Act. Twenty-two Republican Senators and eighty-three Republican Members of the House are sponsoring such legislation. All 12 members of the joint Senate-House Republican leadership are included in this number.

The purpose of the Human Investment Act is to encourage industry to expand its training programs so that the reservoir of available job skills more closely matches the present and anticipated needs of the economy. Private enterprise today is the Nation's largest job trainer, investing about $4.5 billion a year in the various forms of employee training. Over the years, labor and business have shown that they know best what skills will be needed in the economy and what kinds of training will best prepare workers to accept the jobs that become available. It is the goal of the Human Investment Act to provide the type of economic climate through tax incentives which will permit business to enter this field on a major scale.

Unskilled workers today have an unemployment rate twice as high as the overall national rate. In most cases, the unskilled lack only the training necessary to permit them to move into existing vacancies.

The problem is a national one and demands a national solution. The Republican Party believes that the Human Investment Act is a proper, indeed, necessary, response.

This legislation will guarantee an expansion of worthwhile and needed training programs, such as apprenticeship and on-the-job training, while holding redtape and administrative regulation to a minimum. The enactment of this Republican-authored legislation would be a major step toward encouraging our American enterprise system to expand its continuing efforts to alleviate the Nation's manpower shortages and enhance the opportunities for the individual worker to share more fully in the benefits of the American economy.

HARD CHOICES IN VIETNAM

Mr. JAVITS. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

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

Mr. JAVITS. Mr. President, the present turbulent political situation in South Vietnam makes it incumbent upon us to discuss once again U.S. policy in Vietnam and the extent of our commitments there. The people of the United States must be prepared for the hard choices and decisions which may be required of us as a result of the existing political uncertainty.

Our own purpose should remain unaltered. Side by side with the ARVN forces of South Vietnam, U.S. troops are waging a struggle for high but limited objectives with the necessary but limited military means. We are seeking a negotiated settlement to preserve freedom of choice for Vietnam. Our goals are threefold: First, pacification of the important and populous areas; second, economic and social development of the Vietnamese people; and, third, the holding of free elections in order to enable the Vietnamese to determine their own governmental future.

Should the Government of Premier Ky remain in office, or should another government with the same plans for Vietnam assume power and responsibility, the United States can continue to play its part in Vietnam. Should, however, a government come into office which is dissatisfied with our help, or with the presence of our forces in the country, or which is unable to continue the South Vietnamese share of the military burden, then we will have to decide whether to first, persist nonetheless and virtually take over the governmental operations in South Vietnam; second, withdraw our troops from the Asian mainland; or, third, redeploy our forces to another Asian location.

If we are so forced to reappraise our position, I urge that we do so in light of our basic policy to date—that is, we are in Vietnam because the actual government and people of that country wish to wage a struggle for their independence and freedom and they desire our help. In no event should the struggle there be a struggle carried on by us without South Vietnam, for it is at their behest that we are helping to defend them. It must be said at once—and I pay tribute to them—that the ARVN forces are carrying a heavy burden in the conflict. Indeed, their casualties are six times our own, grievous as are our own.

Just as I oppose carrying on the effort in Vietnam by ourselves, I also reject complete withdrawal from the Asian mainland. There are still a number of nations in that area which need and desire our help. The Chinese Communists still vow to persist in their so-called wars of aggression which they call wars of national liberation.

Should conditions force us to leave South Vietnam, I believe that our best choice is to redeploy our troops to another Asian country. It is my view that our forces should not be broken up, but should be kept together as an effective unit and redeployed where they can be available to counter any new aggressive move by Communist China. Northern Thailand is so threatened, and should the Government of Thailand request such assistance, I believe that at least some of our troops ought to be restationed there.

One question must be asked: "What would be the effect if we have to do so, not out of choice, of U.S. withdrawal from South Vietnam on our other international commitments?" I believe that the United States will already have amply justified by what we have done to this point in South Vietnam—that we are prepared to back our commitments elsewhere. No one could have any right to doubt that we are ready, notwithstanding the difficulties in money and manpower, to support the cause of freedom. Every free nation in Asia and elsewhere in the developing world already has been heartened by our determination.

In these efforts, however, we cannot guarantee success; we can only guarantee the effort itself. It would have been, and would be, disastrous voluntarily to pull out of Vietnam, but it is no disgrace if conditions make our continuance there unwelcome or untenable.

Yesterday, I uttered these same thoughts in a series of speeches in the north country of my own State, and as I have noted that other Senators spoke yesterday, I desire to add my voice to theirs in this, the national record.

AMENDMENT OF VARIOUS PROVISIONS OF LAWS ADMINISTERED BY FARM CREDIT ADMINISTRATION

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1069, S. 2822.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 2822) to amend various provisions of the laws administered by the Farm Credit Administration to improve operations thereunder, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 4, after line 3, to strike out:

SEC. 4. Sections 41 and 34 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1134c and 1134j), are each amended by striking from clause (a) in the first sentence thereof the following: ", for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended".

And, in lieu thereof, to insert:

SEC. 4. (a) Sections 41 and 34 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1134c and 1134j), are each amended—

(1) by striking from clause (a) in the first sentence thereof the following: ", for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended"; and

(11) by adding the following sentence immediately after the first sentence thereof: "Loans to cooperative associations made by any bank for cooperatives shall bear such rates of interest as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal of a loan.".

(b) The Agricultural Marketing Act, as amended, is amended by deleting subsection (a) of section 8 thereof (12 U.S.C. 1141f(a)).

