned all the people of the United States. I believe that, all in all, the conference committee did a very good job in handling the bill. The distinguished Senator did a very commendable job. He is a very able leader and a good friend of agriculture.

Mr. HOLLAND. I thank the distinguished Senator who was certainly most effective in his cooperation with us in this work.

Mr. CASE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. CASE. I ask the Senator from Florida to yield now because unfortunately I have to leave the Chamber, but before I do so I wish to—as the most junior member of the subcommittee, as well as the Committee on Appropriations on our side of the aisle—to express to him my appreciation of his general service as a member of the Committee on Appropriations, and chairman of the Sub-

committee on Agricultural Appropriations, and more particularly, this time, my appreciation of his understanding of the needs of our State which is not now regarded as a big agricultural State, although it still is an important producer of many things which people consume—livestock included. Particularly his understanding of the needs of New Jersey seashore, which of course is very much the same as the seashore all along the coasts of our country, and for his support in the establishment there of a material center at a cost of \$102,000 to the Federal Government and \$250,000 in the site donated by the State—a cooperative feature which will be vastly useful, and which he supported last year, which we lost in conference, which he again supported this year, and was able to recommit in conference. This was done not only to our very great satisfaction but also to the very great good of the people of New Jersey and the entire country.

Mr. HOLLAND. I thank the distinguished Senator. I should like to say that I believe all members of the committee would say inclusion of this item was due to the persistence of the distinguished Senator from New Jersey. I am glad that this center had to come, to be established because the sandy dune types of soils along the Atlantic coast in that area will benefit from the operation of this new plant materials center.

Mr. CASE. I thank the Senator from Florida.

Mr. HOLLAND. Only two new facilities outside of this year's budget request were authorized this year. One is for the State of New Jersey, which has been mentioned, and the other one is for a peanut research laboratory in Dawson, Ga. New research laboratories have been ardently sought by various Senators. They were not included this year until they could be studied by the Department of Agriculture, but their omission was without prejudice as to their merit, because each one was meritorious.

Mr. CASE. I have one further comment unrelated to the State of New Jersey. The solution brought about in the long-standing peanut controversy is one of the major and signal contributions of the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator. I happen to like peanuts. I hope we will achieve some new results from the new laboratory.

SPECIAL MILK PROGRAM

Mr. President, in regard to the special milk program, the Senate had recommended a direct appropriation of \$106 million in lieu of the budget estimate of \$99,831,000 to be derived from section 32 funds. The conferees finally reached a figure of \$103 million, of which one-half, or \$51,500,000 is to be derived from section 32.

This committee, has previously expressed its opposition to the increasing tendency to utilize the section 32 permanent authorization for paying the expenses of authorized programs, for which direct appropriations are authorized out of general funds.

Mr. PROXMIRE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. PROXMIRE. I am grateful to the Senator from Florida, the Senator in charge of the bill, and the chairman of the Agricultural Subcommittee, for the excellent fight he made for this provision. I know that he wished very much to win full conference approval of the \$106 million for the school milk program. He and I agreed that it would have been done at no cost to the taxpayers but would have meant more milk for schoolchildren. I know that under the circumstances it was impossible to get the \$106 million. I also recognize that the Senator feels as deeply as any man in the Senate about the integrity of section 32 funds.

So I am grateful that he made this fight. Certainly, it is in the interest of the dairy farmer and the schoolchildren of America, and I believe in the long run to the real interest of the taxpayers. This was a fine achievement on his part. I am grateful to him for it.

Mr. HOLLAND. I thank the distinguished Senator. Let me say again that his perseverance in this matter has paid off. I am only sorry that we could not get the entire \$106 million recommended by the Senate and which would have meant more in meeting the demands for milk resulting from the growth in the number of children who are eligible to receive value from the special milk program. As much as I regretted to do so, I was willing to yield on the point of half that sum coming out of section 32 funds. However, I wish to say that we included words in the amendment which will shortly be considered which will prevent a recurrence in the use of section 32 funds for this purpose in the future.

The conference action in dealing with this item also provides that there will be no recurrence of financing the special milk program—which I strongly support—from section 32 because a provision has been inserted in the amendment which is reported in technical disagreement to preclude further use of section 32 funds for financing the special milk program. It is our belief that the abuse of section 32 funds should be stopped, and I hope that the action taken by the conference committee will serve as a strong reminder to the executive branch of the Government not to further attempt to dip into section 32 funds for the financing of programs which have their separate legislative authorization and for which appropriations are authorized to be made.

Mr. President, I am happy to say that for the first time all conferees in the conference were in accord on the proposal that section 32 funds should not be used hereafter to fund activities which are covered by regular authorizations and are supposed to be handled out of general revenue funds.

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

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. I concur in the statement the Senator just made. All members of the conference

were of the general feeling, both on the Committee on Appropriations and on the standing Committee on Agriculture and Forestry, that section 32 funds should not be used in a very large measure for purposes such as this. They should be used to help the perishable commodities industry when they are in trouble.

Mr. HOLLAND. I thank the Senator. Coming from a State which is not so much interested as some of the other States in perishable commodities, such as vegetables, fruits, and the like, I think the attitude of the Senator is to be greatly appreciated and commended. However, his State does raise a great deal of mutton and lamb, and is interested in the same problem to that extent.

SOIL CONSERVATION SERVICE

The Senate bill had included funds to modernize the plant materials station operated by the Soil Conservation Service at Pullman, Wash., and funds to provide for a plant materials station on the eastern Coastal Plains to be located in New Jersey. Neither of the actions taken in this regard involve the changing of the amount as between the House and Senate version of the appropriation for the Soil Conservation Service.

I am pleased to report to the Senate that the conferees have agreed to the actions taken by the Senate in regard to these two plant materials stations.

Mr. President, I have no further statement to make in regard to the action of the conference on the agricultural appropriation bill. Unless there are questions I move that the conference report be agreed to.

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

Mr. HOLLAND. I yield.

Mr. ALLOTT. First of all, I realize, as do my colleagues, what a difficult task has been accomplished. There are many items in the bill. I would indeed be remiss if I did not express my appreciation to the distinguished chairman [Mr. HOLLAND] and to the distinguished Senator from North Dakota [Mr. YOUNG] both of whom have been quite understanding. I should like to comment about two or three items.

Mr. HOLLAND. I thank the distinguished Senator from Colorado, not only for myself, but for the Senator from North Dakota. We appreciate his kind comment.

Mr. ALLOTT. It comes from the heart. I know how much devotion Senators have poured into their work on the bill.

I am particularly appreciative of the fact that the conferees were able to retain the full amount for the construction of the sugarbeet, forage, and range research facilities at Fort Collins, Colo., in the amount of \$1 million. This is a facility that is very greatly needed. It will serve a great portion of the Midwest and the Great Plains States, as well as other parts of the country. It is not only a very badly needed facility, but also it is a facility that will be put to good use, particularly in these days. As the Senator so well knows, the sugar question is quite important.

There was an item in the bill, of \$250,000 that was included, I believe, under the heading of "General research," for wheat research. It is my understanding that that is included in the total amount.

Mr. HOLLAND. The Senator is correct.

The conferees were all agreed that the beet sugar industry was a very large and developing industry under the present circumstances, and that it has not been sufficiently recognized heretofore. We were glad to put in the full amount.

Mr. ALLOTT. This is one area in which all portions of the sugarbeet industry were interested—not only the producers themselves, but also the processors and everyone else concerned.

I should also like to express my appreciation for the retention in conference of the \$568,000 which was added by the Senate in its bill to the Great Plains conservation program.

This has saved millions of dollars worth of land, grass, and other natural resources over a period of years. Because of the great drought that seems to be afflicting a large portion of the West, Midwest, and Southwest at the present time, we can very well utilize this money.

We appreciate this action by the committee, and the fact that they were able to convince the House conferees that this item was needed. It is something that I am sure the people of Colorado and the West would wish me to comment on and thank the committee for.

Mr. HOLLAND. I thank the Senator. We were advised by the staff of the committee—and I may say that on both sides of the aisle, we have very able staff members—that this is the first time that the full budgeted amount has ever been allowed by Congress for the Great Plains program, which indicates, I think—considering the economy trend that is shown in the bill itself generally, since we are well under all figures—that the program has been showing fine results. There was no strong opposition to granting the full amount.

Mr. ALLOTT. I thank the Senator.

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

Mr. HOLLAND. I yield.

Mr. YOUNG of North Dakota. I was very much pleased to hear the comment of the Senator from Colorado. He comes from a great wheat State, too. He is interested in research for wheat.

The Senator from Florida knows that we tried to get additional funds on the Senate side for more nutrition research. The sum of \$2 million was proposed to start nutrition laboratories in the Great Plains country and begin planning on a laboratory at Beltsville. On the Senate side, we decided not to provide for any new laboratories this year.

I hope that next year we shall get started in that direction. The work on nutrition is very important. It could have a widespread effect in the future.

I join the Senator from Colorado in expressing appreciation for the fact that we are finally getting a good start in the field of wheat nutrition.

Mr. HOLLAND. I thank the Senator. I hope that the \$250,000 shows

such good results that we may get more for research in the field.

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

Mr. HOLLAND. I yield.

Mr. HUMPHREY. May I ask the Senator just what happened to the timber price reporting feature of the Senate bill?

Mr. HOLLAND. That was one of the items which we were not able to retain, I regret to say. I also regret to say that we were unable to retain the full amount on the flower reporting program. This is an industry of \$1.2 billion, a goodly portion of which is centered in my own State. We were not able to get the consent of the House conferees to retain but half of that amount, and we were not able to get their consent to retain any of the item on the timber report.

The conferees, however, request, on page 8 of the conference report:

The conferees request the Forest Service to explore the possibility of using existing cooperative forest services to provide timber price information.

I do not know whether that means much or not. But the timber experts on the conference committee seemed to think they might get the wheels started toward the direction in which the Senator from Minnesota has been interested for so long—I think for 3 or 4 years—and has ardently desired them to start.

Mr. HUMPHREY. I thank the Senator. It is my hope that the Department of Agriculture, in its next budget, will include that item, because the timber price reporting service is of great importance to our timber farmers. Timber production is like any other crop, such as cotton, rice, wheat, or feed grains. The farmers need timber pricing information for commodity price marketing purposes, as in the case of any other product. I regret we were not able in the conference, to succeed in obtaining those surveys. I thank the Senator from Florida for his helpfulness in the Senate committee.

I am hopeful, too, that the flower reporting service might also be included next year, because that is a very important area of agricultural production. It ought to be given the same consideration as we give to other commodities. I hesitate to call flowers a commodity because they have a character of their own, but I surely concur with the Senator's hope in that matter.

Mr. HOLLAND. I thank the distinguished Senator. Commenting briefly on that point, the flower industry is now an industry which produces \$1,200 million a year. It has asked for very little. It has no price support. The industry is found in many States. Pilot reporting programs are now operating in six States at a very modest cost of \$37,600. My own State of Florida is one of the six major producing States, and therefore has the advantage of that operation. For that reason I was particularly sorry that we could not expand the service to the other 11 States, making 17 in all. They are the major producing States and they were included in the request of the national flower industry. This year the service was requested to be extended to

those 11 additional States. However, I am happy to say to the distinguished Senator that we did increase slightly both production and marketing research, by \$150,000.

Mr. HUMPHREY. I do indeed. If the Senator will permit me to do so, I should like to add my voice to that of the Senator from North Dakota [Mr. YOUNG] and the Senator from Colorado [Mr. ALLOTT] in reference to these new laboratories, particularly insofar as the wheat laboratory is concerned. I believed that those are wise investments. I never have seen a research laboratory yet which could really be called an expenditure. In terms of spending, ultimately more comes back in return than the amount spent. If it were not for research in American agriculture, our whole agricultural structure today would be in shambles.

I commend the committees of Congress and the Senators and Representatives who serve on those committees for taking the initiative on these questions. Actually, for many years the executive branch has been less forward in the subject of research than the Congress. I believe the record thus far shows that the initiative taken by the Congress in research facilities has been wise and prudent and naturally has saved money for the taxpayers. It has improved farm income and actually has benefited the entire economy.

I know that the chairman of the subcommittee, the Senator from Florida [Mr. HOLLAND], now handling the bill, had to take the position that no new laboratories would be included in the appropriation.

Mr. HOLLAND. Except the budgeted ones.

Mr. HUMPHREY. Except the budgeted ones. That is correct. Many of us came in with other suggestions. I came in with some proposals that I thought would be very beneficial not only for the area of the Nation that I am privileged to represent in part, but for the whole Nation. I am hopeful that the record of the hearings before the Subcommittee on Agricultural Appropriations of the Senate Committee on Appropriations will be studied by the executive branch so that when the new budget is presented, the case that was made for some of these laboratories can be budgeted, because I know how important it is that we adhere as much as possible to budgeted items, even though I must say, with all due respect to the Bureau of the Budget and the executive department, there are times when we are wise in making our own decision and using the Budget Bureau figures only for guidance.

Mr. HOLLAND. I believe the distinguished Senator from Minnesota is correct. The conference report covers an appropriation for research into pesticides under the recommendations of the Budget Bureau. Everyone is familiar with what is happening in connection with the pressing question of the effect of pesticides. Also, there is a pressing need in the tobacco industry for research, and there is a sizable program in that field. We will not hesitate to do what the Senator has suggested when there is a

pressing need that has not been recommended by the Budget Bureau.

As a member of the committee and as a Senator for his State and the Nation, the Senator from Minnesota has been very diligent. I am only sorry that the committee—and in fact the country—is not able to move along quite so fast as the Senator sometimes would like to see us move. But I think we have moved rather constructively this time, and I hope that the results accomplished will so indicate.

Mr. HUMPHREY. I thank the Senator. I wish to add one word. As the Senator will recall, I was deeply interested in the expansion of the rust laboratory facilities, which are studying rust affecting our wheat production. I have both a sentimental interest and an economic interest. My late uncle, Dr. Harry B. Humphrey, was the chief plant pathologist for the Department of Agriculture for many years. He was the head of the USDA graduate school at the Department of Agriculture. He was one of the pioneers in this whole field of rust control. As a young man and boy, I used to travel with him through the wheat fields of the Midwestern States. I can remember many times looking across those fields. He would spot a place where we could see the wheat sort of dip, and we would know that in that area there was rust or some affliction of the crop.

Our University of Minnesota at St. Paul, on its agriculture campus, has a laboratory facility at the present time exploring into ways and means of controlling this rust infection, because it is an infection, on the wheat stem and finally on the wheat kernel itself.

I am hopeful that next year the Department of Agriculture will see the importance of waging a continuing battle against rust, because there are many variations of it. We correct one only to find another. It is like trying to find the proper type of mycin drug to control a virus in the human body. As a pharmacist of sorts, though no longer really up to date, I know that the mycin family of drugs must be constantly updated. New compounds have to be perfected to combat infection.

So let us hope that the Department of Agriculture will give us a break on the rust laboratory in the appropriation for the next fiscal year. I know that my friend from Florida will be the first to embrace that recommendation. He has been simply magnificent.

