

USDA HALTS PURCHASES—CHEESE PRICES DROP

Mr. NELSON. Mr. President, last week's decision by the U.S. Department of Agriculture to discontinue purchases of cheese for school lunch and welfare programs caused price reductions of 2 cents a pound on the Green Bay cheese market.

There is every indication that this sharp drop in cheese prices will be quickly followed by corresponding declines of up to 20 cents per hundred pounds for milk produced by dairy farmers.

This potential 5-percent price reduction on milk comes at a time when parity prices for milk are declining at a faster rate than nearly any other agricultural commodity.

I have urged Secretary of Agriculture Orville Freeman to resume the use of cheese for export in the food-for-peace program and take action on my earlier request this week to restore the price support for manufacturing milk to the full 90 percent of parity permitted by law, or approximately \$4.27 per hundred pounds. The present support price is \$4, or less than 9 cents a quart.

The time has come to give renewed attention to the opportunities to use dairy products to a greater extent in the food-for-peace program.

Nonfat dry milk is being displaced more and more, in quantitative terms, with nonmilk compounds prepared primarily from cornmeal and soybean meal. This has resulted in a sharp reduction in the volume of dairy products that are finding export outlets and, therefore, contributes to the weakness in the price of milk sold for processing into cheese, butter, dry milk, and other dairy products.

SENATOR MORSE'S GREAT PUBLIC SERVICE IN REVEALING TRUTH ABOUT TONKIN GULF INCIDENTS

Mr. GRUENING. Mr. President, the able and distinguished senior Senator from Oregon [Mr. MORSE] deserves the thanks of the entire Nation for his efforts during the past week to bring to light the truth about what happened in the Gulf of Tonkin between July 29 and August 4, 1964.

Even while the now famous Tonkin Gulf resolution was being debated on the floor of the Senate—a joint resolution which only he and I voted against; a joint resolution which was used to justify the vast escalation of the war in Vietnam—both he and I expressed doubts that the Congress and the American people were being told all the truth.

That suspicion is now confirmed.

A careful reading of Senator MORSE's great speeches in the Senate and the transcript of the February 20, 1968, hearing before the Committee on Foreign Relations on the 1964 Gulf of Tonkin incidents show clearly that when Secretary of Defense McNamara testified before the Committee on Foreign Relations and the Committee on Armed Services, sitting jointly, he did not tell the whole truth. It is clear now that the U.S. destroyers in the Gulf of Tonkin were constructive aggressors—provocateurs—on August 2 and 4, 1964, and the North Vietnamese

could logically come to the conclusion that the U.S. destroyers were a part of the operation of the South Vietnamese. United States supplied vessels attacking the North Vietnamese bases.

There can also be no doubt that the United States reacted more strongly than the facts justified and even before the facts were definitely ascertained.

It seems to me that the facts now brought to light call for a complete re-examination of the premises on which the United States instituted its bombings of North Vietnam for from the standpoint of the North Vietnamese it would seem obvious that the United States attacked first and without justifiable provocation when it launched the air strikes against North Vietnam on August 4, 1964.

STATESMANSHIP BY INDUSTRIAL BANKERS ASSOCIATION ON TRUTH IN LENDING

Mr. PROXMIER. Mr. President, one of the jobs of Washington trade associations is to inform Members of Congress of the views of the pertinent industry concerning legislative issues. However, trade associations also have another important job, and that is to inform the industry of the views of Congress. In other words, communications is a two-way street.

In this connection, I was delighted to encounter an excellent editorial written by Mr. Max A. Denney, of the American Industrial Bankers Association. This association has over the years consistently opposed the truth-in-lending bill. However, now that the bill appears to be reaching its final enactment, Mr. Denney is advising the members of the Industrial Bankers Association to accept reality and to recognize the heightened awareness which Congress has for consumer protection issues.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

Not too long ago, when I was in the full-time practice of law, I sat in the court room after having taken part in a bitterly contested law suit and heard the judge say, as he was about to render a decision in the case, "The hour of decision is a lonely one." This need not necessarily be so if one does not become involved in the emotional disturbances that sometimes accompany the necessity of making a decision.

In the business world hardly a day passes without an executive being called upon to make one or more decisions which may affect the future of his business. What he tries to do is to analyze all the facts, weigh the alternatives, then determine what is best for everyone concerned—without becoming emotionally involved.

This year, 1968, may well be called the "Year of Decision" for the finance industry. Two very important matters are coming up this year that can, and no doubt will affect the future of this industry for many years to come. The first is the decision Congress is about to make on federal regulation of the consumer credit industry. If Congress passes either the Proxmire Bill (S. 5) or the Sullivan Bill (H.R. 11601), or a combination of both, the federal government will soon start regulating and issuing rules pertaining to the operation of all consumer

credit. And the finance business is a very big part of the consumer credit industry.

In all probability, a so-called "truth-in-lending" bill of some type will be passed before Congress adjourns for the Presidential Convention in August and from that day forward we will be under federal control.

The basic premise of this type of legislation is that the consumer has not been fully informed on the cost of credit because it has not been disclosed to him as simple annual interest. Therefore, in order for the consumer to understand, and be able to make a wise choice in his use of credit, it is essential that all credit transactions disclose the cost thereof in percentages. Many of those who have advocated this legislation have attempted to play upon the emotions of their listeners.

One decision the finance industry will have to make in this connection is how it is going to adjust its operations, now and in the future, to this legislation. In addition, it must start preparing itself for more regulations from the federal level, as this is only the first move from Washington toward complete control. We must look at the future in this respect from a purely abstract standpoint.

The second big decision which will have a tremendous affect on the future of the entire consumer credit industry in all its phases, is one that will be made by the National Conference of Commissioners on Uniform State Laws when it presents to the industry in August, 1968, its "final draft" of a Uniform Consumer Credit Code.

The draft as it now reads, declares that two of its underlying purposes are to simplify, clarify and modernize the law governing retail instalment sales, consumer credit, small loans and usury, and to further consumer understanding of the terms on credit transactions. Whether this will be the final result remains to be seen. But the decision the finance industry has to make is whether or not it is going to get behind and support this new far-reaching Uniform Code when it comes before the various state legislatures.

In order to assist our members in arriving at these decisions we have included in this issue of the *Industrial Banker*, articles written for the specific purpose of explaining the history, background, and theories behind both the "truth-in-lending" legislation and the Uniform Consumer Credit Code. It is our hope these articles will be helpful.

One important thing to keep in mind in connection with the proposed Code and legislation is that there is a very close relationship between the two. Both of these activities are the result of the tremendous push on the part of some people during the past several years to create a "Consumer Protectionist Movement" throughout the country. All business is being affected by this movement. A decision on the part of our industry regarding these two activities is not going to be easy, but it will be necessary.

An individual who has been closely connected with this industry's legislative problems for many years, was discussing recently the situation the finance industry finds itself in today and commented, "I don't mind evolution, but I sure don't like revolution!"

Well, like it or not, agree with it or not, a change is taking place in the manner in which the finance business and consumer credit will be conducted in the future. Very few people like change, but often in looking back on some big change, one wonders why it had not been made earlier. And whether the decision you, as a member of this industry, have to make is a lonely one or not, you are going to have to decide, and decide soon, where we go from here!

As you consider these matters in reaching your decision, may I suggest you keep in mind these very wise words? "Grant me the strength to accept the things I cannot change; the courage to change the things I can, and the wisdom to tell the difference."

MAX A. DENNEY,
Executive Vice President.