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the laws administered by the Farm Credit Administration relating to Federal land banks, Federal intermediate credit banks, banks for cooperatives, farm credit board elections and compensation of Federal Farm Credit Board, are amended as hereinafter provided.

FEDERAL LAND BANKS

SEC. 2. Title I of the Federal Farm Loan Act, as amended, is amended—

(a) by adding the following subsection at the end of section 10 thereof (12 U.S.C. 751–757):

"(h) To the extent authorized by the Farm Credit Administration, the Federal land bank of the district, and the board of directors of a Federal land bank association, a written report and approval by the manager or another employee of the association designated for the purpose shall be acceptable in lieu of the written report and approval otherwise required of the loan committee under this section; and in such cases the favorable report and approval by the manager or other employee shall constitute the applicant a member of the association."

(b) by inserting immediately before the period at the end of paragraph First of section 12 thereof (12 U.S.C. 771 First) and immediately before the period at the end of the first sentence and immediately before the second comma in the second sentence of paragraph Second of section 13 thereof (12 U.S.C. 781 Second) the following: "and which mortgages may include farmland within other farm credit districts to the extent authorized by the Farm Credit Administration"

(c) by striking "and unless owners of stock in the corporation assume personal liability for the loan to the extent required under rules and regulations prescribed by the Farm Credit Administration" from the fourth sentence of paragraph Sixth of section 12 thereof (12 U.S.C. 771 Sixth); and

(d) by substituting "an amount specified by the Farm Credit Administration" for "$100,000" in paragraph Seventh of section 12 thereof (12 U.S.C. 771 Seventh).

FEDERAL INTERMEDIATE CREDIT BANKS

SEC. 3. Title II of the Federal Farm Loan Act, as amended, is amended—

(a) in section 202(a) thereof (12 U.S.C. 1031), by deleting "and" at the end of paragraph (2), by substituting "; and" for the period at the end of paragraph (3) and by adding the following new paragraph:

"(4) to purchase for investment obligations of the Federal land banks and the banks for cooperatives and, to the extent authorized by the Farm Credit Administration, obligations of any agencies of the United States."; and

(b) by changing section 208(b) thereof (12 U.S.C. 1092) to read as follows: "The Farm Credit Administration may require reports in such form as it may specify from any or all of the Federal intermediate credit banks whenever in its judgment the same are necessary for a full and complete knowledge of its or their financial condition or operations."

BANKS FOR COOPERATIVES

SEC. 4. (a) Sections 41 and 34 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1134c and 1134j), are each amended—

(i) by striking from clause (a) in the first sentence thereof the following: ", for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended"; and

(ii) by adding the following sentence immediately after the first sentence thereof: "Loans to cooperative associations made by any bank for cooperatives shall bear such rates of interest as the board of directors of the bank shall from time to time determine with the approval of the Farm Credit Administration, but in no case shall the rate of interest exceed 6 per centum per annum on the unpaid principal of a loan.".

(b) The Agricultural Marketing Act, as amended, is amended by deleting subsection (a) of section 8 thereof (12 U.S.C. 1141f(a)).

FARM CREDIT BOARD ELECTIONS

SEC. 5. The Farm Credit Act of 1937, as amended, is amended by substituting "sixty" for "thirty" in the last sentence of section 5(e) thereof (12 U.S.C. 640c) and in the third last sentence of section 5(f) thereof (12 U.S.C. 640f) and by inserting the following immediately before the period at the end of each of such sentences: ", except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than sixty days but not less than thirty days". This section shall be effective after the calendar year in which it is enacted.

FEDERAL FARM CREDIT BOARD

SEC. 6. Section 4(f) of the Farm Credit Act of 1953 (12 U.S.C. 636c(f)) is amended by substituting "$100" for "$50" therein.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an extract from the report accompanying the bill.

There being no objection, the extract of the report (No. 1102) was ordered to be printed in the RECORD as follows:

EXPLANATION OF BILL (WITH COMMITTEE AMENDMENT)

FEDERAL LAND BANKS

Background: The 12 Federal land banks, 1 in each farm credit district, were established in 1917 to make long-term land mortgage loans to farmers and ranchers as provided in the Federal Farm Loan Act. Each borrower from a Federal land bank is required to become a member of the Federal land bank association through which his loan is made. The borrower buys capital stock of the association in an amount equal to 5 percent of the face amount of the loan and the association is required to purchase an equal amount of stock in the Federal land bank of the district. By this means all the capital stock of the 719 Federal land bank associations is owned by their farmer members and the associations in turn have owned all of the stock of the Federal land banks since 1947 when the last of the Government capital in the banks was retired. The loan funds of the Federal land banks are obtained primarily through the sale of consolidated bonds to the investing public.

A Federal land bank loan must be secured by a first mortgage on the farm or ranch of the borrower. The amount loaned in any case may not exceed 65 percent of the appraised normal value of the farm or ranch offered as security plus the amount of the stock required to be purchased (5 percent of the face amount of the loan). Since the banks obtain their loan funds chiefly through the sale of consolidated bonds to the investing public, interest on loans made to farmers varies with the cost of money and differences in administrative cost. At the present time, 11 of the banks are making loans at 5½ percent and one charges an interest rate of 5.2 percent. There is a statutory limit of 6 percent. A land bank loan may not be made for more than 40 years but most of them have maturities of 20 to 35 years. Presently there are some 384,000 land bank loans outstanding in the approximate amount of $4.3 billion.