The Senator from Florida has been magnificent in terms of our agricultural economy and our agricultural appropriations. I would not wish to sit down without paying my respects to him for his diligence, his care, his generosity, and yet for his prudence in the appropriation.

Mr. HOLLAND. Mr. President, I certainly appreciate that statement for myself and all members of our subcommittee on both sides of the aisle and all members of the committee, of which the distinguished Senator from Minnesota is one of the more diligent members.

I must say that we had our attention called very fully to this dear desire of

the Senator from Minnesota in connection with the experimentation and research for wheat rust. I should like the RECORD to show why the request was not granted. There were either eight or nine—I have forgotten which—ardent requests by various Senators, all of which had merit. We put them all back in the Department and said, "Go over all these things and look at them in connection with your other establishments. Come back with some strong specific recommendations to us."

We think that that is the orderly way.

COFFEE RESEARCH FUNDS AGREED UPON

Mr. FONG. Mr. President, I want to express my deepest appreciation for the action of the conferees on the Agriculture Department appropriation bill (H.R. 11202) in retaining the Senate increases for coffee research.

On August 8, the Senate approved \$37,500 for research on a mechanical harvester for coffee cherries and earmarked \$25,000 more than the budget provided for research on the market potential of Kona coffee. Both of these amounts were added by the Senate to the bill as it was passed by the House of Representatives.

While these amounts are small compared with the billions of dollars provided in this bill for the Department of Agriculture and related agencies, they are very important to the future of the coffee industry in Hawaii.

Through research we hope to reduce production costs and increase the market for Hawaii's coffee.

The State of Hawaii is the only one of our 50 States that grows and exports coffee—a very fine, high-grade coffee grown, principally in the Kona district of our largest island, Hawaii.

In volume, Hawaii's Kona coffee represents much less than 1 percent of world production. It has little, if any, impact on world coffee prices.

But world coffee prices have a tremendous impact on Kona coffee prices. History shows that as world coffee prices go, so goes the price of Hawaii's Kona coffee.

During the drastic coffee price decline of 1959-63, Kona coffee farmers suffered real hardship. From a high of \$6.5 million for the 1958 crop, the Kona coffee industry fell to a low of \$1.8 million in 1962. The number of coffeegrowers in Hawaii also declined.

As long as Kona coffee is sold as green coffee, as is most of the world's coffee, Kona coffee prices will fluctuate with the world coffee price.

For some time, Kona coffee farmers, their organizations, and other components of the coffee industry in Hawaii have been striving to strengthen the industry in both domestic and world markets with the help of our State Department of Agriculture, the University of Hawaii, the Extension Service, and other agencies of the U.S. Department of Agriculture.

Since coming to the Senate, I have sought assistance in Congress and in the executive branch for this important segment of Hawaii's economy. Some progress has already been made.

Last year, in response to my request,

the Senate Agriculture Appropriations Subcommittee recommended \$25,000 for research on a mechanical harvester for coffee. As one-half of the 1964 fiscal year had elapsed when this bill went to conference, the final amount allowed was \$12,500. This was a good beginning.

This year I requested \$40,000 to provide for a full year's research for this important research project, through which a less costly method than the present hand harvesting of Kona coffee will some day be developed.

In addition, I requested \$25,000 more than the \$13,000 contained in the 1965 budget for an expanded research program in the market potentials of Kona coffee.

I was delighted that the Senate Agriculture Appropriations Subcommittee once more supported these requests for research assistance for Kona coffee. Later, the full appropriations and the Senate itself concurred in these increases.

In closing, I want to say "mahalo"—thank you—to my good friends, the distinguished senior Senator from Florida [Mr. HOLLAND] chairman of the subcommittee, the distinguished senior Senator from North Dakota [Mr. YOUNG] ranking minority member, and all the other members of the Senate Agriculture Appropriations Subcommittee for their support of these vital funds for Hawaii's coffee industry. In them, the farmers of Hawaii and of all America have staunch friends and champions.

I want to express my gratitude also to the Members of the Senate Appropriations Committee, who sustained their subcommittee's recommendations on coffee research and to the House conferees for their support of these items.

I know all the people of Hawaii engaged in production and marketing of coffee join me in expressing appreciation.

Mr. HOLLAND. Mr. President, unless there are some additional questions, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 11202, which was read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the bill (H.R. 11202) entitled "An Act making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following: "\$114,991,000, plus not to exceed the following amounts, to remain available until expended, for the planning, construction, alteration, and equipping of research facilities: \$1,000,000 for crops research facilities at Fort Collins, Colorado; \$850,000 for facilities at the Agricultural Research Center, Beltsville, Maryland; \$800,000 for a stored product insects laboratory, Savannah, Georgia; \$260,000 for plans for a livestock insects and toxicology laboratory, College Station, Texas; \$338,000 for plans for a plant disease, nematode, and insect laboratory, Beltsville, Maryland; \$160,000 for plans for an insect attractants and stored product insects laboratory, Gainesville, Florida; \$1,000,000 for a peanut quality research laboratory, at Dawson, Georgia, on a site acquired by donation; and \$240,000 for plans for a western cotton insects and physiology laboratory, Tempe, Arizona; a cotton disease laboratory, College Station, Texas; a cotton physiology laboratory, Stoneville, Mississippi; pilot cotton ginning facilities at Stoneville, Mississippi, and Mesilla Park, New Mexico; and facilities in the high plains region in Texas for cotton ginning and storage research; in all, \$119,639,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an

amendment, as follows: In lieu of the sum of \$4,000,000, insert "\$2,000,000."

After the sum of \$25,000, change the word "for" to "Of."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 7, and concur therein with an amendment, as follows:

In lieu of the sum of \$2,750,000, insert "\$1,900,000".

In lieu of the sum of \$900,000, insert "\$50,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows:

Restore the matter stricken, amended to read as follows: "of which \$51,500,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612): Provided, That hereafter appropriations under this head shall be made in accordance with the provisions of Public Law 87-128".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 43, and concur therein with an amendment, as follows: Restore the matter stricken, and add at the end thereof the following: "Provided further, That no part of any funds in this paragraph may be used to administer a program which makes

rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended".

Mr. HOLLAND. Mr. President, unless there are questions about any of the amendments, I move that they be considered and agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I move to reconsider the vote by which the Senate has concurred in the House amendments to the Senate amendments.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a comparative table showing the budget estimate, the House, the Senate, and the conference allowances on the various appropriation items in the agricultural appropriation bill for 1965.

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

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965

	Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965 ¹	House bill, 1965	Senate bill, 1965	Conference allowance
TITLE I—GENERAL ACTIVITIES						
Agricultural Research Service:						
Salaries and expenses:						
S. 85	Research	² \$96,433,075	³ \$116,832,875	\$97,656,000	\$120,564,000	\$119,639,000
H. Doc. No. 240, S. 82, S. 83, S. 85	Plant and animal disease and pest control	64,318,000	69,605,000	65,255,000	69,036,400	68,793,200
H. Doc. No. 284	Meat inspection	27,896,000	30,837,000	30,454,000	30,837,000	30,837,000
	1964 supplemental		90,000			
S. 82	Total, salaries and expenses	188,647,075	217,364,875	193,365,000	220,437,400	219,269,200
	Salaries and expenses (special foreign currency program)	1,250,000	4,000,000		4,000,000	2,000,000
	Total, Agricultural Research Service	189,897,075	221,364,875	193,365,000	224,437,400	221,269,200
Forest Service:						
S. 85	Research (1965 supplemental)		2,750,000		2,750,000	1,900,000
S. 85	Cooperative State Research Service: Payments and expenses	41,428,000	51,232,000	42,440,000	52,482,000	49,932,000
Extension Service:						
S. 85	Payments to States and Puerto Rico	67,295,000	66,805,000	67,295,000	72,100,000	72,100,000
S. 85	Retirement costs for extension agents	7,272,500	7,510,000	7,410,000	7,510,000	7,510,000
S. 85	Penalty mail	3,113,000	3,113,000	3,113,000	3,113,000	3,113,000
S. 85	Federal Extension Service	2,401,000	2,551,000	2,451,000	2,551,000	2,451,000
	Total, Extension Service	80,081,500	79,979,000	80,269,000	85,274,000	85,174,000
	Farmer Cooperative Service	1,059,200	1,102,200	1,082,000	1,102,000	1,102,000
Soil Conservation Service:						
	Conservation operations	97,926,000	98,750,000	100,511,000	100,511,000	100,511,000
	Watershed planning			5,524,000		5,524,000
	Watershed protection	63,447,000	65,848,000	60,324,000	65,848,000	60,324,000
	Flood prevention	25,423,000	22,656,000	25,423,000	22,656,000	25,423,000
	Great Plains conservation program	13,612,000	14,744,000	14,178,000	14,744,000	14,744,000
	Resource conservation and development	1,496,000	2,044,000	1,496,000	2,044,000	1,770,000
	Total, Soil Conservation Service	201,904,000	204,042,000	207,454,000	205,803,000	208,296,000
S. 85	Economic Research Service: Salaries and expenses	9,246,800	9,976,000	9,476,000	10,576,000	10,576,000
	Statistical Reporting Service: Salaries and expenses	10,590,900	11,431,400	11,431,000	11,892,000	11,481,000
Agricultural Marketing Service:						
H. Doc. No. 203	Marketing services	⁴ 37,192,600	⁵ 39,515,125	39,389,000	39,590,125	39,566,000
	1964 supplemental		173,000			
	Payments to States and possessions	1,500,000	1,425,000	1,500,000	1,500,000	1,500,000
	Special milk program	99,834,000		106,000,000	106,000,000	51,500,000
	Transfer from sec. 32 funds (special receipts)		(99,831,000)	(99,831,000)		(51,500,000)
	School lunch program	136,616,000	147,610,000	146,400,000	146,400,000	146,400,000
	Transfer from sec. 32 funds	(45,000,000)	(45,000,000)	(45,000,000)	(45,000,000)	(45,000,000)
	Total, Agricultural Marketing Service	275,142,600	188,723,125	187,289,000	293,490,125	238,966,000
H. Doc. No. 240	Foreign Agricultural Service: Salaries and expenses	18,587,500	20,524,000	18,790,000	20,488,000	20,488,000
	Transfer from sec. 32 funds	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)	(3,117,000)
	Commodity Exchange Authority	1,053,000	1,119,000	1,100,000	1,119,000	1,119,000
Agricultural Stabilization and Conservation Service:						
	Expenses, Agricultural Stabilization and Conservation Service	⁶ 117,970,500	114,562,000	105,602,000	105,602,000	105,602,000
	Transfer from Commodity Credit funds	(91,720,000)	(87,508,000)	(87,508,000)	(87,508,000)	(87,508,000)
	Sugar Act program	78,000,000	87,500,000	86,400,000	87,500,000	87,500,000

Footnotes at end of table.

Comparative statement of appropriations for 1964 and estimates and amounts recommended in bill for 1965—Continued

	Item	Appropriations, 1964 (adjusted)	Budget estimates, 1965 ¹	House bill, 1965	Senate bill, 1965	Conference allowance
	TITLE I—GENERAL ACTIVITIES—continued					
H. Doc. No. 203	1964 supplemental		\$6,400,000		\$4,800,000	\$2,500,000
	Agricultural conservation program	\$215,000,000	225,000,000	\$225,000,000	225,000,000	225,000,000
S. 85	Conservation reserve program	294,000,000	194,000,000	194,000,000	194,000,000	194,000,000
	Cropland conversion program	11,350,000	10,000,000	7,200,000	10,000,000	7,500,000
S. 83	1964 supplemental		10,000,000		10,000,000	7,500,000
S. 82	Emergency conservation measures	4,000,000	4,000,000		4,000,000	4,000,000
	Total, Agricultural Stabilization and Conservation Service	720,320,500	651,462,000	618,202,000	640,902,000	633,602,000
	Office of Rural Areas Development	120,000	124,000	124,000	124,000	124,000
	Office of Inspector General	9,712,400	9,874,000	9,874,000	9,874,000	9,874,000
	Office of the General Counsel	3,698,500	3,853,000	3,784,000	3,853,000	3,853,000
	Office of Information	1,634,000	1,648,000	1,648,000	1,648,000	1,648,000
	National Agricultural Library:					
S. 85	Salaries and expenses	1,326,140	1,547,000	1,347,000	1,547,000	1,547,000
	Library facilities	450,000	7,000,000			
H. Doc. No. 240	Office of Management Services	2,541,200	2,482,000	2,482,000	2,482,000	2,482,000
H. Doc. No. 240	General administration	3,223,000	3,357,000	3,530,000	3,314,000	3,314,000
	Total, title I, general activities	1,572,016,315	1,473,590,600	1,393,687,000	1,573,157,525	1,506,747,200
	TITLE II—CREDIT AGENCIES					
	Rural Electrification Administration:					
	Loan authorizations:					
	Electrification	⁷ (425,000,000)	⁸ (365,000,000)	⁹ (365,000,000)	(365,000,000)	(365,000,000)
	Telephone	(70,000,000)	(63,000,000)	¹⁰ (70,000,000)	(70,000,000)	(70,000,000)
	Total, loan authorizations	(495,000,000)	(428,000,000)	(435,000,000)	(435,000,000)	(435,000,000)
	Salaries and expenses—REA	11,149,000	11,428,000	11,641,000	11,428,000	11,578,000
	Farmers Home Administration:					
	Rural housing loans	25,000,000				
	Direct loan account:					
	Real estate loans	(60,000,000)	(25,000,000)	(60,000,000)	(60,000,000)	(60,000,000)
	Operating loans	¹¹ (300,000,000)	(300,000,000)	¹¹ (300,000,000)	(300,000,000)	(300,000,000)
	Total, direct loan account	(360,000,000)	(325,000,000)	(360,000,000)	(360,000,000)	(360,000,000)
	Rural renewal	1,200,000	2,190,000	1,200,000	1,200,000	1,200,000
	Rural housing for the elderly revolving fund	3,500,000	5,000,000	3,500,000	5,000,000	5,000,000
H. Doc. No. 240	Salaries and expenses	38,043,900	40,184,000	39,544,000	39,794,000	39,544,000
	Total, Farmers Home Administration	67,743,900	47,374,000	44,244,000	45,994,000	57,322,000
	Total, title II, credit agencies:					
	Loan authorizations	(855,000,000)	(753,000,000)	(795,000,000)	(795,000,000)	(795,000,000)
	Direct appropriation	78,892,900	58,802,000	55,885,000	57,422,000	57,322,000
	TITLE III—CORPORATIONS					
	(Including Public Law 480 and other assistance programs)					
	Federal Crop Insurance Corporation:					
	Administrative and operating expenses:					
	Appropriations	6,944,000	6,942,000	6,942,000	6,942,000	6,942,000
	Premium income	(3,605,000)	(3,649,000)	(3,638,000)	(3,638,000)	(3,638,000)
	Commodity Credit Corporation:					
	Reimbursement for net realized losses	2,690,400,000	1,724,000,000	1,724,000,000	1,574,000,000	1,574,000,000
	Limitation on administrative expenses	(41,650,000)	(37,351,000)	(37,351,000)	(37,351,000)	(37,351,000)
	Public Law 480:					
S. 85	Sales for foreign currencies	1,452,000,000	1,893,000,000	1,612,000,000	1,737,000,000	1,612,000,000
S. 85	Emergency famine relief	215,451,000	220,453,000	220,453,000	220,453,000	220,453,000
S. 85	Long-term supply contracts	52,515,000	55,000,000	55,000,000	35,000,000	35,000,000
	Total, Public Law 480	1,719,966,000	2,168,453,000	1,887,453,000	1,992,453,000	1,867,453,000
	International Wheat Agreement	86,218,000	31,838,000	31,838,000	31,838,000	31,838,000
	Bartered materials for supplemental stockpile	82,860,000	120,000,000	82,860,000	102,860,000	92,860,000
	Total, title III, corporations	4,595,388,000	4,051,233,000	3,733,093,000	3,078,093,000	3,573,093,000
	TITLE IV—RELATED AGENCIES					
	Farm Credit Administration:					
	Limitation on administrative expenses	(2,785,000)	(2,876,000)	(2,876,000)	(2,876,000)	(2,876,000)
	Total appropriations:					
	Title I—General activities	1,572,016,315	1,473,590,600	1,393,687,000	1,573,157,525	-1,506,747,200
	Title II—Credit agencies	78,892,900	58,802,000	55,885,000	57,422,000	<57,322,000
	Title III—Corporations (including Public Law 480 and other assistance programs)	4,595,388,000	4,051,233,000	3,733,093,000	3,708,093,000	>3,573,093,000
	Title IV—Related agencies	(2,785,000)	(2,876,000)	(2,876,000)	(2,876,000)	(2,876,000)
	Grand total	6,246,297,215	5,583,625,600	5,182,665,000	5,338,672,525	>5,137,162,200
	1965 appropriations	6,246,297,215	5,564,212,600	5,182,665,000	5,321,122,525	5,125,262,200
	1965 supplemental		2,750,000		2,750,000	1,900,000
	1964 supplementals		16,663,000		14,800,000	10,000,000

