CONGRESSIONAL RECORD - SENATE

March 1, 1968

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 in whole cheese market and 3 cents for dry milk.

There is every indication that this sharp drop in cheese prices will be quickly followed by corresponding declines of up to 30 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 to support the manufacture of milk to the full parity permitted by law, or approximately $4.27 per hundred pounds. The present support price is $4, or less than 9 cents a quart.

I feel we have 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 components such as corn gluten meal 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 MORSSE 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 many of 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 of the Senate Foreign Relations Committee on the Vietnam War show clearly that when Secretary of Defense McNamara testified before the Committee on Foreign Relations and the Armed Services Committee 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

Mr. PROXMIRE. Mr. President, one of the jobs of Washington trade associations is to inform Members of Congress of the views of the pertinent industry concerned. Mr. Linde, however, by his Truth-in-Lending bill, has also been attempting to clarify and modernize the law governing all forms of consumer credit. And the Alliance business is a very important part of the consumer credit industry.

In all probability, a so-called "truth-in-lending" bill of some type will be pushed before Congress this year. It is a matter of legislative policy that the consumer has not been fully informed on the cost of credit because it has not been "communicated" to him as simple annual interest. Therefore, in the interest of the consumer, I have attempted to make to the banks and other lenders of their liabilities concerning this new legislation.

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. I 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 be prepared in respect from a purely abstract standpoint.

The second big decision which will have a direct bearing on the part of the entire consumer credit industry is the question of 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 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 help those of you are going to have to decide, and decide before the decision you, as a member of this industry, 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.