Section 2(a): To obtain a Federal land bank loan, an application is submitted to the bank through the local Federal land bank association. Before a loan is closed, the Federal Farm Loan Act, as it now reads (12 U.S.C. 751–7, 712), requires the following procedure:

1. A written report on the security is made by an appraiser designated or appointed by the Federal land bank of the district. This appraiser may be the manager or another employee of the association.

2. A written report is made by the associate loan committee which consists of three or more members of the association who are borrowers from the land bank. The manager of the association is also eligible for membership on the loan committee. The committee is elected by the board of directors of the association and, in addition to approving loans on behalf of the association, it may also be authorized to elect applicants to membership in the association.

3. Final aproval of a loan is by the Federal land bank, but no loan may be made unless the report of the appraiser and the report of the association loan committee are favorable.

Under step (2), the association loan committee report form often must be taken out to the members for approval and signature. This may involve two or three separate trips to the homes of the members in different parts of the association territory. The present amendment would permit this step in the present procedure to be modified. It would do this by rendering report and approval by the manager or another employee of the association acceptable, if duly authorized, in lieu of action by its loan committee. This is claimed to be warranted in many instances because of the training and experience of such personnel. Without minimizing the importance of approval action by members of the association, it is recognized that there are circumstances in which an association would want to and would be justified in giving this responsibility to a competent manager or other employee. To what extent an association chooses to do so would be determined by its own board of directors. It would also be subject to authorization by the board of directors of the Federal land bank of the district and by the Farm Credit Administration. One of the limitations intended by the Farm Credit Administration is that the manager or other employee authorized to act in lieu of the association loan committee shall not act on a loan in which he is interested directly or indirectly. The Farm Credit Administration has indicated, too, that actions by the manager or other employee under the new authority would be reviewed by the association loan committee or board of directors at their next meeting. The committee has been assured that this review will also cover applications on which the recommendation by the manager or other employee was not favorable.

Section 2(b): This amendment concerns an applicant for a Federal land bank loan who owns and is farming as a single operation land in more than one farm credit district. Under existing law, Federal land bank loans "shall be secured by duly recorded first mortgages on farmland within the farm credit district in which the land is situated" (12 U.S.C. 771 First). To the existing law, section 2(b) would add "and which mortgages may include farmland within other farm credit districts to the extent authorized by the Farm Credit Administration."

An identical addition would be made with reference to first mortgages which a Federal land bank is authorized to acquire otherwise than by making new loans; i.e., by investment or purchase (12 U.S.C. 781 Second). The stated intention is to permit an applicant with a farming operation in more than one district to be served by one land bank instead of borrowing from two or more such banks. There is no intention to permit a Federal land bank to lend on farmland outside of its own district except in conection with farmland in its own district, all being owned and operated by a single eligible applicant. The committee understands, in addition, that Farm Credit Administration regulations will require the concurrence of the Federal land bank for the district in which the land is situated before another Federal land bank may make a loan on it.

Section 2(c): The major statutory eligibility requirements for Federal land bank loans are (12 U.S.C. 771 Sixth):

"No such loan shall be made to any person who is not at the time, or shortly to become, engaged in farming operations or to any other person unless the principal part of his income is derived from farming operations. * * * the term "person" includes an individual or a corporation engaged in farming operations; * * * but no such loan shall be made to a corporation unless the principal

part of its income is derived from farming operations and unless owners of stock in the corporation assume personal liability for the loan to the extent required under rules and regulations prescribed by the Farm Credit Administration. * * *"

Section 2(c) would strike out the italicized words. This would eliminate the assumption of personal liability by a stockholder as an eligibility requirement for a Federal land bank loan to a corporation. The stated intention is that such assumption of personal liability may instead be required for credit and policy reasons. Such supervisory guidelines as are deemed necessary in this respect would be covered in rules and regulations issued by the Farm Credit Administration.

Most Federal land bank loans are made to individual farmers or ranchers, although loans to corporations have been authorized since 1935. For the last calendar year, the total of the loans to corporations has been 0.65 percent in number and 4.52 percent in amount of all the loans made by the 12 Federal land banks.

By the present amendment, there is no intention to increase or prefer corporate farming over family or individual farming. It is recognized, though, that there are families and individuals who have organized a corporation for their farming. In most cases it is expected that as least some of them, as stockholders, will continue to be required to provide personal liability for a loan to their corporation for credit or policy reasons. This would have to be done in any cases where the local Federal land bank association, which indorses and thereby incurs liability for the loan, conditions its favorable recommendation on such personal liability being required. However, in instances where such assumption of personal liability is not obtainable, and the loan otherwise meets all requirements, it is thought that the Federal land banks should no longer in every instance be precluded from making a loan for want of such personal liability. While this amendment will enlarge the possible loan service for only a limited number of applicants, any increased lending under it will also benefit the banks and all of their borrowers.

Section 2(d): Under existing law, "The amount of loans to any one borrower may not exceed $100,000 unless approved by the Farm Credit Administration * * *" (12 U.S.C. 771 Seventh). In this requirement section 2(d) would substitute "an amount specified by the Farm Credit Administration" for the "$100,000" limitation. This will leave it for the Farm Credit Administration to specify the size of the loans which a Federal land bank may close without the prior approval of the Farm Credit Administration. The committee sees no objection to giving the Farm Credit Administration such discretion in view of the successful lending experience of the land banks. In the last calendar year, 1,118 out of a total of 58,403 Federal land bank loans were in excess of $100,000. The average size of an outstanding Federal land bank loan is $11,100.