¹ H. Doc. 266, dated Jan. 21, 1964, unless otherwise indicated.
² Includes \$5,041,375 for marketing research which is merged with this appropriation.
³ Includes \$4,459,875 for marketing research which is merged with this estimate.
⁴ Excludes \$5,041,375 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
⁵ Excludes \$4,459,875 for marketing research which is merged with "Salaries and expenses, Agricultural Research Service."
⁶ Includes \$13,600,000 deficiency for fiscal year 1964 submitted in H. Doc. 203 of Jan. 21, 1964.
⁷ Includes \$150,000,000 contingency authorization.
⁸ Includes \$65,000,000 contingency authorization.
⁹ Includes \$90,000,000 contingency authorization.
¹⁰ Includes \$7,000,000 contingency authorization.
¹¹ Includes \$50,000,000 contingency authorization.

MESSAGE FROM THE HOUSE—
ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 26. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie project, Utah, and for other purposes;

S. 1169. An act to authorize a per capita distribution of \$350 from funds arising from judgments in favor of any of the Confederated Tribes of the Colville Reservation; and

S. 2961. An act to provide for the disposition of the judgment funds on deposit to the credit of the Northern Cheyenne Tribe of the Tongue River Indian Reservation, Montana.

NATIONAL WILDERNESS PRESERVA-
TION SYSTEM—CONFERENCE RE-
PORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 4) to establish a national wilderness preservation system for the permanent good of the whole people, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Aug. 19, 1964, pp. 19571-19573, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ANDERSON. Mr. President, this Congress has responded in clear terms to a broad band of social and economic problems. What we have done we have done not only to meet the urgency of the moment, but for the future. In no area has this Congress more decisively served the future well-being of the Nation than in passing legislation to conserve natural resources and to provide the means by which our people could enjoy them.

One of the brightest stars in the constellation of conservation measures is the wilderness bill. This bill, which we are about to send to the President of the United States, will create a system to protect over 9 million acres of the public lands and forests in their natural majesty. And this bill provides that additional wilderness areas can be preserved.

The path of wilderness legislation through Congress has sometimes been as rugged as the forests and mountains embraced by the wilderness system. Many Americans, both in and out of Congress, have pioneered and blazed the trail that led to the establishment of the wilderness system. Among those who have been in the vanguard is the senior Senator from Minnesota. Senator HUM-

PHREY introduced the first wilderness bill in the Senate in 1956. And while that original proposal has undergone major revision, the concept proposed by that bill was carried through to reality in the conference report now before us. There were many others who labored diligently to shape into substance what had long been a dream.

While we stretch out the highways to carry ever-expanding traffic, while we build whole new communities to house a growing population, and while we consume more acreage for a burgeoning industry, we have set aside part of our land as it was when human eye first saw it—unscarred by man, primeval, a memorial to the Creator who molded it.

I was asked by one of the Members of the Senate about the destruction of wilderness areas during the 19 years that mining laws are to be applicable, and about the language in the House amendment in that respect. I assure that Senator that I shared his concern. I feared that the language of the amendment might be misinterpreted to mean that mechanized equipment could be used in prospecting—that bulldozers might be used to prospect or even cut long roads to the prospect areas.

We were assured by the House conferees that the House language has no such meaning.

We were told that the Forest Service has managed to avoid serious damage to the primitive, wild and wilderness areas for 25 years or more; that Forest Service regulations governing mining activities in the areas can be continued and, indeed, that the regulations can be strengthened. The bill provides that activities in the areas shall be in harmony with the wilderness concept under reasonable regulations.

This was a crucial question in regard to the bill.

I have a great personal interest in the Gila wilderness in New Mexico. I do not want to see the beauty and the primitive grandeur of that area disturbed. I would be much happier if I knew that all new mining activity in the area was being stopped.

If there were to be a relaxation of mining regulations which would permit serious depreciation of wilderness values, I would have sought to still be in conference. It is true that the Forest Service has managed to protect most of the primitive and wilderness areas from depredations in the past. With the assurance that the regulations governing mining can be strengthened, I feel we have a meritorious bill.

The Senator from Colorado [Mr. ALLOTT] asked me a question a while ago. I hope he will ask it again. We are anxious to clear up any questions.

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

Mr. ANDERSON. I yield.

Mr. ALLOTT. I would like to make some legislative history on an item which appears in the statement of managers on the part of the House on page 9 of the conference report, which deals with the 7,000 acres in the Gore Range-Eagles Nest Primitive Area, which may be deleted from that area and made available

for Interstate Highway 70. I should have said, "not to exceed 7,000 acres." With respect to this area of 7,000 acres which may be utilized for a highway tunnel for Interstate Highway 70, as well as a water tunnel to supply the Denver area with water, I want to be sure that in authorizing the deletion of this amount of land it was the clear intention of the conferees that it could be used for those purposes, and that the conferees considered the uses to which it might otherwise be put.

Mr. ANDERSON. Yes. I want to assure the Senator that the matter was carefully considered. All the conferees agreed that the use of the 7,000 acres for this purpose would be in the public interest.

The language in section 3(c) is:

Notwithstanding any of provisions of this act, Secretary of Agriculture may complete his review and delete such area as may be necessary.

And so forth.

Therefore, we had to get in that language. It actually says the Secretary shall complete his review and shall delete. We had to give it the language of the act, but we all intended that it shall come out for that purpose.

Mr. ALLOTT. The report uses the words "in the public interest." The conferees were all of one mind that it was in the public interest to take out that land from the southern tip of the primitive area. Is that correct?

Mr. ANDERSON. The Senator is correct. All the conferees agreed that it was in the public interest to take out the area of 7,000 acres.

Mr. ALLOTT. Mr. President, I ask unanimous consent to have printed at this point in the RECORD paragraph 3 of the statement contained in the report.

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

3. The conferees understand that Forest Service officials tentatively have decided that an undetermined amount of land, but not exceeding 7,000 acres, in the Gore Range-Eagles Nest Primitive Area, Colo., should be deleted and made available for Interstate Highway 70; in addition, the Denver Water Board has a plan for a tunnel in the general area. Under existing regulations the Chief of the Forest Service has been delegated authority to modify primitive areas and eliminate portions. Inasmuch as S. 4 as passed by the House would withdraw this authority from the Department of Agriculture, the conferees have provided that the Secretary of Agriculture may complete his review of the suitability or nonsuitability of the Gore Range-Eagles Nest Primitive Area for preservation as wilderness and delete up to 7,000 acres from its southern tip if he determines that such action is in the public interest. In this connection the conference committee noted that, if the President recommends that the Gore Range-Eagles Nest Primitive Area be designated as a wilderness area for inclusion in the wilderness system, he may recommend the addition of other lands, not now within the primitive area, to replace the 7,000 acres that may be deleted.

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

Mr. ANDERSON. Yes; I am happy to yield. I said he was the author of the original bill in 1956. I am happy to re-

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. SHEPPARD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the conference report and include a tabulation showing the details of the action taken in the conference.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CORRECTION OF RECORD

Mr. SHEPPARD. Mr. Speaker, on page 19570 of the RECORD of August 19, 1964, the amount shown for NAF, Naples, Italy, is \$432,000. The correct amount is \$423,000. This was a transposition of figures made in the printing of the RECORD. The listing shown in the conference report—House report 1831—is correct. I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CALL OF THE HOUSE

Mr. ASHBROOK. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 243]

Adair	Hoffman	Purcell
Albert	Jones, Ala.	Rains
Alger	Jones, Mo.	Reuss
Ashley	Kee	Roberts, Ala.
Barry	Kilburn	Roosevelt
Blatnik	Landrum	Rostenkowski
Bolton	Lipscomb	St. George
Frances P.	McClory	St Germain
Buckley	Madden	Shipley
Burton, Utah	Martin, Mass.	Short
Daddario	May	Siler
Dawson	Miller, N.Y.	Smith, Calif.
Dingell	Morrison	Thompson, La.
Dulski	Moss	Toll
Flynt	Nedzi	Tollefson
Hanna	Patten	Van Pelt
Harsha	Pilcher	Whalley
Harvey, Mich.	Pillion	Wills
Healey	Pirnie	Younger
Hoeven	Powell	

The SPEAKER. On this rollcall 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tomorrow night to file certain privileged reports.

The SPEAKER. Is there objection to

the request of the gentleman from Virginia?

Mr. BALDWIN. Mr. Speaker, reserving the right to object, may I ask the gentleman from Virginia if one of the privileged resolutions he mentions would be the Appalachia bill?

Mr. SMITH of Virginia. It is.

Mr. BALDWIN. I would have to object to that unanimous consent request.

Mr. SMITH of Virginia. Then I will file it today.

The SPEAKER. The gentleman from Virginia will file it today. Does the gentleman insist on his objection?

Mr. BALDWIN. Yes, I will have to insist on my objection.

The SPEAKER. Objection is heard.

RECOMMENDATION FOR THE NEXT INAUGURATION

(Mr. FULTON of Pennsylvania asked and was given permission to address the House for 1 minute.)

Mr. FULTON of Pennsylvania. Mr. Speaker, I take the time this morning to make a recommendation to the inaugural committee next year for the inauguration. I strongly recommend that the east front of the Capitol inaugural platform be changed and put on the west front of the Capitol where there will be adequate room.

I further recommend that enough grandstand seats be made available to take care of every Member, their wives or their friends in the Congress, and also the people in high-level agencies, which can be done adequately on the other side of the Capitol.

The inaugural ceremonies have far outgrown the east side of the Capitol. First, there is no room, secondly, there is traffic.

I likewise recommend that the inaugural parade proceed from the Capitol in two parts, going down either side of the Mall which will shorten the parade by 50 percent, then proceed to the Washington Monument and come over to the White House doubled. Then the President will be watching one-half of the time, because the parade will be in double line. This will permit everybody to see the parade, because there will be four sides to the parade instead of two sides to the parade, and it will permit everybody to see the inaugural ceremonies who want to.

I strongly recommend that the inauguration, whether it be a Republican or Democratic President, be changed from the east side of the Capitol to the west side of the Capitol.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. I suspect it will be rather cold on west front of the Capitol, colder than on the east front where it is usually held. I suggest we move next January's inaugural to the home State of the next President, down at Phoenix, Ariz., where it will be warm.

DEPARTMENT OF AGRICULTURE AND RELATED AGENCIES APPROPRIATION BILL, 1965

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 19, 1964.)

Mr. WHITTEN. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, this is the appropriation bill for the Department of Agriculture for the coming fiscal year. The House conferees are in agreement substantially on the various items. As conference reports go, this represents a compromise in some instances on the part of all of us to see that the basic problems of agriculture are met. The special problems our colleagues in the House have called to our attention have had adequate attention in this bill.

The bill before us is substantially below the budget. It is under the House amount that we passed in May. It is also under the Senate bill. However, I think I should say in candor that this is largely because of the Commodity Credit Corporation restoration of capital impairment.

I have said before that the Department of Agriculture this year had a larger reduction in the Budget than all the rest of the Government put together. But we will have to meet the problems that will arise, and I anticipate that in the coming year there may be a supplemental bill to take care of the needs of the Department of Agriculture.

Your managers on the part of the House had a special situation which we faced in conference. A total of \$42 million in extra requests were sent to the Senate after the House had already acted on the bill. This is largely in the area of pesticides, disease, and pest control, and emergency conservation measures.

In addition, this bill provides funds for the special milk program. The House provided this by section 32 funds. The other body appropriated fully for that from the Treasury, and in the conference this was split 50-50. To the extent that section 32 funds are not used, they revert to the Treasury.

Agriculture continues to be the very base of our standard of living and our welfare, and the biggest market for business and industry, where only 8 percent of our people are engaged in agriculture to support the other 92 percent, thereby making it possible to have our

high standard of living. The managers on the part of the House have made it possible in this bill for Agriculture to do a good job.

I very much enjoyed working with my colleagues on the Democratic side, and on the Republican side, all of whom have been most cooperative. This conference report does not represent the views of all of us individually, but it does represent the composite viewpoint of the House and the Senate.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mrs. SULLIVAN. I should like very much for the chairman of the subcommittee to answer some questions. Does not this bill cut back funds for the food stamp program from the current level of \$45 million a year as voted by the House to only \$35 million, the amount voted by the Senate?

Mr. WHITTEN. On this item I commend the gentlewoman on her deep interest in this program. It is due largely to her efforts that the House passed the legislation.

The House in this instance did recede and agree with the Senate. The fact is that this is largely because of, and in knowledge of, the fact that there will soon be a request in the amount of \$60 million, both in appropriated funds and section 32 funds. The House and Senate took this action knowing in the bill now under consideration, and mention was made in the conference, that the supplemental was pending and would have the attention of the Congress.

Mrs. SULLIVAN. This would not allow any additional projects to be established and would also mean a 25-percent cutback in the operation of every food stamp program throughout the country, in Detroit, Pittsburgh, St. Louis, and 40 counties throughout the country. How can the committee justify cutting back the existing programs 25 percent when Congress has just passed a bill to expand the program nationally?

Mr. WHITTEN. These projects often are better when you do not move too fast. It was anticipated by the managers on the part of the House that our action would not result the cutback which the gentlewoman has mentioned. This program will be going ahead but it will to some degree be slower than the expansion called for in the supplemental estimate.

Again as I recall, the most recent bill does provide that certain steps be taken as to what communities and what areas qualify.