The present amendment refers only to the size of a loan which may be closed by a Federal land bank without the prior approval of the Farm Credit Administration. It has no reference to the maximum loan which may be made. That is now fixed by the Farm Credit Administration as not more than the higher of (1) 10 percent of the net worth of the bank making the loan, or (2) one-twelfth of 10 percent of the combined net worth of all Federal land banks. As recognized under the preceding amendment, sound loan volume benefits both the banks and their borrowers. The committee presently sees no occasion to object to it, so long as the lending is to applicants who are within the letter and spirit of the eligibility requirements quoted under the preceding amendment.

FEDERAL INTERMEDIATE CREDIT BANKS

Background: The 12 Federal intermediate credit banks, 1 in each farm credit district, are organized and operate under title II which was added to the Federal Farm Loan Act by the Agricultural Credits Act of 1923. Their function is to finance the 471 production credit associations and over 100 other financing institutions that make short- and intermediate-term loans to farmers and ranchers. The total of such financing by the credit banks during 1965 was $5.3 billion. Over 90 percent of such business was with the production credit associations.

The credit banks do this financing by discounting for the production credit associations and the other financing institutions, with their endorsement, the notes taken by them from the farmers and ranchers, and also by making loans to the associations and other financing institutions secured by such collateral as may be approved by the Governor of the Farm Credit Administration. Loans may also be made to the associations without collateral to the extent authorized by the Farm Credit Administration. The loan funds of the credit banks are obtained chiefly through the sale of their consolidated debentures to the investing public so that the interest and discount rates which the banks charge depend upon the rates of interest which the banks have to pay on their debentures and differences in administrative cost. The presently approved rates for the different banks range from 5¼ to 5¾ percent.

About 35 percent of the total capital stock of the Federal intermediate credit banks is owned by the production credit associations, and the other 65 percent continues to be owned by the Government. Under amendments enacted in 1956 and 1965, it is intended that the associations eventually will come to own all of the capital stock in such banks as their Government capital is gradually retired.

Section 3(a): To the existing powers of the Federal intermediate credit banks would be added authority "to purchase for investment obligations of the Federal land banks and the banks for cooperatives and, to the extent authorized by the Farm Credit Administration, obligations of any agencies of the United States." The latter obligations would include consolidated notes of the Federal home loan banks and securities issued by the Federal National Mortgage Association. Similar investments are now permitted for the Federal land banks and the banks for cooperatives.

Under existing law, the credit banks have been limited to investments in U.S. Government bonds for their funds which are not immediately needed for financing the production credit associations and other financing institutions for lending to farmers and ranchers. Such additional investment authority would add flexibility through a wider choice of investment media of various maturities. In most instances, too, it would provide the credit banks with a higher interest yield on such investments. While such additional investments would be mostly for a short term, they nonetheless would be available, if needed, as collateral for debentures issued by the Federal intermediate credit banks and as collateral for other borrowings. If used as collateral for debentures, the additional investments would be a relatively minor part of the debenture collateral which in the main consists of loans discounted for or made to the production credit associations and other financing institutions.

Section 3(b): Existing law (12 U.S.C. 1092) specifically requires each Federal intermediate credit bank to make three reports a year to the Farm Credit Administration as to the resources and liabilities of the banks, verified by an officer, and signed by at least three directors. Such reports must be published in a newspaper where the bank is located and are subject to proof of publication. Special reports may also be required by the Farm Credit Administration. In lieu of the existing requirements, section 3(b) would provide that "the Farm Credit Administration may require reports in such form as it may specify from any or all of the Federal intermediate credit banks whenever in its judgment the same are necessary for a full and complete knowledge of its or their financial condition or operations."

The Farm Credit Administration presently keeps informed of the condition of the banks by requiring monthly reports and through examination of the banks. The amendment would make no change in this respect. What it would do is relieve the banks of locally publishing their separate sworn and attested statements at least three times a year. Inasmuch as the individual banks have not separately issued debentures since 1935, what may once have been deemed a reason for the present local publication requirement no longer exists. In any event, the separate statements of each bank are widely distributed in its district to all who have an interest in the bank and to anyone on request. Since the banks may not accept deposits, there is no depositor group to be considered. Of more interest to the investing public are the consolidated financial and earnings statements of the 12 banks, since the banks are jointly and severally liable for their consolidated debentures. These are available in a brochure that is distributed to debenture dealers, commercial banks, and other interested parties. They also are widely circulated by investment services and periodicals. Among other places, both the individual and the consolidated statements are included in the annual report of the Farm Credit Administration to Congress and in the audit reports of the Comptroller General.

BANKS FOR COOPERATIVES

Background: The 13 banks for cooperatives, 1 in each farm credit district and the Central Bank for Cooperatives in the District of Columbia, were organized under the Farm Credit Act of 1933. They make loans to farmers' marketing, purchasing, and service cooperatives. Three distinct types of loans are made: facility, commodity, and operating capital loans. Since the loan funds of the banks, other than those available from their capital and surplus, are obtained from the sale of consolidated debentures to the investing public, interest rates charged by the banks for cooperatives depend, to a large extent, upon the rates they have to pay on their debentures. Interest rates vary with the type and term of loan and between banks. At the present time, interest rates charged by the banks for cooperatives range from a low of 4¾ percent to a high of 5¾ percent. The legal maximum is 6 percent.

The banks for cooperatives were capitalized by the United States out of the revolving fund from which the Federal Farm Board, previously made loans to cooperatives under the Agricultural Marketing Act of 1929. Since the Farm Credit Act of 1955, the Government capital in the banks for cooperatives is being systematically retired by the creation of permanent capital provided by the users of the banks. The maximum Government capital ever in the banks has been reduced by about 71 percent. Two of the banks for cooperatives (Berkeley and Houston) retired all of their Government

capital in 1965, and the other banks are expected to do so by 1970.

Section 4: As now in effect (12 U.S.C. 1134c, 1134j), the Farm Credit Act of 1933 provides that "subject to such terms and conditions as may be prescribed by the Farm Credit Administration," the 12 district banks for cooperatives and the Central Bank for Cooperatives are authorized "(a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended, for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended."

Section 4 of the bill, as introduced, would delete the words "for any of the purposes and subject to the conditions and limitations set forth in such Act, as amended."

With the committee amendment, section 4 would also transfer to the Farm Credit Act of 1933 the sentence, now contained in the Agricultural Marketing Act (12 U.S.C. 1141f (a)), which specifies that the interest rate on loans by any bank for cooperatives may not exceed 6 percent.

The amended authority of the banks for cooperatives in the 1933 act then would be "subject to such terms and conditions as may be prescribed by the Farm Credit Administration * * * (a) to make loans to cooperative associations as defined in the Agricultural Marketing Act, as amended."

The only provision of the Agricultural Marketing Act hereafter applicable would be section 15(a), which defines the farmer cooperative associations that are eligible to borrow (12 U.S.C. 1141j(a)). All other loan provisions of the Agricultural Marketing Act would no longer be applicable.

The more significant provisions that would be rendered inapplicable are those contained in section 7 of the Agricultural Marketing Act, as amended (12 U.S.C. 1141e). Most of such provisions originated in 1929 when loans were made from the revolving fund established under the act which then also provided for other programs which have since been discontinued. As currently in effect, the provisions that would be rendered inapplicable may be summarized as follows:

1. Under section 7, physical facility loans may not exceed 60 percent of the appraised value of the security therefor (7(c)(1)) and must be repaid upon an amortization plan over a period not in excess of 20 years (7(d)). Further, no loan for the purchase or lease or facilities may be made unless the Governor of the Farm Credit Administration finds that the purchase price or rent to be paid is reasonable (7(c)(2)).

2. The separate references to loans to construct or acquire or refinance physical facilities (7(a)(2)), loans to assist in the effective merchandising of agricultural commodities and food products thereof, and loans to a cooperative association for financing its operations (7(a)(1)), in effect constitute a classification of loans. These have come to be referred to as facility, commodity, and operating capital loans. Starting in 1933 the statutory interest rate provision for commodity and operating capital loans was different than for facility loans. However, in 1955 that distinction was removed, and since then all loans have been subject to the same general interest provision which will continue applicable as noted earlier. If the present separate statutory provisions for facility loans are now to become inapplicable, it is considered to follow that there no longer would be occasion for the present separate classes of loans.

3. At present section 7(b) also provides that the loan shall be in furtherance of the policy declared in section 1 of the Agricultural Marketing Act of 1929 (12 U.S.C. 1141), many of the purposes of which have since expired and no longer are relevant. It also requires that the cooperative association applying for the loan has an organization and management, and business policies, of such character as to insure the reasonable safety of the loan and the furtherance of such policy.

Inasmuch as the banks for cooperatives have now had over 33 years of lending experience during which time almost 48,000 loans for a total of about $15 billion have been made, it is thought that the statutory provisions that have just been reviewed no longer serve a useful purpose. Without them, but still subject to such terms and conditions as may be prescribed by the Farm Credit Administration, it is thought that the banks for cooperatives will have more flexibility and be in a better position to meet the needs of the farmer cooperatives that are eligible for loans.

At the hearings, the Farm Credit Administration outlined the terms of the regulations it was considering for this lending. Assurance was given that the loans to farmer cooperatives will both meeet their needs and conform to adequate credit standards.

FARM CREDIT BOARD ELECTIONS

Section 5: The Farm Credit Administration conducts polls of the three voting groups in each farm credit district (i.e., Federal land bank associations, production credit associations, and cooperative associations eligible to vote as stockholders of the bank for cooperatives) to elect members to the district farm credit boards and to designate persons for consideration by the President for appointment to the Federal Farm Credit Board. Under existing law (12 U.S.C. 640e, 640f), a ballot may not be counted unless it is received by the Farm Credit Administration within 30 days after it was mailed out. Section 5 would increase the 30-day period to 60, except that for elections to fill vacancies the Farm Credit Administration may specify a shorter period than 60 days but not less than 30 days. This would be effective starting with the next calendar year. The longer period will give the Federal land bank associations and production credit associations more flexibility in scheduling the meetings of their boards of directors at which their vote in those polls is decided upon.