So we do not feel, and certainly there is no intent here to cut down on existing programs. But it would have the effect, perhaps, of making the increased expansion less rapid than was thought might be the case.

Mrs. SULLIVAN. I would like to ask the gentleman this question. Is he going to support the President when the supplemental bill comes before him?

Mr. WHITTEN. May I say to the gentlewoman I had some reservations in the past about many phases of the

bill, but I voted for the bill. Certainly, I have supported funds for items even when I was opposed to them. I think I have the responsibility of implementing the programs that are sent to our committee. As the gentlewoman knows, in this instance, I voted for the program to begin with.

Also, may I say, in asking the department witnesses as to the effectiveness of this program, it has proved much more satisfactory than many folks in the department thought it would in these pilot counties where they have been operating.

Mrs. SULLIVAN. I thank the gentleman.

Mr. Speaker, I think every Member who has a food stamp project operating in his district will be terribly concerned over the action of the conferees on this bill in agreeing to a figure of only \$35 million for the food stamp program. We are now operating that program on a pilot basis in 43 areas of the country at an annual rate of about \$45 million a year. That is the amount we provided last year. It is the amount the House voted earlier this year just for the present program, before passage of my bill to make it into a national program. We can send this bill back to conference or we can correct this mistake by passing the amount requested by the President in a supplemental. That would give us \$60 million for the rest of this year—for an orderly expansion of the program.

Mr. Speaker, the Senate cut back the food stamp program by 25 percent from the level now in effect in the 43 pilot projects. The conferees went along with that. The House had voted enough money for a continuation of all of the existing projects and for some slight expansion of the program. Since then, Congress has passed the bill for a nationwide program. Under the food stamp bill as sent to the White House, we may spend up to \$75 million this fiscal year and \$100 million next year with a maximum of \$200 million the third year. Part of the 1965 fiscal year has already gone by. In order to reach the level of operations authorized for this year in H.R. 10222, the food stamp bill, we now need only about \$60 million for this year. This will permit an operating rate for the remainder of this fiscal year of about \$75 million a year, rising to a rate of \$100 million by next July. So we need \$60 million to expand the program; we need at least \$45 million to continue the present level of operations. This bill permits and allows only \$35 million to be used this year for the food stamp program. That would mean a substantial cutback in all of the operating projects. Every one of them would have to be cut back about 22 percent.

FRESH FOODS INSTEAD OF POWDERED SURPLUSES

I am not going to ask that this bill be sent back to conference to restore the \$10 million the Senate cut from it. Instead, I am asking that the Committee on Appropriations assure us it will act on a supplemental and that it will provide enough money in that supplemental to undo the mischief perpetrated on the food stamp program by this Senate

amendment. The President, in House Document No. 344, asked for \$15 million in direct appropriations and \$45 million in section 32 money for the food stamp plan this year. This money is absolutely essential.

Mr. Speaker, section 32 is and can be a legitimate source of financing for any program which helps to eliminate agricultural surpluses. Nothing does that more intelligently than the food stamp program. It uses up surpluses by making millions of new customers in the grocery stores for fresh meat, milk, fresh eggs, fresh vegetables—all of the commodities section 32 money is supposed to be used for. So please do not tell us section 32 money should not go into the food stamp plan. The \$45 million of section 32 money which is supposed to be earmarked for the food stamp plan would do the farmers of this country far more good than the millions upon millions of dollars of section 32 money we have spent supporting cattle prices. The food stamp plan creates new customers for beef and veal and dairy products—regular customers who will buy these products week in and week out under the food stamp program. In many areas of the country, the needy never get any of these fresh meats or fresh dairy products. They have to live on the powdered, canned or dehydrated varieties which they receive as handouts from the Government.

Mr. HECHLER. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. HECHLER. Mr. Speaker, I would like to support the observations of the gentlewoman from Missouri. I am very hopeful action will be taken under the forthcoming supplemental appropriation bill to expand the excellent food stamp program which has meant so much to the State of West Virginia and other States as well.

I commend the gentleman from Mississippi and hope that we may obtain his support for a further extension of the food stamp program.

Mr. WHITTEN. May I say to the gentleman from West Virginia, the reason that the supplemental estimates were sent to the Senate is because it came down too late to have the attention of our subcommittee. It was not sent to the Senate because of any disposition on the part of the subcommittee of the House.

Mr. HECHLER. I thank the gentleman from Mississippi. I would like to stress that the food stamp plan has been so successful in the pilot counties in which it has been in effect, that I trust that sufficient funds will be made available to extend the food stamp plan to all counties in West Virginia.

Mr. WHITTEN. Mr. Speaker, I yield to my chairman, the gentleman from Texas [Mr. MAHON], who in addition to being chairman of our Committee on Appropriations was also one of the managers on the part of the House.

Mr. MAHON. Mr. Speaker, I rise to commend the gentleman from Mississippi [Mr. WHITTEN] and his subcommittee on what I consider to be an excellent bill.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MAHON. Mr. Speaker, with the adoption of the two appropriation conference reports today, the status of the appropriations business of the session moved substantially closer to completion.

Only two regular bills plus the customary closing supplemental remain and all three are in advanced stages. The Labor-HEW bill is pending in conference, having just passed the other body on yesterday.

The foreign aid appropriation bill is still pending in the Senate committee but I understand is in position to be moved promptly following the disposition of the authorization bill.

And the usual session-end supplemental, while still in our Committee on Appropriations, is ready to be reported.

So, I would say we apprehend no insurmountable difficulties in bringing the appropriations business to a close altogether compatible with the timing of the sine die adjournment.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. FINDLEY. I heard the food stamp program mentioned a moment ago. There was some question when the appropriation bill was before the House as to whether the pilot food stamp program for which some \$45 million was provided would run concurrently when, and if, the national food stamp program began.

Now that the national food stamp program is underway, can the gentleman advise me if the pilot food stamp program will operate concurrently with the national food stamp program?

Mr. WHITTEN. In this bill there is \$35 million which is the Senate figure instead of \$45 million which is the amount that went through the House.

It is my understanding that the supplemental food stamp program would be available for the overall program, including the present pilot program as well as the enlarged program.

As I stated earlier, my recollection of the legislation is that certain steps must be made prior to the expansion of the program. Doubtless it will take some time for them to set in motion the food stamp program in new areas.

Mr. FINDLEY. The gentleman indicated earlier that some restoration of the Commodity Credit Corporation funds might be necessary on a supplemental basis. I have heard a rumor that the capital fund may be in such a critical position, perhaps even by the first of the year, that restoration may be needed as one of the first items of business in January. Can the gentleman provide us information as to that?

Mr. WHITTEN. It is my individual judgment, I say in perfect candor, that it probably may occur early in the new year.

I point out, as Members will see in the report, that once again we have tried to

strengthen the hand of the sales manager of the Commodity Credit Corporation.

That Corporation has three sources of funds. The first is to increase the capital stock, which would have to come from another committee. Another is a restoration of capital impairment through appropriations. The third—which should be used first, always—is to provide funds from the sale of commodities.

It is my information that the sales manager in the Department is about the third assistant to an assistant to an assistant. In our report we ask that attention be given to permitting the sales manager to report directly to the Secretary of Agriculture. It is my judgment that if such were done, and if he were turned loose to sell commodities for dollars, it might be a long time in the new year before we would find it necessary to appropriate additional funds. If that is not done, it could happen fairly early in the year.

Mr. FINDLEY. I thank the gentleman.

Mr. MATTHEWS. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Florida.

(Mr. MATTHEWS asked and was given permission to revise and extend his remarks.)

Mr. MATTHEWS. Mr. Speaker, I first of all want to congratulate the Subcommittee on Agricultural Appropriations, its chairman, the gentleman from Mississippi [Mr. WHITTEN], and all of the members. As usual, they have given us, I think, an excellent bill based on a most intensive study of the great needs of American agriculture.

I am particularly pleased with the money they have provided to give us an opportunity to accelerate work on pesticide residues. One of the biggest needs in America today is to continue to develop pesticides which will enable the American farmer to produce his crops and yet will not be harmful to the consumer. Many of us on the Committee on Agriculture have felt that we need to evaluate more carefully the effects of pesticides in order to assure that pesticides that are not harmful may be used by those engaged in American agriculture.

Recognizing the tremendous problem of adequate pesticide research, the President submitted to the other body Senate Document No. 85 after the House Appropriations Committee had made their report to the House, and in this particular Senate document an amount of \$29 million was requested to accelerate work on pesticide residues.

It is my understanding that in this total amount, there is an item of \$160,000 for planning the Laboratory for Insects Attractants to be located in the immediate vicinity of the Federal Entomology Laboratory in Gainesville, Fla., which is in my home district.

With the action that we are taking in the House today, it is my further understanding that this amount of money will now be available to begin immediate planning for this Laboratory, which will

eventually cost in the neighborhood of \$2 million, and I welcome this action. Let me emphasize that the dedicated scientists now working in the Entomology Laboratory will be able to cooperate better with the Laboratory for Insects Attractants because of its location. I am sure that other dedicated scientists will come here to add to the amount of knowledge that we desperately need for the adequate use and control of pesticides.

Mr. BURLESON. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. BURLESON. May I direct the gentleman's attention to page 6 of the conference report, having to do with the Peanut Research Laboratory at Dawson, Ga. As everyone will remember, this is an item on which we have had debate for several years. Twice the House has turned down the proposition of creating a new laboratory in Dawson, Ga., for reasons well defined in the RECORD.

May I ask the gentleman if this Laboratory, costing \$1 million, is for only quality research on peanuts?

Mr. WHITTEN. I will say that we have designated it a quality research laboratory, but I do think if other problems arise which it could handle, certainly the committee would not be in a position of trying to restrict the best use of the facilities which may be built there.

I wish to say at this time that I do not know of anyone who has spent more time trying to resolve the difference of viewpoint among my colleagues than I have in this instance. As the gentleman knows, our committee in several cases has brought out funds for this Laboratory, and the difference has been with respect to the amount and certain permission to operate. This year, the House stood by our suggestion on this by a very close vote.

When this bill went to the Senate, the Senate was unanimous in favor of the Laboratory at Dawson, Ga. There was not a single exception taken by any Senator from any State to it. That left the House conferees in the position of having had a close vote in the House as against the unanimous position of the Senate.

We all have the highest regard for our colleague, the gentleman from Georgia [Mr. FORRESTER], as we do for our other colleagues who have a somewhat competitive problem.

In the bill before us we direct that the research being done at New Orleans on Spanish peanuts and Virginia peanuts be continued. If in the future the peanut industry should feel that these things can be done better somewhere else, we can meet that problem at that time.

Mr. BURLESON. I appreciate what the gentleman says, and I know he speaks the truth. I am aware that not one voice in the other body was raised against this item and I realize House conferees find themselves in a handicapped position.

Be this as it may, I insist that the report before us is fundamentally different and weaker than that previously adopted by this House.

Heretofore the contention has been and successfully so, that this Laboratory

was specifically and exclusively identified for quality research and was intended to serve all major peanut-producing areas of the country.

In the last sentence of the paragraph following the itemization of the various activities it states:

It is not intended to displace such existing utilization laboratories but primarily to meet the research problems of the Southeast area.

And that is the very thing we have been arguing against and fighting here for all of these years. It is dedicated to the Southeast. It now seems that the other areas are not to benefit at all which has been a strong suspicion all along.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Speaker, I yield myself 5 additional minutes.

Mr. BURLESON. Will the gentleman yield further so I may finish?

Mr. WHITTEN. May I correct the gentleman? He is now discussing the Southeastern Laboratory at Athens, Ga., which is altogether different from the Peanut Laboratory.

Mr. BURLESON. There is nothing in here which limits the Dawson laboratory to quality research. That is the thing with which we have been concerned for so long. In the hearings before the gentleman's Subcommittee on Appropriations, I recall there was a witness interested in this research question who suggested that if this research laboratory was located in the Southeast, dedicated to the development of a commodity in the Southeast, exclusive to these other major areas, such as Virginia and Carolina and the southwestern area, a laboratory of the same nature and for the same purpose, should be located in each of the other areas. I doubted the wisdom of such an arrangement at the time but now we are being forced into such a position. I see the handwriting on the wall here today. As I understand the parliamentary situation we are unable to offer a motion to remove this provision from the bill. It becomes a matter, as I understand it, of accepting this item or voting down the entire conference report. Certainly I am not one who likes to relax and enjoy it, because I do not think it is right. We will come back before the gentleman's committee and ask, if this thing goes on in this way, to have a laboratory placed in the Virginia-Carolina area and in the Southwest that we may have a chance to compete in this tremendously important industry.

Mr. WHITTEN. May I say again to the gentleman he is discussing the wrong laboratory. The laboratory he is describing was approved last year. It is already in existence, and it is not in this bill at all. It is a utilization laboratory comparable to the ones in New Orleans, Illinois, and California. That is the Athens Southeastern Utilization Laboratory, which the Congress approved last year.

Mr. BURLESON. No. I am talking about the Peanut Research Laboratory at Dawson, Ga., costing \$1 million.

Mr. WHITTEN. The language the gentleman referred to does not apply to that Laboratory.

Mr. BURLESON. It is not what it says but what it does not say which creates the issue. It should say that this Laboratory be limited to quality research; it should say it does not serve all areas impartially; it should say that representatives of the industry in other areas should have some voice in what is done at the Laboratory and how these large sums of money are spent. It does not; and what is being done here is to the disadvantage of the other areas.

Originally there was supposed to be one laboratory put in a central area where it would serve all types of peanuts. Representatives of the other areas were ignored—were frozen out and the location at Dawson, Ga. was arbitrarily decided on. This accrues to the disadvantage of the other areas. I appreciate the gentleman's fight in this matter and am well aware of it. He got no support in the Senate from anyone, but Mr. Speaker, we say that appropriations originate in the House of Representatives, but they go over to the other side and they drop everything in the basket in an appropriation bill. I am not too sure that the Committee on Appropriations of the House of Representatives does originate appropriations when they can come over here and drop in all of this sort of stuff we have turned down time and again. I say that with all deference to the Committee on Appropriations. It seems to me, if we are going to uphold the principle of appropriations originating in the House of Representatives, the Committee on Appropriations put up some fight with the other body on things such as this. There should also be an authorization for projects of this kind by a legislative committee but there is none.

Mr. WHITTEN. May I say to the gentleman I think I have shown good stamina. I stood up to this until very recently, and so has the gentleman, but we have not had any help on the other side.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. I will agree with the remarks just made by my colleague from Texas, and I also wish to compliment the gentleman from Mississippi for the manner in which he has conducted himself in regard to this particular Laboratory. It is my recollection of it that everybody in the industry wanted the Research Laboratory. We are only fussing about where it should be located. We want it located in our area, and my dear friend from Georgia wanted it in his area. Now we ended up and we thought we would have three, one in all three areas. However, he has been a little bit more lucky than we have been in this go-around. I do want to say, though, I do not think the people in our area have changed their views on this particular Laboratory at all.

Mr. WHITTEN. We have tried to keep the quality work where it is now to the degree that other sections, including that of the gentleman from North Carolina, desire. The other body said that this was a national laboratory

and you could not have peanut quality research anywhere else. We have no such broad coverage for this Laboratory in this bill.