FEDERAL FARM CREDIT BOARD

Section 6: The Federal Credit Board consists of 13 members, 1 appointed by the President with the advice and consent of the Senate from each of the 12 farm credit districts, and a 13th member who is a representative of the Secretary of Agriculture. This is a part-time Board which has responsibility for the general direction and supervision of the Farm Credit Administration that otherwise consists of the Governor and other employed personnel. The present amendment would increase from "$50" to "$100" the sum that each member of the Federal Farm Credit Board shall receive for each day spent in the performance of his official duties. As provided in the Farm Credit Act of 1953 such compensation may not be paid for more than 75 days in a calendar year (12 U.S.C. 636c(f)). The increased compensation would be more in line with that paid other personnel since the Government Employees Salary Reform Act of 1964 and the Federal Employees Salary Act of 1965. As is the case with all administrative expenses of the Farm Credit Administration, the compensation of the members of the Federal Farm Credit Board is paid from assessments against the banks and associations supervised by the Farm Credit Administration.

WORK OF PREPAREDNESS INVESTIGATING SUBCOMMITTEE

Mr. BYRD of West Virginia. Mr. President, although I am a relatively new members of the Preparedness Investigating Subcommittee, nevertheless, it was highly gratifying to have read an editorial of the New York Times on Monday of this week in which recognition was given for the outstanding service so admirably rendered to the country by its distinguished chairman, Senator STENNIS, and the subcommittee staff, in probing and uncovering serious deficiencies of personnel and equipment in the Army.

Under Senator STENNIS' judicious and able leadership, the Preparedness Subcommittee sounded warnings well over a year ago that the war in Vietnam could result in an unacceptable drain upon the personnel and equipment resources of our active military forces unless corrective and remedial measures were taken immediately. Because those warnings were not heeded at the time they were made, we must now witness the removal of troops from Europe, the deterioration in the combat readiness of our other forces, and even complaints from our valiant men in Vietnam of shortages of repair parts, clothing, boots, and certain types of ammunition.

I consider it a distinct privilege to be associated with the chairman, the distinguished members and able staff of the Preparedness Investigating Subcommittee. The year-long investigation which prompted the New York Times' editorial required the staff to embark on long journeys within three continents and those with whom they dealt confirmed their professional competency by reporting that they were found to be "thoroughly objective, completely professional, and unusually knowledgeable." No finer tribute could be paid to those who have worked so hard. I have personally been deeply impressed by their dedication and competence and want to take this opportunity to commend them publicly.

Mr. President, I ask unanimous consent to have the New York Times editorial printed in the RECORD.

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

[From the New York (N.Y.) Times, Apr. 11, 1966]

OVERSTRAINED ARMY

Senator STENNIS and his Preparedness Subcommittee have done the Nation and the Armed Forces a service in pinpointing the Army's serious deficiencies of personnel and materiel. The temporary withdrawal of 15,000 Army specialists from West Germany to meet military needs in Vietnam confirms the strain.

For at least a year the Senator and his associates have been warning that the Vietnamese war has resulted in a major and, in some items, dangerous "drawdown" of available military supplies; that war has also reduced the experience level of virtually all Army units except those actually in Vietnam. The steps taken by the Pentagon to meet the drain have been inadequate to maintain a strong and ready strategic reserve, with the result that the Army is spread thin. Very few trained units are ready to reinforce Vietnam or to meet other emergencies.

Nearly all the Regular Army units in the United States are, in effect, training units; certain types of key specialists in Europe have been tapped for service in Vietnam; two

majority of cases, the question should be left to the elected representatives. Actually, this is one of the principles of the Republican Party. It is certainly a principle of a republic that its elected officers should decide and determine the rules of the game and determine what the laws should be. It should not be the overall vote of everyone involved. We are elected to inform ourselves, to vote our convictions, and to vote on the basis of our opportunity to assume responsibility.

But I would agree with the Senator from Iowa that there are rare occasions when it is perfectly appropriate to call for a public referendum; certainly the opportunity to deprive the people of their equal right to vote should not be such an instance.

Mr. MILLER. Mr. President, I do not believe that the question of whether one is in favor of a referendum procedure is a partisan matter.

I cannot think of anything in either the principles of the Republican or Democratic Parties which would cause any difference of opinion on a partisan line basis. Some Republican States have an initiative and referendum and others do not. Some Democratic States have the initiative and referendum and others do not. That would seem to bear out the truth of the statement.

I suggest that the Senator may be laying a trap for himself if he talks of all the money and pressures involved in a referendum and then concedes that on certain rare occasions he might go along with a referendum. Pitfalls are contained in any referendum. I think that one ought to be for or against a referendum procedure.

I do not think that the people ought to be subjected to studying a long ballot with many different items on it in a referendum.

It may be desirable that the vote of a certain percentage of voters in a State, perhaps 25 percent of those who voted in the last gubernatorial election, be required to have the initiative on a referendum.

I cannot see that we are faced with that proposition here. It would only come before the voters once every 10 years. It would be required to be on the ballot.

This reapportionment matter is of such major importance that the Senator from Wisconsin would not have to worry about the large turnout of people to vote on this proposition once every 10 years.

I think that the essential arguments, after we cut through all of the side issues that are being tossed around to some extent on both sides of this question, concern the question of whether we believe in the initiative in the referendum of the people. I happen to believe this.

I think it is probably the best way of getting an expression of the will of the people of a State is to have the question put before the people in a referendum.

That is all that the Dirksen amendment would do. It would do that very thing and put the issue before the people in a general referendum and give them a choice, and that choice must include whether the second house should be on a strict population basis. If they do not want their votes to be diluted, they will have that choice.

Mr. PROXMIRE. Mr. President, I thank the Senator from Iowa. I appreciate his viewpoint. It seems to me that the issue is crystal clear. The issue concerns whether each American, regardless of where he lives or his background, as long as he is a qualified voter, should have an equal vote.