Mr. COOLEY. Mr. Speaker, I am sorry that the gentleman from Georgia will not be back here next year to help us out on this Laboratory.

Mr. WHITTEN. The gentleman from Georgia has staying power, too. I think we would have to agree to that.

Mr. FOUNTAIN. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. FOUNTAIN. Mr. Speaker, I want to associate myself with the views and comments just expressed by the distinguished gentleman from Texas [Mr. BURLESON].

On at least two occasions before today, this House has gone on record against funds for a proposed Peanut Laboratory at Dawson, Ga. This record of debate in the past will show that the House thought this new program unnecessary—certainly for a Peanut Laboratory at Dawson. I am opposed to this Laboratory as proposed.

At one time my peanut people favored such a laboratory at any neutral location for utilization and quality research in connection with all types of peanuts, without favoritism to any peanut-growing area. However, they were not consulted when the time came for action, and the purpose and direction of the proposal had been so substantially changed, that, to us it became an unnecessary expense which is not in the best interest of the total peanut growing industry.

However, if I read the conference report correctly, the proposal is far worse than it was before. Now, it appears that the laboratory, while not displacing existing utilization laboratories is primarily to meet the research problems of the Southeast area.

I am mindful of the cooperation we have heretofore had from the House conferees, for which I thank them. I realize the problems you have faced in the past, and the problem you obviously faced this time in your deliberations with the Senate conferees. I regret you did not stand your ground because I know of no facts or circumstances, and none have yet been presented, which justify a change in our position.

At the same time, I must thank the gentleman from Mississippi [Mr. WHITTEN] and the other able House conferees for their help in the past. I realize you could not hold up an entire conference report involving over \$5 billion because of a million-dollar item.

As was suggested by the gentleman from Texas [Mr. BURLESON], in connection with the observation made by the gentleman from North Carolina [Mr. COOLEY], we in the North Carolina and Virginia area at no time have insisted upon such a research laboratory for our particular area. It was our thinking that we already had adequate research laboratories in neutral areas which could be expanded to carry on the work requested through this particular laboratory. However, the executive secretaries of the

North Carolina-Virginia Peanut Growers Associations, and, I believe, some others had suggested a compromise of three less expensive laboratories, one for each of the great peanut areas, and that peanut growers themselves would assess themselves so much a bag as a means of matching Federal funds granted. If these funds are approved, as it now appears they will be, since parliamentary procedures will not permit us to amend this report, I want to serve notice on the committee that in all probability the peanut picture will have become so competitive that the other great peanut-growing areas, North Carolina-Virginia and southwestern, will appear before you seeking the other two laboratories at one time suggested. We want fairness. We want equity. If additional laboratories appear to us necessary, we will ask for them, and we hope our requests will be granted.

Mr. WHITTEN. Certainly the committee will be glad to consider your requests. We cannot commit ourselves in advance, as the gentleman knows—but we always try to be courteous and fair.

Mr. FOUNTAIN. While on my feet, Mr. Speaker, I want to comment upon one other item in this report. I note that you have brought to an end a practice or authority which I did not know existed in connection with rural housing. You have prohibited the Farmers Home Administration from making outright grants—gifts—for house repairs. I understand the Housing Act has some such provision. I doubt that 25 Members of the House know of the authority.

The FHA has been doing a good job. It administers many vital programs extremely helpful to Agriculture and our rural people. It should not be saddled with any such authority or responsibility. Yesterday, in advising a representative of the press in my congressional district that a land reform program with outright grants to individuals was knocked from the so-called poverty bill, he told me of a release he had received from the Farmers Home Administration advising that such grants were available for home repairs, modernization, and so forth. While they were available to very low income homeowners who cannot borrow or otherwise get the necessary funds, I fear such an open-door opportunity could lead to the termination of programs that are otherwise good and helpful.

I want to commend the conferees for offering amendment No. 43 which should end such grants. However, since the grants were authorized under section 504 of the Housing Act of 1949, as amended, that section would have to be amended or repealed as may be necessary, to put an end to any such authority.

Mr. ABBITT. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ABBITT. Mr. Speaker, I notice an item in the conference report on page 6 that the Peanut Research Laboratory at Dawson, Ga., is to receive \$1 million. That, of course, is the same item that we have been discussing here. Am I correct that it is not possible under the

parliamentary procedure for a Member to present an amendment which would strike that one item out of the conference report, or does the conference report have to be voted up or down? In other words, can we get a separate vote on this item?

Mr. WHITTEN. The entire report has to be voted up or down. May I say, for what it may be worth, that I think the overwhelming majority of the Members want to see some solution of this matter. It is my understanding that it would be impossible to reach this one item under the existing parliamentary situation.

Mr. ABBITT. If the gentleman will yield further, may I say one further thing? It is my understanding based upon a reading of the language as used in the report that we can expect further quality research work being carried out at New Orleans to continue until some other steps have been taken either by this matter or some other laboratory facility.

Mr. Speaker, under the parliamentary situation now existing it is impossible as I understand it for those of us who oppose the item of \$1 million for the Peanut Laboratory at Dawson, Ga., to get a separate vote on this particular expenditure. It is either vote for the entire conference report or against the entire report because the conferee from the House and the conferee for the Senate have agreed on this item and there is nothing in dispute as far as this amount is concerned. I am very much opposed to this Laboratory and in view of the fact that this House has on two occasions, by a rolcall, voted down this item I had hoped that we would at least be given the right to have the Members express themselves on this particular appropriation before the conferees of the House yielded to the other body.

I also wish to set the record straight as to the position of the senior Senator from Virginia. I received a letter from him dated August 14, 1964, which is as follows:

U.S. SENATE.

COMMITTEE ON FINANCE.

Washington, D.C., August 14, 1964.

HON. WATKINS M. ABBITT,
House of Representatives,
Washington, D.C.

DEAR WATT: As you know, the Association of Virginia Peanut and Hog Growers, Inc., is opposed to the inclusion of an appropriation of \$1,600,000 in the agriculture appropriation bill for a peanut laboratory at Dawson, Ga. I am advised that a majority of the peanut industry in Virginia and the Virginia shellers and growers also oppose this item.

I regret that it was included in the bill as it passed the Senate. I should be pleased if it were deleted in the House-Senate conference on the bill, and you are at liberty to use this expression of my opposition to the item if it would be helpful toward this end.

You have my very best wishes.

Faithfully yours,

HARRY F. BYRD.

Mr. WHITTEN. May I say to the gentleman that these laboratories are not built overnight. It will be some little time before this is in full operation.

Mr. HALL. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. HALL. I thank the gentleman.

Mr. Speaker, I appreciate the gentleman yielding and I do not want to discuss peanuts, either the quantity or the quality. I want to discuss something that I think is rapidly growing into another "sacred cow" of the Congress, a "fairhaired boy" so to speak, and that is excessive research on pesticides.

Mr. Speaker, I would like to hear what the gentleman from Mississippi has to say—and I see one, two, three, four, five, six, seven different items including a special appropriation for the Secretary of the Department of Agriculture to coordinate all research on pesticides.

Being a man of science, I appreciate research. But I do not want to go overboard.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Speaker, I yield myself 3 additional minutes.

Mr. HALL. Mr. Speaker, if the gentleman will yield further, and if I may continue for 1 minute to complete my point, I understand that this is research reported in disagreement. But there are over \$120 million involved here. We have pesticide research in one item amounting to \$85 million. We are setting up a new \$14 million Pesticide Research Laboratory, a program of research on pesticide residues under the control laboratory.

I happen to know, Mr. Speaker, if the gentleman will yield further, from a chance remark that I made on the air- and water-pollution bill here a while back, that every chemist in the country is nervous about this "sacred cow" developing with reference to the question of Endrin and pesticides used in our food and fiber production which is certainly intimately tied up in this bill.

Mr. Speaker, I believe I can name 20 additional agencies of the U.S. Government that are now interested in pesticide research.

I just wonder if it all should not be under the U.S. Public Health Service, at least as a coordinating agency, since this is a matter of health?

Mr. WHITTEN. May I say to the distinguished gentleman that I am bound to agree with him to a great degree with reference to this being an "open sesame." However, I believe this is brought about because of some rather irresponsible news releases and other publications which have excited the American people.

We have had an investigation going on with regard to this question and I am convinced that there is no evidence thus far that human health has been endangered in the least. There is absolutely no evidence of that. But such releases have excited about 92 percent of the American people who do not live on farms.

May I say that the best we can do in regard to this problem is to enable Agriculture to continue to use these essential tools where 8 percent of the people of the country can free the other 92 percent to supply a high standard of living. Otherwise, somebody might have to go back to the farm. But, Mr. Speaker, if

we give some other Department the right to veto the essential tools of Agriculture, we might all go hungry.

Mr. Speaker, in this conference report on appropriations for the Department of Agriculture, we have provided \$25½ million in extra funds for additional research and other work on pesticides and residues, including biological and other approaches to the insect and disease problems of American farm products. But perhaps more important than that, we have provided for the Office of the Secretary of Agriculture an additional \$250,000 for the purpose of "coordinating the work of the Department in this area; to insist upon determination and agreement on standard tests; and the determination of safe and practical tolerances, in cooperation with other departments and agencies of Government."

Mr. Speaker, on my desk now is a statement from the Department that they are required to pay an estimated \$8,800,000, under section 331 of the Economic Opportunity Act, for damages to dairy farmers in this area by action of local boards of health. According to my information, this payment is required, regardless of whether the chemicals were properly used and despite the fact that there has not been in the past and there is no evidence now that chemicals when properly used have endangered the public health.

It is imperative that the President, the Congress, or someone, stop this witch hunt now in progress on the use of essential tools of Agriculture, else some will have to go back to the farm and others will likely go hungry. Our subcommittee has had an investigation going in this area for sometime, and at this point it is clearly apparent that the two things essential for all our people, for our food supply and high standard of living, are agreement on standard tests and upon safe and practical tolerances as called for in our conference report.

We expect to continue our investigation of this subject and our insistence upon agreement and full cooperation among all departments and agencies in these essential areas.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Speaker, I yield myself 1 additional minute.

(Mr. HALL asked and was given permission to revise and extend his remarks.)

Mr. HALL. Mr. Speaker, if the gentleman will yield further, I would like to say to the gentleman that I appreciate his statement. I tried to stipulate in the beginning that I was not against research. I appreciate the importance of food and fiber materials, but I hope I have made it clear that in addition to the research provided for herein, many other branches of Government in the Cabinet are doing the same thing, and that some source should be appointed which will coordinate all of this as well as the spending of money so that we do not develop another sacred cow.

Mr. WHITTEN. It is to be hoped that the President's Science Advisory Committee will come up with some coordination of these activities. The gentleman

is right that we need coordination and the elimination of duplication wherever it exists.

I am absolutely in accord with the gentleman's viewpoint.

Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Speaker, as has been pointed out by the able chairman of this Subcommittee on Agriculture Appropriations, the Honorable JAMIE WHITTEN, of Mississippi, we bring you a conference report on agriculture appropriations. None of us, perhaps, is completely satisfied with this report; yet it reflects the actions of the many segments of the Congress and a deep-seated desire on the part of agriculture interests everywhere for the stepping up of research. We on the subcommittee feel that we have met the requests of our colleagues; that the research items contained in this conference report truly represent a meeting of minds of the members of our subcommittee and those of the Senate subcommittee, and that they will prove of benefit in the future to agriculture.

There are two phases of the action on the USDA appropriation bill this year that I would like to mention. I do this because so many of our problems arise not from the actions of one department, but quite often from the conflicts, misunderstanding, and lack of unanimity of purpose of one or more departments. The result of all of this is often action by the Congress calling for further appropriations and, as in this bill, crash programs.

We have, in the legislation before us, stepped up tobacco research considerably. This action, of course, was triggered by the Surgeon General, who is one of the main spokesmen for HEW—almost equal, I feel, to the Secretary of our Department of Health, Education, and Welfare—on the effects of cigarettes on human health. Tobacco is an important source of revenue for this Nation of ours, and it is but natural that we should be called upon to apply more money in a search for more knowledge and basic cures for the complaints carried in the Surgeon General's report. At this point, I want to convey my respect of one member of my subcommittee, the Honorable WILLIAM H. NATCHER, of Kentucky, and his activities in this field. He represents one of the great tobacco States. Kentucky, on her own, and with her own money, has placed herself almost miraculously in a position to be of maximum assistance to a Federal effort in this regard, and our subcommittee has taken full advantage of this.

There is one more item that falls into this general category of lack of Federal purpose, misunderstandings, and sometimes hasty action between various departments. You will recall the cranberry episode of some years ago, where one department, HEW, virtually libelled the entire cranberry industry of the United States. Subsequent knowledge proves to us that if there was any excuse for action on the part of HEW, it should have been action on the local level, and should

not have been accorded the national publicity that it was given just prior to Thanksgiving, one of the best cranberry market periods of the year.

I might add here that we have paid in indemnities from the Federal Treasury a considerable amount of money to the cranberry industry, and we have still to repay the damage that was done. We face today the dilemma growing out of the condemnations of milk supplies in the Washington area milkshed, where so far as I can ascertain, the producers were living up to the regulations laid down by the Department of Agriculture. Indemnities here are in the offing. I understand this amounts to an additional \$8,800,000.

And now we have in this bill many new appropriations in many categories that have been triggered by the publication recently of the book "Silent Spring," by the late Rachel Carson.

It is not my purpose here to debate the rightness or wrongness of the charges that have caused these substantial items of increase to appear in the conference report here before us. But rather my purpose is to point up some of the difficulties that arise when some seven agencies within the Department of Agriculture, some five agencies in the Department of the Interior, some eight agencies in the Department of Health, Education, and Welfare as well as the Army Engineers embark upon phases of a crash program designed to assist in all of the problems that are involved in the protection of our growing crops, whether they be land crops, or from the sea or air.

A perusal of the hearings will disclose that there is no real coordinating influence in this crash program to solve our pesticidal problems. I feel that there should be. The hearings will show that a certain National Academy of Sciences and National Research is recognized as a coordinating influence but is certainly not designated as such. Nor does this council appear before any of the subcommittees handling these appropriations to relate their progress, their achievements, to admit their mistakes, to justify the size of these appropriations we consider today and those that we can be sure we will have next year.

I feel that this is a matter that someone in the President's office—and, I am certainly not advocating any additional personnel down at the White House—should take cognizance of and be in a position to insist on coordination to the end that we may have results, and that we may have them with the least wastage of the public money. Such teamwork before the fact could avoid hasty action and save money. Had there been better coordination between HEW and Agriculture, many expensive mistakes could have been avoided, such as in the case of cranberries and others. This is definitely within the hopes we hold for the new Select Committee on Federal Research.

You can rest assured as we review these matters next year that I shall remain quizzical in this matter in the name of fiscal integrity and the fiscal well-being of our Nation.

Mr. Speaker, I ask unanimous consent to include additional information for inclusion in the RECORD at this point.

Funds being spent for pesticide activities

DEPARTMENT OF AGRICULTURE

	1964	1965
Agricultural Research Service..... Research to avoid or minimize pesticides residue hazards associated with the control of agricultural pests, including research on biological controls, methods for improving conventional pesticides and other approaches to pest control.	\$16,437,000	\$32,395,000
Forest Service..... Research to develop biological or safe chemicals for the prevention and control of damage to forests from insect, disease, and animal pests.	3,079,000	4,979,000
Experiment stations..... For grants to State agricultural experiment stations and other nonprofit institutions of higher education to perform basic and applied research on pesticides.	4,561,000	10,803,000
Extension Service..... Education program on use of pesticides and residue problems for dissemination to producers of agricultural commodities and the general public.	2,000,000	4,200,000
Economic Research Service..... Economic research on comparative farm costs and returns and collection of basic data on current practices, costs, and methods of controlling insects, involving use of toxic chemicals in major agricultural areas of the Nation; and effects of restrictions on the use of toxic chemicals in agricultural production.		500,000
National Agricultural Library..... Specialized library services to scientists primarily to establish an information center on current and past pesticides research.		200,000
Agricultural Marketing Service ¹ Research to control insects in marketing channels without harmful residues.	367,000	367,000
Total, Department of Agriculture.....	26,444,000	53,444,000

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE²

Food and Drug Administration..... Establishment and review of tolerances for pesticides; field inspections; sample collection and analysis; research to establish methods of detection and analysis and incidence of pesticide residues in individual foods.	\$4,530,000	\$4,920,000
Public Health Service:		
Community health:		
Communicable disease activities..... Diagnostic and chemical analysis of samples submitted by State health departments in cases of suspected pesticide poisoning; physiological and pathological studies of tissue changes, studies of changes in pesticides after absorption in animal tissue, and exploration of mechanisms by which pesticides are stored in the bodies of animals.	460,500	467,000
Environmental health:		
Environmental health sciences..... Community pesticide studies to determine level of pesticides in the environment, how they enter man's body, effects on human health; research on modes of action and specific effects of long-term, low-dose exposure in animals and humans; and establishment of pesticide intelligence system.	630,000	3,877,000
Air pollution..... Collects data on high concentrations of known toxicants, including pesticide saturations in the atmosphere.	20,000	25,000
Environmental engineering and sanitation..... Studies to detect presence and amount of pesticides in milk, shellfish, and drinking water.	1,018,000	1,031,000
Occupational health..... Studies on effects of selected pesticides on leukocytes from animals with cutaneous hypersensitivity to chemical agents.	43,000	45,000
Water supply and water pollution control..... Investigations on pesticide pollution in waters of the lower Mississippi; research at Southeastern Water Pollution Laboratory on why and under what natural circumstances pesticides enter the aquatic environment.	613,000	1,427,000
National Institutes of Health..... Principally through research grants and contracts, studies are made of toxicological effects on animals and humans; pesticides included in searches for carcinogenic agents; pesticides tested for effectiveness in attack on specific disease vectors and as a causative agent in specific disease conditions.	3,846,000	4,345,000
Total, Public Health Service.....	6,630,500	11,217,000
Grand total, Department of Health, Education, and Welfare.....	11,160,500	16,137,000

DEPARTMENT OF THE ARMY³

Corps of Engineers: Research on control of aquatic plants.....	\$137,000	\$172,000
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DEPARTMENT OF THE INTERIOR³

Bureau of Sport Fisheries and Wildlife:		
To determine better methods of controlling noxious fishes, birds, and mammals.....	\$1,334,500	\$1,396,000
To determine impact of chemical pesticides on sport fish and wildlife and their environments; also possible methods of lessening harmful effects.....	934,000	2,063,000
Bureau of Commercial Fisheries:		
To determine better methods of controlling fish and shellfish predators.....	160,000	160,000
To determine impact of chemical pesticides on commercial fishes including shellfishes.....	190,000	500,000
Bureau of Reclamation:		
Research on aquatic weed control ⁴	149,500	109,000
Research on range weed control ⁴	94,500	92,150
Bureau of Land Management: Research on control of insects and noxious plants.....	67,600	84,600
Geological Survey: Expenditures attributable to pesticide research in water resources investigations and research.....	76,500	114,000
Total, Department of the Interior.....	3,006,600	4,518,750

SUMMARY

Total of 22 Federal Government agencies listed above.....	\$40,748,100	\$74,271,750
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¹ The work of the Agricultural Marketing Service in this area is being shifted to the Agricultural Research Service in 1965.

² Except for NIH research grants and contracts, the Department's studies are coordinated with those of the Departments of Agriculture and Interior through the Federal Committee on Pest Control, chaired by Dr. Robert J. Anderson, Chief, Bureau of State Services, Public Health Service.

³ Above includes research on methods using mechanical and biological controls as well as chemicals.

⁴ Includes construction of test facilities.

Mr. Speaker, I ask unanimous consent to include additional information in the RECORD at this point. I will place in the RECORD the 22 agencies in 4 departments now embarking upon a crash program that grew out of the publication of the book "Silent Spring."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITTEN. I yield to the gentleman from Illinois [Mr. MICHEL].

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, when this bill was considered on the floor of the House on May 19, I pointed out the phoniness of our total figure of \$5,642,058,000 simply because we failed to appropriate the full amount required to restore the capital impairment of the Commodity Credit Corporation. At the time, this figure amounted to \$975,400,000, and we were not kidding anybody by making it appear that we were "saving" nearly a billion dollars. The Senate did even worse than the House in this item, and so now we have a situation where we are better than a billion dollars in arrears so far as restoring the capital impairment of Commodity Credit.

Now what does this mean? Well, of course, it means as soon as the election is over there will be a monumental supplemental request for this amount; for if Public Law 480 sales and the like continue, there will be serious jeopardy to the whole price support structure because of a lack of funds.

Now I want to review, if I might, very briefly, the total dollar expenditures for the Department of Agriculture for the past few years:

	<i>Billion</i>
Fiscal year 1960-----	\$5.4
Fiscal year 1961-----	5.9
Fiscal year 1962-----	6.6
Fiscal year 1963-----	7.7
Fiscal year 1964-----	7.9

Now in this conference report we have a figure of \$5,137,162,200 which on paper will appear to reflect a fabulous reduction in the cost of running the Department of Agriculture. I say again that we should be appropriating at least a billion dollars more to be honest with ourselves.

This ever-continuing rise in the cost of the Department is due to a number of factors, not the least of which are the two commodity programs for feed grains and cotton. The official records show that the feed grain program has cost approximately \$2½ billion for the first 3 years of its operation—1961, 1962, 1963. Current estimates now show that the feed grain program for 1964 will cost in excess of \$1.2 billion, and the new cotton program will cost a total in excess of \$750 million for the 1964 crop. In other words, these two programs will cost the taxpayers nearly \$2 billion in 1964.

Mr. FINDLEY. Speaking of restoration of the capital fund of the Commodity Credit Corporation, aside from that item, would the spending by the Department of Agriculture be up under this appropriation bill, or down?

Mr. MICHEL. Well, there is no question but aside from that, there are increases in practically every category.

Mr. FINDLEY. Would the gentleman agree then that the billion-dollar cut in spending for the Department of Agriculture about which the administration has done some bragging is based entirely upon the unlikely assumption that the capital needs of the Commodity Credit Corporation will be down to the extent indicated by this bill? If further restoration is needed, as many of us expect, quite early in the year, the total spending by the Department of Agriculture may well exceed the previous fiscal year rather than be less?

Mr. MICHEL. I think what the gentleman says is true.

Mr. FINDLEY. I am surprised that the conference report provides even less money for the restoration of Commodity Credit Corporation funds than the House provided. Can the gentleman give any explanation of why the figure is down?

Mr. MICHEL. The other body apparently was not willing to go even to the extent of what this body did in facing up to our obligation and in a matter of compromising, give and take, this is the figure that we arrived at.

Mr. FINDLEY. Could this possibly have been done to keep the total figure the same despite the fact that a few additional items were included by the conference?

Mr. MICHEL. I think the gentleman is correct.

Mr. FINDLEY. Am I correct that the restoration of funds for the Commodity Credit Corporation partly reflects the need created by the tremendous export subsidies provided by the taxpayers by means of CCC early this year on transactions benefiting certain Communist countries, for example, the immense sales of wheat to Russia. As I recall, during the consideration of the appropriation bill earlier this year the gentleman reported the outlay for export subsidies on the Russian wheat sale was in excess of \$42 million. Am I correct there?

Mr. MICHEL. Yes, I believe that is correct and it would have been higher had the commitment for the entire sale gone through.

The gentleman made an estimate along with the gentleman from Illinois, that it would be in the neighborhood of \$100 million, but the fact that they did not follow through on the total sales they anticipated reflects itself in the figure of \$42 million.

Mr. FINDLEY. During the same period when the East German Communists were shooting down American airmen, the administration paid out \$1.7 million in export subsidies to make possible some wheat sales to that same Communist government. I presume this additional subsidy benefiting the Communists also cut into CCC capital funds?

Mr. MICHEL. Yes, it would be.

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. WHITTEN. Mr. Speaker, I yield the gentleman an additional 5 minutes.

Mr. MICHEL. I believe, in proper re-

sponse to the gentleman's question, the gentleman understands that what we get from the department is a request in total for what impairment there is in the Commodity Credit Corporation structure. The specific items do not come to us. What the gentleman talks about does take place in the machinations of the Commodity Credit Corporation.

Mr. FINDLEY. Many wheat farmers are disturbed over the administration's dumping of Government wheat, at about \$1.40 a bushel, in order to drive down the market price of wheat this year. Is there any limitation on spending provided in this legislation which would prohibit or restrain the Secretary of Agriculture from further dumping of this sort?

Mr. MICHEL. No. The gentleman recognizes that in an appropriation bill all we can do is write in limitations, rather than to legislate on the bill. We do not have any kind of specific limitation which would go as far as the gentleman has in mind. That is the prerogative of the Secretary.

Mr. FINDLEY. Can the gentleman give us any information as to how the research on soybeans program is provided for in this legislation?

Mr. MICHEL. That item is covered in the amendment in which we receded to the Senate point of view, which is outlined in the Senate bill. There is earmarked there for soybeans an amount of \$465,000, which is certainly ample and in good measure to handle the problem confronting those folks in the soybean area, and I personally will continue to exert my influence to see that this kind of research is pursued vigorously.

Mr. FINDLEY. I was pleased to see in the committee report on the appropriation bill, H.R. 11202, the statement on page 16 which declared that one of the problems facing American agriculture in maintaining its purchasing power has been the failure of the Federal Government to use the provisions of section 22 to limit imports of competitive products where necessary to prevent undue competition from abroad.

Has there been any action since that time on the part of the President to utilize section 22 funds to relieve the hardship brought upon the cattlemen in the United States by beef imports?

Mr. MICHEL. Of course, the gentleman knows so far as section 22 is concerned, we as a committee have nothing to do with the operation of this provision except to provide the money for those people who might be called upon to come up with the information the President may need with respect to imports.

Mr. FINDLEY. So far as the gentleman knows, the President has taken no action to use section 22 funds for the purpose of relieving hardship on cattlemen caused by beef imports.

Mr. MICHEL. So far as I know, none. That is one of the reasons why we had before us a couple of days ago the bill from the Ways and Means Committee to do something in this area. Not that I would concede very much will be done by that action.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. I thank the gentleman for yielding.

As the gentleman from Illinois will recall, during the House consideration of this bill, I expressed my concern over funds made available in this bill for beetle eradication. I hasten to add cereal leaf beetle, for the benefit of the teenagers.

In the conference report I do not note any reference to this cereal leaf beetle research.

Mr. MICHEL. Yes. If the gentleman will turn to page 9 of the conference report, he will see an item in there of cost of production research as provided in the Senate bill, a total of \$5 million. Then, if the gentleman will refer to the Senate bill, he will note there is a breakdown where he will see for the cereal leaf beetle an amount of \$200,000 in compliance with the full amount of the request.

Mr. CHAMBERLAIN. Specifically designated for this research.

Mr. MICHEL. And the gentleman from Michigan is quite well aware that the big problem is in the State of Michigan and south in Indiana to some degree.

Mr. CHAMBERLAIN. I thank the gentleman, and I assure him this is appreciated.

Mr. MICHEL. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE TO EXTEND

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that I, as well as the other members of the subcommittee speaking on this bill, may have permission to revise and extend our remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(Mr. ABBITT asked and was given permission to revise and extend his remarks and include a letter from the senior Senator from Virginia [Mr. BYRD].)

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment number 2: Page 3, line 12, insert: "(2) \$115,316,000, plus the following amounts, to remain available until expended, for the planning, construction, alteration, and equipping of research facilities: \$1,000,000 for crops research facilities at Fort Collins, Colorado; \$850,000 for facilities at the Agricultural Research Center, Beltsville, Maryland; \$800,000 for a stored-product insects laboratory, Savannah, Georgia; \$260,000 for plans for a livestock insects and toxicology laboratory, College Station, Texas; \$338,000 for plans for a plant disease, nematode, and insect laboratory, Beltsville, Maryland; \$160,000 for plans for an insect attractants and stored-product insects laboratory,

Gainesville, Florida; \$1,600,000 for a peanut research laboratory, at Dawson, Georgia, on a site acquired by donation, and: *Provided*, That research investigations undertaken at the national peanut quality evaluation laboratory must be truly national in scope and must give equivalent treatment to the different types of peanuts produced and marketed in the major peanut producing areas; and \$240,000 for plans for a western cotton insects and physiology laboratory, Tempe, Arizona; a cotton disease laboratory, College Station, Texas; a cotton physiology laboratory, Stoneville, Mississippi; pilot cotton ginning facilities at Stoneville, Mississippi, and Mesilla Park, New Mexico; and facilities in the High Plains region in Texas for cotton ginning and storage research; in all, \$120,564,000."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following: "\$114,991,000, plus not to exceed the following amounts, to remain available until expended, for the planning, construction, alteration, and equipping of research facilities: \$1,000,000 for crops research facilities at Fort Collins, Colorado; \$850,000 for facilities at the Agricultural Research Center, Beltsville, Maryland; \$800,000 for a stored-product insects laboratory, Savannah, Georgia; \$260,000 for plans for a livestock insects and toxicology laboratory, College Station, Texas; \$338,000 for plans for a plant disease, nematode, and insect laboratory, Beltsville, Maryland; \$160,000 for plans for an insect attractants and stored-product insects laboratory, Gainesville, Florida; \$1,000,000 for a peanut quality research laboratory, at Dawson, Georgia, on a site acquired by donation; and \$240,000 for plans for a Western cotton insects and physiology laboratory, Tempe, Arizona; a cotton disease laboratory, College Station, Texas; a cotton physiology laboratory, Stoneville, Mississippi; pilot cotton ginning facilities at Stoneville, Mississippi, and Mesilla Park, New Mexico; and facilities in the High Plains region in Texas for cotton ginning and storage research; in all, \$119,639,000."

Mr. FINDLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Does the gentleman from Mississippi yield for a parliamentary inquiry?

Mr. WHITTEN. I yield for that purpose.

The SPEAKER. The gentleman from Illinois will state his parliamentary inquiry.