The referendum is strictly a sweetener. It is tossed in because there just are not any valid reasons for depriving people of their right to an equal vote. So what have the Dirksen amendment proponents done? They have cleverly fallen back on the referendum device.

The argument runs: the proposition may be unfair, unwise, retrogressive, and dangerous, but so what? Why not let the people decide?

The answer, Mr. President, is that the people are very likely to be required to vote in a rigged election, an unrepresentative election, because the body that puts the question has a transparently vested interest in securing the answer.

SOUTH VIETNAMESE DEMONSTRATIONS

Mr. PROXMIRE. Mr. President, the demonstrations in South Vietnam are unfortunate and untimely. However, I think they are a basic part of the struggle for self-determination.

While there can be no doubt that the allied military efforts have slowed down as a result of the political unrest, the demonstrations indicate many people of South Vietnam strongly believe democratic government is no longer a remote aspiration but a real possibility.

It is highly significant that these civil disturbances have occurred at a time when the military offensive has been going well. The New York Times of Friday, April 8, 1966, commented:

> All the squabbling factions think the war is going well enough so that they can assume there will be a country to govern. Some are trying to arrange the elections as though Saigon were Boston.

After the tremendous sacrifices the American people have made to assist the Vietnamese people in their long and valiant fight for freedom, the civil strife in Vietnam is especially difficult for us to accept. First, there is a small, isolated but dramatic ingredient of overt anti-Amerianism in the disturbances. Second, the military efforts against the Vietcong and the North Vietnamese invaders are definitely impeded. Third, the end result could possibly be a government which would tell the U.S. forces to go home.

Let us not forget that, although we may vigorously disagree with the timing, that the protesters are asking for an election and a constitution. What is wrong with that?

No faction in South Vietnam seeks a caretaker administration or an undertaker administration to preside over the requiem for democracy in Vietnam. These people are predominantly anti-Communist. They want to compete for control, because at long last through the heroic efforts of their own people and the great sacrifice of the United States, there is a government worth governing.

If South Vietnam is to have a real chance for a free and independent future, it must make great progress in land reform and education. Helping to achieve this reform is a great challenge to us, but it is not the greatest challenge we face.

And America's most challenging problem in Vietnam is not military victory. We surely have the power to achieve that objective.

Our toughest challenge is how to assist South Vietnam to achieve the educational and economic progress necessary to make that victory meaningful without the fact or even the appearance of American domination.

American help has to be without strings. We must know it. And, most important, the South Vietnamese must know it.

The South Vietnamese want their own Vietnamese revolution—not an American revolution.

Whether this country has the wisdom and especially the patience to help make this possible is our big test.

MILWAUKEE COURT DECISION ON NATIONAL LEAGUE BASEBALL

Mr. PROXMIRE. Mr. President, yesterday a circuit court in Milwaukee handed down a historic decision on major league baseball. I feel very strongly that it is a sound decision.

Organized baseball has previously enjoyed special privilege under the antitrust laws. Now it is on notice—the National League and the Braves specifically—that this privilege carries with it responsibility to the people who have paid its way.

The Roller decision makes it more vital than ever that Congress require major league baseball to divide television revenues as professional football and basketball now do. Without this change there will continue to be immense difficulty in getting and keeping a major league team in Wisconsin.

For 12 years Milwaukee fans supported the Braves in greater numbers than any city in organized baseball. The obvious economic reason for the move to Atlanta is not to secure greater fan support, but to pick up a fat television contract that Milwaukee because of geographical limitations can never match. This is wrong and unfair.

The question has now become whether major league baseball is our national pastime—and truly a sport—or whether it is a commercial television package—like "Peyton Place" or "Get Smart"—to be sold to the highest bidder. This question must and will be answered.

NATIONAL MILK PRODUCERS FEDERATION TESTIFIES IN FAVOR OF SCHOOL MILK PROGRAM

Mr. PROXMIRE. Mr. President, as I indicated yesterday, one of the highlights of the recent hearings on the Department of Agriculture's appropriations

request for fiscal 1967 was the appearance on the last day of the hearings of a number of public witnesses who testified on behalf of their organizations in support of the special milk program for schoolchildren. These witnesses unanimously opposed the proposed Child Nutrition Act of 1966, which I am beginning to believe is the most unpopular piece of legislation proposed by the Johnson administration.

Today I would like to mention the statement made by Pat Healy of the National Milk Producers Federation in support of the school milk program. First the federation points out, as I have so many times on this floor, that in order to limit the program to the needy, as the administration proposes, it will be necessary to use a means test which can "only result in discrimination against all schoolchildren." As the federation indicates, a number of needy children participate under the present program. By redirecting the program to the needy alone, the Child Nutrition Act could result in reduced participation by needy children since funds will have to be used to provide milk on a completely free basis rather than at a reduced price. Of course this means it will take more money to provide less milk.

Perhaps the most significant point made by the federation—especially in view of its expertise in this area—is the impact that an 80 percent cut in the program could have on dairy farmer income as well as Commodity Credit Corporation stocks. Statistics will show that under the school milk program in fiscal 1965, nearly 3 billion half-pints of fluid milk were consumed by children in over 92,000 schools, child-care centers, summer camps, nurseries, and other child-care institutions. This represents 1.6 billion pounds of milk—about 3 percent of total nonfarm consumption of fluid milk in the United States. The federation points out that "without the special milk program for children this quantity of milk will probably be purchased by the Commodity Credit Corporation in the form of manufactured dairy products at a substantial cost to the government for the product and its storage." This simply means, Mr. President, that a substantial cut in the school milk program will save the taxpayer little or nothing. Additional funds will have to be spent to purchase the milk under the price support program.