Mr. FINDLEY. Mr. Speaker, if amendment No. 2 is voted down or rejected, would it then be in order for an amended amendment No. 2 to be offered which would be the same as the first amendment except for the deletion of one item?

The SPEAKER. The Chair will state, if a motion to recede and concur is voted down, another motion to recede and concur would be in order.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 6, line 13, insert:

"SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

"For payments in foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, \$4,000,000: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 for this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a)."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows: In lieu of the sum of \$4,000,000, insert: "\$2,000,000"; and after the sum of \$25,000, change the word "for" to "Of".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment numbered 7: Page 7, line 17, insert:

"FOREST SERVICE

"Forest protection and utilization

"For an additional amount for 'Forest protection and utilization', for Forest research, \$2,750,000, of which \$900,000 for Forest research construction shall remain available until expended."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows: In lieu of the sum of \$2,750,000, insert "\$1,900,000"; and in lieu of the sum of \$900,000, insert: "\$50,000".

The motion was agreed to.

The SPEAKER pro tempore (Mr. HOLIFIELD). The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment numbered 26: Page 18, line 17, strike out: "to be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612)."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendment, as follows: Restore the matter stricken, amended to read as follows: "of which \$51,500,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612): *Provided*, That hereafter appropriations under this head shall be made in accordance with the provisions of Public Law 87-128."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment numbered 35: Page 26, line 7, insert:

"EMERGENCY CONSERVATION MEASURES

"For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment numbered 43: Page 32, line 10, strike out: "*Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases."

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: Restore the matter stricken, and add at the end thereof the following: "*Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended."

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DEVELOPMENT OF THE APPALACHIAN REGION

Mr. ELLIOTT, from the Committee on Rules, reported the following privileged resolution (H. Res. 861, report No. 1835), which was referred to the House Calendar and ordered to be printed.

H. Res. 861

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee

of the Whole House on the State of the Union for the consideration of the bill (H.R. 11946) to provide public works and economic development programs and the planning and coordination needed to assist in the development of the Appalachian region. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Public Works now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

ESTABLISH A NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. ASPINALL. Mr. Speaker, I call up the conference report on the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 19, 1964.)

Mr. ASPINALL. Mr. Speaker, I yield myself 5 minutes.

(Mr. ASPINALL asked and was given permission to revise and extend his remarks.)

Mr. ASPINALL. Mr. Speaker and Members of the House, our committee on conference brings to you the conference report on the wilderness bill, one of the conservation bills that has gained so much publicity and so much interest throughout our country in the last many years.

Mr. Speaker, the language of the bill as amended by the conference report will be the language of the House bill, with seven changes.

Although these changes are not of major importance when compared with the main provisions of the legislation, nevertheless they are of sufficient importance for the Members of the House to know what took place in conference.

Mr. Speaker, the first amendment provides that an area under 5,000 acres, provided it has sufficient size to make practical its preservation and use in an unimpaired condition, may be included in the wilderness system, regardless of the fact that it is less than 5,000 acres.

The second amendment takes care of the situation that exists because two areas have been reclassified as wilderness within a period of time less than the 60-day period provided in the bill. The

amendment provides that this act shall go into effect with regard to all of the areas classified within 30 days instead of 60, after final approval.

Mr. Speaker, the third amendment has to do with a provision, a particular provision with reference to a primitive area in Colorado where it is necessary to reclassify and, perhaps, declassify in the neighborhood of 7,000 acres in order to take care of the provisions of an agreement that has been arrived at heretofore between the National Forest Service and the State Highway Department of Colorado as well as the Bureau of Public Roads of the Federal Government. There is also involved the possible construction of a water tunnel in the area which may be declassified.

Mr. Speaker, the fourth amendment—

Mr. SAYLOR. Mr. Speaker, will the gentleman yield to me at that point?

Mr. ASPINALL. I am glad to yield to the gentleman from Pennsylvania.

Mr. SAYLOR. That was done in order to take care of a situation which would have been impossible under the terms of the bill, unless this specific exemption had been made; is that not correct?

Mr. ASPINALL. The gentleman is correct. The Saylor amendment approved at the time of the debate and House passage of the bill would have made it impossible to take care of this particular situation.

Mr. Speaker, the fourth amendment has to do with the study of roadless areas in the national parks, and provides for a staggered period of study. One-third must be reported in 3 years, the second third within 7 years, and the last third within a 10-year period.

Another amendment states very definitely that the President would not be required to identify all specific values in his recommendations because of the effect it would have upon a report in a detailed operation.

Mr. Speaker, another amendment has to do with the phasing out of the establishment of valid mining claims within a wilderness area. The final date for such ventures is established in the new bill as of 1983 instead of 1989.

Then, another amendment has to do with adoption of Senate language in S. 4, which preserved within the States their existing jurisdiction over fish and wildlife operations.

Now, Mr. Speaker, this brings to an end as far as the House of Representatives is concerned, with the adoption of this conference report, a long study, a long program of trying to secure Federal recognition of a wilderness system by statutory enactment.

This matter has been before Congress for something like 7 years. At times it seemed as if it would be impossible to arrive at any agreement between the groups and individuals desiring the establishment of wilderness areas or a wilderness system, and those in opposition to such a program—people and interests especially of the public land States where certain uses of the public lands, mean so much to the economy of the



An Act

78 STAT. 862.

Making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes; namely:

Department of
Agriculture and
Related Agencies
Appropriation
Act, 1965.

DEPARTMENT OF AGRICULTURE

TITLE I—GENERAL ACTIVITIES

AGRICULTURAL RESEARCH SERVICE

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, utilization, marketing, nutrition and consumer use, to control and eradicate pests and plant and animal diseases, and to perform related inspection, quarantine and regulatory work, and meat inspection: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall 58 Stat. 742.
be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed two for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to title 5, United States Code, section 565a, for the construction, alteration, and repair of buildings and improvements, but unless otherwise 60 Stat. 810.
provided, the cost of constructing any one building (except head-houses connecting greenhouses) shall not exceed \$20,000, except for six 58 Stat. 742.
buildings to be constructed or improved at a cost not to exceed \$45,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$7,500 or 7.5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of \$100,000 for facilities at Beltsville, Maryland:

Research: For research and demonstrations on the production and utilization of agricultural products; agricultural marketing and distribution, not otherwise provided for; home economics or nutrition and consumer use of agricultural and associated products; and related research and services; and for acquisition of land by donation, exchange, or purchase at a nominal cost not to exceed \$100, \$114,991,000, plus not to exceed the following amounts, to remain available until expended, for the planning, construction, alteration, and equipping of research facilities: \$1,000,000 for crops research facilities at Fort Collins, Colorado; \$850,000 for facilities at the Agricultural Research Center, Beltsville, Maryland; \$800,000 for a stored-product insects laboratory, Savannah, Georgia; \$260,000 for plans for a livestock insects and toxicology laboratory, College Station, Texas; \$338,000 for plans for a plant disease, nematode, and insect laboratory, Beltsville, Maryland; \$160,000 for plans for an insect attractants and stored-product insects laboratory, Gainesville, Florida; \$1,000,000 for a peanut quality research laboratory, at Dawson, Georgia, on a site acquired by donation; and \$240,000 for plans for a

Western cotton insects and physiology laboratory, Tempe, Arizona; a cotton disease laboratory, College Station, Texas; a cotton physiology laboratory, Stoneville, Mississippi; pilot cotton ginning facilities at Stoneville, Mississippi, and Mesilla Park, New Mexico; and facilities in the High Plains region in Texas for cotton ginning and storage research; in all, \$119,639,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113(a));

62 Stat. 198.
21 USC 113a.

Plant and animal disease and pest control: For operations and measures, not otherwise provided for, to control and eradicate pests and plant and animal diseases and for carrying out assigned inspection, quarantine, and regulatory activities, as authorized by law, including expenses pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b-c), \$68,793,200, of which \$1,500,000 shall be apportioned for use pursuant to section 3679 of the Revised Statutes, as amended, for the control of outbreaks of insects and plant diseases to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That no funds in excess of \$250,000 shall be available for carrying out the screwworm eradication program that does not require minimum matching by State or local sources of at least 50 per centum of the expenses of production, irradiation, and release of the screwworm flies: *Provided further*, That, in addition, in emergencies which threaten the livestock or poultry industries of the country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious diseases of animals, or European fowl pest and similar diseases in poultry, and for expenses in accordance with the Act of February 28, 1947, as amended, and any unexpended balances of funds transferred under this head in the next preceding fiscal year shall be merged with such transferred amounts;

61 Stat. 7.
31 USC 665.

Meat inspection: For carrying out the provisions of laws relating to Federal inspection of meat, and meat-food products, and the applicable provisions of the laws relating to process or renovated butter, \$30,837,000;

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the previous fiscal year may be used by the Administrator of the Agricultural Research Service in departmental research programs in the current fiscal year, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a) and for agricultural and forestry research and other functions related thereto authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704(a)(k)), to remain available until expended, \$2,000,000: *Provided*, That this appropriation shall be available in addition to other appropriations for these purposes, for payments in

68 Stat. 456.

72 Stat. 275.

the foregoing currencies: *Provided further*, That funds appropriated herein shall be used for payments in such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses: *Provided further*, That not to exceed \$25,000 of this appropriation shall be available for payments in foreign currencies for expenses of employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

68 Stat. 456;
73 Stat. 606.
7 USC 1704.

58 Stat. 742.
60 Stat. 810.

FOREST SERVICE

FOREST PROTECTION AND UTILIZATION

For an additional amount for "Forest protection and utilization", for Forest research, \$1,900,000, of which \$50,000 for Forest research construction shall remain available until expended.

COOPERATIVE STATE RESEARCH SERVICE

PAYMENTS AND EXPENSES

For payments to agricultural experiment stations, for grants for cooperative forestry research, for basic scientific research, and for facilities, and for other expenses, including \$45,113,000 to carry into effect the provisions of the Hatch Act, approved March 2, 1887, as amended by the Act approved August 11, 1955 (7 U.S.C. 361a-361i), including administration by the United States Department of Agriculture; \$1,000,000 for grants for cooperative forestry research under the Act approved October 10, 1962 (16 U.S.C. 582a-582a-7); \$3,242,000 for grants for facilities under the Act approved July 22, 1963 (77 Stat. 90); \$310,000 for penalty mail costs of agricultural experiment stations under section 6 of the Hatch Act of 1887, as amended; and \$267,000 for necessary expenses of the Cooperative State Research Service, including administration of payments to State agricultural experiment stations, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$30,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); in all, \$49,932,000.

69 Stat. 671.

76 Stat. 806.

7 USC 390.

69 Stat. 673.

7 USC 361f.

EXTENSION SERVICE

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States and Puerto Rico: For payments for cooperative agricultural extension work under the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), \$70,530,000; and payments and contracts for such work under section 204(b)-205 of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623-1624), \$1,570,000; in all, \$72,100,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State or Puerto Rico prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

67 Stat. 83;

69 Stat. 683;

76 Stat. 745.

60 Stat. 1089.

Retirement and Employees' Compensation costs for extension agents: For cost of employer's share of Federal retirement and for reimbursement for benefits paid from the Employees' Compensation Fund for cooperative extension employees, \$7,510,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$3,113,000.

Federal Extension Service: For administration of the Smith-Lever Act, as amended by the Act of June 26, 1953, the Act of August 11, 1955, and the Act of October 5, 1962 (7 U.S.C. 341-349), and extension aspects of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, \$2,451,000.

67 Stat. 83;
69 Stat. 683;
76 Stat. 745.

FARMER COOPERATIVE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the Act of July 2, 1926 (7 U.S.C. 451-457), and for conducting research relating to the economic and marketing aspects of farmer cooperatives, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), \$1,102,000.

44 Stat. 802.

60 Stat. 1087.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures as may be necessary to prevent floods and the siltation of reservoirs); operation of conservation nurseries; classification and mapping of soil; dissemination of information; purchase and erection or alteration of permanent buildings; and operation and maintenance of aircraft, \$100,511,000: *Provided*, That the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$2,500, except for one building to be constructed at a cost not to exceed \$25,000 and eight buildings to be constructed or improved at a cost not to exceed \$15,000 per building and except that alterations or improvements to other existing permanent buildings costing \$2,500 or more may be made in any fiscal year in an amount not to exceed \$500 per building: *Provided further*, That no part of this appropriation shall be available for the construction of any such building on land not owned by the Government: *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f), in demonstration projects: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$5,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the service.

58 Stat. 742.

60 Stat. 810.

WATERSHED PLANNING

For necessary expenses for small watershed investigations and planning, \$5,524,000.

WATERSHED PROTECTION

For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not to exceed \$1,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

68 Stat. 666.

58 Stat. 742.

60 Stat. 810.

FLOOD PREVENTION

For necessary expenses, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 16 U.S.C. 1006a), as amended and supplemented, and in accordance with the provisions of laws relating to the activities of the Department, to perform works of improvement, including funds for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until expended; \$25,423,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for flood prevention purposes: *Provided*, That no part of such funds shall be used for the purchase of lands in the Yazoo and Little Tallahatchie watersheds without specific approval of the county board of supervisors of the county in which such lands are situated: *Provided further*, That not to exceed \$1,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

49 Stat. 1570.

33 USC 701a-701h.

70 Stat. 1090.

GREAT PLAINS CONSERVATION PROGRAM

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956 (16 U.S.C. 590p), \$14,744,000, to remain available until expended.

70 Stat. 1115.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development, and for sound land use, pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), \$1,770,000, to remain available until expended: *Provided*, That not to exceed \$500,000 of such amount shall be available for loans and related expenses under subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574),

49 Stat. 163.

75 Stat. 307.

7 USC 1922-1929.

and not to exceed \$50,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

ECONOMIC RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; and for analyses of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products: \$10,576,000: *Provided*, That not less than \$350,000 of the funds contained in this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$75,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a): *Provided further*, That not less than \$145,000 of the funds contained in this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

60 Stat. 1087.

58 Stat. 742.

60 Stat. 810.

STATISTICAL REPORTING SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Statistical Reporting Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, \$11,481,000: *Provided*, That no part of the funds herein appropriated shall be available for any expense incident to publishing estimates of apple production for other than the commercial crop.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For expenses necessary to carry on services related to agricultural marketing and distribution as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, including the administration of marketing regulatory acts connected therewith and for administration and coordination of payments to States; and this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$25,000 shall be available for employment at rates not to exceed \$75 per diem under section 15 of the Act of August 2, 1946 (5 U.S.C.

55a), in carrying out section 201 (a) to 201 (d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203 (j) of the Agricultural Marketing Act of 1946; \$39,566,000.

52 Stat. 36.
60 Stat. 1088.
7 USC 1622.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204 (b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623 (b)), \$1,500,000.

SPECIAL MILK PROGRAM

For necessary expenses to carry out the Special Milk Program, as authorized by the Act of August 8, 1961 (7 U.S.C. 1446, note), \$103,000,000, of which \$51,500,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612): *Provided*, That hereafter appropriations under this head shall be made in accordance with the provisions of Public Law 87-128.