THE BRACERO PROGRAM

Mr. HOLLAND. Mr. President, I shall defer until later what I intended to say with reference to the pending business before the Senate.

Mr. President, I am becoming increasingly concerned, as I am sure many of my colleagues are, over misguided actions of the administration which I feel will surely depress the agricultural industry to the degree that many of its producers will find it no longer profitable to operate.

(At this point Mr. SPARKMAN took the chair as Presiding Officer.)

Mr. HOLLAND. Mr. President, on many occasions I have joined with some of our colleagues on the floor of the Senate to denounce the actions of the Department of Labor with regard to the furnishing of timely off-shore labor to assist in the harvesting of perishable fruits and vegetables. While some relief has been obtained, crop losses running in the millions of dollars have been caused by the lack of understanding of the problems involved, and many acres are going unplanted this year due to the uncertainty of obtaining necessary labor. At the same time many farmers and processors are moving their operations to Mexico, and some to the Bahamas or elsewhere.

Now, the proposal to amend the Fair Labor Standards Act of 1938 as reported out of the Education and Labor Committee in the other body with the support of the administration will, if enacted, establish minimum wages for agriculture employees, never intended when the act was first considered; it also includes unfavorable action toward those engaged in the processing of agricultural commodities. This, Mr. President, is another indication of unfriendly actions aimed at the farmers, growers, and processors.

Now, Mr. President, comes another action of the Department of Agriculture and the Defense Department to limit the purchase of pork by the military in an action designed to further depress farm prices.

Mr. President, what will become of the farmer, the grower, and the processor as a result of these actions which will not allow him to receive an adequate return to keep him in business?

It is my intention to do all possible to protect our agricultural interests and I am sure many of my colleagues feel as I do. We, the greatest agricultural producing nation in the world, called upon to feed millions of undernourished people of the friendly countries of the world—and, recently called upon by the President to increase agriculture assistance to those countries—must preserve the most basic and important industry of our country.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the Washington Post this morning, entitled "Farmers Seen Squeezed by L.B.J. Policies," which reports on a statement made by the President of the American Farm Bureau, Mr. Charles B. Shuman, and which tells a part of the story of what is happening to our farmers today.

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

FARMERS SEEN SQUEEZED BY L.B.J. POLICIES

President Charles B. Shuman of the American Farm Bureau Federation said last night the Johnson administration is making the farmer a whipping boy for inflation generated by the Government's own spending policies.

The farm official said the producer is getting "the double whammy" from the administration in the form of legislative recommendations to force farmers to pay higher wages and in administrative actions designed to pull down farm prices.

In a speech prepared for a Cornell University forum, Shuman said:

"President Johnson knows as well as nearly every taxpayer that his irresponsible spending, which exceeds anything in the history of this country, is the real force driving up prices and deflating the value of the dollar.

"And now that the administration publicly admits that inflation is here, it is seeking the scapegoat to divert public attention from the real culprit."

Shuman said farmers are paying a higher price for inflation than any other group. He said their production costs increased from $26.2 billion in 1960 to $30.3 billion in 1965.

Shuman said that administration actions designed to depress farm prices include curtailment of military purchases of pork; Government "dumping" of surplus grains to force down market price; increased imports of cheese to hold down prices; imposition of tight quotas on exports of hides, mainly cattle hides, and forecasts of Secretary of Agriculture Orville L. Freeman that farm prices will drop 6 to 10 percent this year.

(At this point Mr. PROXMIRE took the chair as Presiding Officer.)

REAPPRAISAL OF OUR SELECTIVE SERVICE LAWS

Mr. KENNEDY of Massachusetts. Mr. President, there has been increasing interest, in recent months, in the workings of the selective service law. This is natural and proper, as draft calls increase, and more and more young men must plan their futures around the probability of military service.

The present draft law has been in effect, without significant change, since 1940. Next year the law expires and must be renewed by Congress. The last three extensions of the draft, each for a 4-year period, passed Congress routinely, without any searching review. This should not happen this time. Next year's expiration date, combined with the great increase in public interest in the draft, make the coming months an excellent time for a thoroughgoing review of draft policy and procedures. If this is done now, when the time for renewal comes, we will be in a position to legislate responsibly and constructively on this important subject. In this connection, I note that the distinguished chairman of the House Armed Forces Committee has said his committee plans to hold hearings on the draft this year.

I have undertaken a preliminary study on my own in the last few weeks. The Selective Service System is cooperating in my requests for certain statistics. I intend, in the near future, to make some suggestions about improvements in the draft law. But today I would like to report to the Senate on one aspect of the present law which, in my opinion, has created very inequitable situations.

Under the present statute, the total monthly requirement for draftees is determined by the Department of Defense, transmitted to Selective Service and then allocated to the States. Each State is given a quota which it must meet; and in turn, each State levies a quota on each local board. The quota is determined in accordance with section 5(b) of the selective service law, which states:

Quotas of men to be inducted for * * * service * * * shall be determined for each State * * * on the basis of the actual number of men in the several States * * * and the subdivisions thereof, who are liable for such * * * service but who are not deferred after classification * * *