75 Stat. 319.

49 Stat. 774.

7 USC 612c.

75 Stat. 294.

7 USC 1911 note.

SCHOOL LUNCH PROGRAM

For necessary expenses to carry out the provisions of the National School Lunch Act, as amended (42 U.S.C. 1751-1760), \$146,400,000: *Provided*, That no part of this appropriation shall be used for non-food assistance under section 5 of said Act: *Provided further*, That \$45,000,000 shall be transferred to this appropriation from funds available under section 32 of the Act of August 24, 1935, for purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act.

60 Stat. 230;

76 Stat. 944.

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(SECTION 32)

No funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used for any purpose other than commodity program expenses as authorized therein, and other related operating expenses, except for (1) transfers to the Department of the Interior as authorized by the Fish and Wildlife Act of August 8, 1956, (2) transfers otherwise provided in this Act, (3) not more than \$2,924,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961, (4) not more than \$35,000,000 for expenses for the Pilot Food Stamp Program and (5) not in excess of \$12,175,000 to be used to increase domestic consumption of farm commodities pursuant to authority contained in Public Law 88-250, the Department of Agriculture and Related Agencies Appropriation Act, 1964, of which amount \$500,000 shall remain available until expended for construction, alteration and modification of research facilities.

70 Stat. 1119.

16 USC 742a

note.

50 Stat. 246.

7 USC 674.

75 Stat. 294.

7 USC 1911

note.

77 Stat. 820.

FOREIGN AGRICULTURAL SERVICE

SALARIES AND EXPENSES

For necessary expenses for the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761-1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed \$35,000 for representation allowances and for expenses pursu-

68 Stat. 908.

78 STAT. 869.

- 70 Stat. 1034. ant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), \$20,488,000: *Provided*, That not less than \$255,000 of the funds contained in this appropriation shall be available to obtain statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis: *Provided further*, That, in addition, not to exceed \$3,117,000 of the funds appropriated by section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c), shall be merged with this appropriation and shall be available for all expenses of the Foreign Agricultural Service.
- 49 Stat. 774.

COMMODITY EXCHANGE AUTHORITY

SALARIES AND EXPENSES

- For necessary expenses to carry into effect the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1-17a), \$1,119,000.
- 42 Stat. 998;
49 Stat. 1491.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

EXPENSES, AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

- For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); Sugar Act of 1948, as amended (7 U.S.C. 1101-1161); sections 7 to 15, 16(a), 16(d), 16(e), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590q; 7 U.S.C. 1010-1011) as added by section 132 of the Act of August 8, 1961; subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816); and laws pertaining to the Commodity Credit Corporation, \$105,602,000: *Provided*, That, in addition, not to exceed \$87,508,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed \$35,668,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used, (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program function prescribed in administrative regulations.
- 52 Stat. 38.
61 Stat. 922.
- 49 Stat. 1148.
50 Stat. 525.
75 Stat. 302.
70 Stat. 191;
73 Stat. 552.
- 62 Stat. 792.
- 52 Stat. 31.
16 USC 590h.

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), \$90,000,000, to remain available until June 30 of the next succeeding fiscal year.

AGRICULTURAL CONSERVATION PROGRAM

For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), and 17 of the Soil Conservation and Domestic Allotment Act, approved February 29, 1936, as amended (16 U.S.C. 590g-590(o), 590p(a), and 590q), including not to exceed \$6,000 for

the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, \$225,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the programs of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Related Agencies Appropriation Acts, 1963 and 1964, carried out during the period July 1, 1962, to December 31, 1964, inclusive: *Provided*, That none of the funds herein appropriated shall be used to pay the salaries or expenses of any regional information employees or any State information employees, but this shall not preclude the answering of inquiries or supplying of information at the county level to individual farmers: *Provided further*, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956: *Provided further*, That necessary amounts shall be available for administrative expenses in connection with the formulation and administration of the 1965 program of soil-building and soil- and water-conserving practices, including related wildlife conserving practices, under the Act of February 29, 1936, as amended (amounting to \$220,000,000, excluding administration, except that no participant shall receive more than \$2,500, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community): *Provided further*, That not to exceed 5 per centum of the allocation for the current year's agricultural conservation program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the agricultural conservation program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition, on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any other Federal, State, or local public agency for the same purpose and under the same conditions: *Provided further*, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels.

76 Stat. 1210;
77 Stat. 827.

49 Stat. 1148.
16 USC 590g-
590q.

53 Stat. 1147;
54 Stat. 767.
5 USC 118k note.
62 Stat. 792.

CONSERVATION RESERVE PROGRAM

70 Stat. 191, 196;
73 Stat. 552. For necessary expenses to carry out a conservation reserve program as authorized by subtitles B and C of the Soil Bank Act (7 U.S.C. 1831-1837, 1802-1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$194,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That no part of these funds shall be paid on any contract which is illegal under the law due to the division of lands for the purpose of evading limits on annual payments to participants.

CROPLAND CONVERSION PROGRAM

76 Stat. 606. For necessary expenses to promote the conservation and economic use of land pursuant to the provisions of section 16(e) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590p), as amended, \$15,000,000, to remain available until expended.

EMERGENCY CONSERVATION MEASURES

71 Stat. 176. For emergency conservation measures, to be used for the same purposes and subject to the same conditions as funds appropriated under this head in the Third Supplemental Appropriation Act, 1957, to remain available until expended, \$4,000,000, with which shall be merged the unexpended balances of funds heretofore appropriated for emergency conservation measures.

OFFICE OF RURAL AREAS DEVELOPMENT

SALARIES AND EXPENSES

58 Stat. 742.
60 Stat. 810. For necessary expenses, not otherwise provided for, of the Office of Rural Areas Development in providing leadership, coordination, liaison, and related services in the rural areas development activities of the Department, \$124,000: *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$3,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), \$9,874,000.

OFFICE OF THE GENERAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses, including payment of fees or dues for the use of law libraries by attorneys in the field service, \$3,853,000.

OFFICE OF INFORMATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Information for the dissemination of agricultural information and the coordination of informational work and programs authorized by Congress in the Department, \$1,648,000, of which total appropriation not to exceed \$537,000 may be used for farmers' bulletins, which shall be adapted to the interests of the people of the different sections of the country, an equal proportion of four-fifths of which shall be available to be delivered to or sent out under the addressed franks furnished by the Senators, Representatives, and Delegates in Congress, as they shall direct (7 U.S.C. 417), and not less than two hundred and thirty-two thousand two hundred and fifty copies for the use of the Senate and House of Representatives of part 2 of the annual report of the Secretary (known as the Yearbook of Agriculture) as authorized by section 73 of the Act of January 12, 1895 (44 U.S.C. 241) : *Provided*, That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$10,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

34 Stat. 690.

28 Stat. 612.

58 Stat. 742.

NATIONAL AGRICULTURAL LIBRARY

SALARIES AND EXPENSES

For necessary expenses of the National Agricultural Library, \$1,547,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$35,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

60 Stat. 810.

OFFICE OF MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses to enable the Office of Management Services to provide management support services to selected agencies and offices of the Department of Agriculture, \$2,482,000.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of Agriculture and for general administration of the Department of Agriculture, including expenses of the National Agricultural Advisory Commission; repairs and alterations; and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department of Agriculture, \$3,314,000: *Provided*, That this appropriation shall be reimbursed from applicable appropriations for travel expenses incident to the holding of hearings as required by the Administrative Procedures Act (5 U.S.C. 1001) : *Provided further*, That not to exceed \$2,500 of this amount shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary.

60 Stat. 237.

TITLE II—CREDIT AGENCIES

RURAL ELECTRIFICATION ADMINISTRATION

To carry into effect the provisions of the Rural Electrification Act of 1936, as amended (7 U.S.C. 901-924), as follows:

49 Stat. 1363;
63 Stat. 948.

LOAN AUTHORIZATIONS

For loans in accordance with said Act, and for carrying out the provisions of section 7 thereof, to be borrowed from the Secretary of the Treasury in accordance with the provisions of section 3(a) of said Act, as follows: Rural electrification program, \$365,000,000, of which \$90,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural electrification program; and rural telephone program, \$70,000,000, of which \$7,000,000 shall be placed in reserve to be borrowed under the same terms and conditions to the extent that such amount is required during the current fiscal year under the then existing conditions for the expeditious and orderly development of the rural telephone program.

7 USC 907.
7 USC 903.

SALARIES AND EXPENSES

For administrative expenses, including not to exceed \$500 for financial and credit reports, funds for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$150,000 for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), \$11,578,000.

58 Stat. 742.
60 Stat. 810.

FARMERS HOME ADMINISTRATION

DIRECT LOAN ACCOUNT

Direct loans and advances under subtitles A and B, and advances under section 335(a) for which funds are not otherwise available, of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, may be made from funds available in the Farmers Home Administration direct loan account as follows: real estate loans, \$60,000,000; and operating loans, \$300,000,000, of which \$50,000,000 shall be placed in reserve to be used only to the extent required during current fiscal year under the then existing conditions for the expeditious and orderly conduct of the loan program.

75 Stat. 315.
7 USC 1985.

RURAL RENEWAL

For necessary expenses, including administrative expenses, in carrying out rural renewal activities under section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended, \$1,200,000, to remain available until expended.

76 Stat. 607.
7 USC 1011.

RURAL HOUSING FOR THE ELDERLY REVOLVING FUND

For loans pursuant to section 515(a) of the Housing Act of 1949, as amended (42 U.S.C. 1485), including advances pursuant to section 335(a) of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1985) in connection with security for such loans, \$5,000,000.

76 Stat. 671.

SALARIES AND EXPENSES

For necessary expenses of the Farmers Home Administration, not otherwise provided for, in administering the programs authorized by the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1921), as amended, title V of the Housing Act of 1949, as amended (42 U.S.C. 1471-1484), and the Rural Rehabilitation Corporation Trust Liquidation Act, approved May 3, 1950 (40 U.S.C. 440-444); \$39,544,000, together with not more than \$2,250,000 of the charges collected in connection with the insurance of loans as authorized by section 309(e) of the Consolidated Farmers Home Administration Act of 1961, as amended, and section 514(b)(3) of the Housing Act of 1949, as amended: *Provided*, That, in addition, not to exceed \$500,000 of the funds available for the various programs administered by this Agency may be transferred to this appropriation for temporary field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574) to meet unusual or heavy workload increases: *Provided further*, That no part of any funds in this paragraph may be used to administer a program which makes rural housing grants pursuant to section 504 of the Housing Act of 1949, as amended.

75 Stat. 307.

64 Stat. 98.

75 Stat. 186.

42 USC 1484.

58 Stat. 742.

TITLE III—CORPORATIONS

The following corporations and agencies are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided:

61 Stat. 584.

31 USC 849.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

For administrative and operating expenses, \$6,942,000.

FEDERAL CROP INSURANCE CORPORATION FUND

Not to exceed \$3,638,000 of administrative and operating expenses to be paid from premium income.

COMMODITY CREDIT CORPORATION

REIMBURSEMENT FOR NET REALIZED LOSSES

To partially reimburse the Commodity Credit Corporation for net realized losses sustained during the fiscal year ending June 30, 1963, pursuant to the Act of August 17, 1961 (15 U.S.C. 713a-11, 713a-12), \$1,574,000,000.

75 Stat. 391.

LIMITATION ON ADMINISTRATIVE EXPENSES

Nothing in this Act shall be so construed as to prevent the Commodity Credit Corporation from carrying out any activity or any program authorized by law: *Provided*, That not to exceed \$37,351,000 shall be available for administrative expenses of the Corporation: *Provided further*, That \$945,000 of this authorization shall be avail-

31 USC 665.

able only to expand and strengthen the sales program of the Corporation pursuant to authority contained in the Corporation's charter: *Provided further*, That not less than 7 per centum of this authorization shall be placed in reserve to be apportioned pursuant to section 3679 of the Revised Statutes, as amended, for use only in such amounts and at such times as may become necessary to carry out program operations: *Provided further*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Corporation or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That no part of the administrative funds authorized under this head or of the capital funds of the Commodity Credit Corporation shall be available to formulate or administer a cotton loan program during fiscal year 1965 which requires that micronaire readings shall be mandatory as a part of the cotton classing in connection with cotton loans.

PUBLIC LAW 480

68 Stat. 455;
73 Stat. 610.

For expenses during fiscal year 1965, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701-1709, 1721-1724, 1731-1736), to remain available until expended, as follows: (1) Sale of surplus agricultural commodities for foreign currencies pursuant to title I of said Act, \$1,612,000,000; (2) commodities disposed of for emergency famine relief to friendly peoples pursuant to title II of said Act, \$220,453,000; and (3) long-term supply contracts pursuant to title IV of said Act, \$35,000,000.

INTERNATIONAL WHEAT AGREEMENT

63 Stat. 945.

For expenses during fiscal year 1965 and unrecovered prior years' costs, including interest thereon, under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642), \$31,838,000, to remain available until expended.

BARTERED MATERIALS FOR SUPPLEMENTAL STOCKPILE

70 Stat. 200.

For expenses during fiscal year 1965 and unrecovered prior years' costs related to strategic and other materials acquired as a result of barter or exchange of agricultural commodities or products and transferred to the supplemental stockpile pursuant to Public Law 540, Eighty-fourth Congress (7 U.S.C. 1856), \$92,860,000, to remain available until expended.

TITLE IV—RELATED AGENCIES

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$2,876,000 (from assessments collected from farm credit agencies) shall be obligated during the current fiscal year for administrative expenses.

TITLE V—GENERAL PROVISIONS

SEC. 501. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed four hundred and seventy-four passenger motor vehicles, of which four hundred and fifty-two shall be for replacement only, and for the hire of such vehicles. Passenger motor vehicles.

SEC. 502. Provisions of law prohibiting or restricting the employment of aliens shall not apply to employment under the appropriation for the Foreign Agricultural Service. Employment of aliens.

SEC. 503. Funds available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131). Uniform allowances.

SEC. 504. No part of the funds appropriated by this Act shall be used for the payment of any officer or employee of the Department who, as such officer or employee, or on behalf of the Department or any division, commission, or bureau thereof, issues, or causes to be issued, any prediction, oral or written, or forecast, except as to damage threatened or caused by insects and pests, with respect to future prices of cotton or the trend of same. 68 Stat. 1114.
Restriction.

SEC. 505. Except to provide materials required in or incident to research or experimental work where no suitable domestic product is available, no part of the funds appropriated by this Act shall be expended in the purchase of twine manufactured from commodities or materials produced outside of the United States. Twine.

SEC. 506. Not less than \$1,500,000 of the appropriations of the Department for research and service work authorized by the Acts of August 14, 1946, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; 42 U.S.C. 1891-1893), shall be available for contracting in accordance with said Acts. Contracting.

This Act may be cited as the "Department of Agriculture and Related Agencies Appropriation Act, 1965". Short title.

Approved September 2, 1964.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 1387 (Comm. on Appropriations) and No. 1832 (Comm. of Conference).

SENATE REPORT No. 1331 (Comm. on Appropriations).

CONGRESSIONAL RECORD, Vol. 110 (1964):

May 19: Considered in House.

May 20: Considered and passed House.

Aug. 8: Considered and passed Senate, amended.

Aug. 20: House and Senate agreed to conference report.

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