

UNITED STATES



OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 89th CONGRESS
FIRST SESSION

VOLUME 111—PART 6

APRIL 7, 1965, TO APRIL 27, 1965

(PAGES 7201 TO 8646)

equality of housing opportunity, equality in public accommodations, equality legislatively secured and enforced by a law abiding populace. He carried the torch of justice and he passed it on to you.

Memorials will rise in different places to remind us of James Reeb. One memorial he would have sought—the living memorial of men and women and children carrying the torch he passed, healing personalities with convictions like iron.

TECHNICAL AND FINANCIAL ASSISTANCE FOR SOIL AND WATER CONSERVATION—RESOLUTION OF THE MINNESOTA LEGISLATURE

Mr. MONDALE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the Legislature of the State of Minnesota, memorializing the U.S. Congress to provide for technical and financial assistance for soil and water conservation.

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

RESOLUTION 2

Resolution memorializing the Congress of the United States to provide for technical and financial assistance for soil and water conservation

Whereas the conservation of soil and water is of vital importance to the maintenance of a strong economy in Minnesota; and

Whereas 10 million acres of cropland in Minnesota has been damaged by the loss of from one-fourth to three-fourths of the topsoil through soil erosion; and

Whereas many thousands of landowners are clearly showing by individual and community action that these losses can be greatly reduced through proper land use and the application of needed soil and water conservation practices; and

Whereas it has been further demonstrated that the application of these soil and water conservation practices require technical and financial assistance to insure widespread results; and

Whereas any curtailment in the availability of such technical and financial assistance from Federal sources would cause irreparable damage to the State and Nation's soil and water conservation work: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States is urged to enact legislation to provide sufficient technical and financial assistance for soil and water conservation measures to continue to be made available to landowners; be it further

Resolved, That the secretary of state send a copy of this resolution to each Minnesota Senator and Congressman in the U.S. Congress.

L. L. DUXBURY, Jr.,

Speaker of the House of Representatives.

A. M. KEITH,

President of the Senate.

Approved April 9, 1965.

KARL F. ROLVAAG,

Governor of the State of Minnesota.

TAXATION OF PROFESSIONAL CORPORATIONS — RESOLUTION OF THE MINNESOTA LEGISLATURE

Mr. MONDALE. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the Legislature of the State of Minnesota, memorializing the U.S. Congress to pass Senate bill 177, House bill 697, or House bill 4969.

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

RESOLUTION 1

Resolution memorializing the Congress of the United States to adopt S. 177, H.R. 697, or H.R. 4969

Whereas self-employed individuals have for more than 20 years been discriminated against under Federal tax law because they could not adopt retirement plans covering themselves unless they incorporated or formed associations taxable as corporations; and

Whereas the Internal Revenue Service in November 1960 issued the so-called Kintner regulations which laid down guidelines to be used in determining whether or not groups of self-employed individuals would be eligible to be taxed as corporations; and

Whereas the Legislature of the State of Minnesota in reliance on the guidelines contained in the Kintner regulations and in order to remove the discrimination against professional persons under Federal tax law, passed in 1961 a Professional Corporation Act relating to physicians and in 1963 a Professional Corporation Act relating to attorneys; and

Whereas the Internal Revenue Service on February 3, 1965, issued amendments to the Kintner regulations which would deny to physicians and attorneys organized under one or the other of the Minnesota Professional Corporation Acts and acts of other States similar thereto the right to be taxed as a corporation under Federal tax law and thus nullify the action of the Legislature of the State of Minnesota; and

Whereas there has been introduced into the 89th Congress S. 177, H.R. 697, and H.R. 4969 which would amend the definition of corporation in the Internal Revenue Code to make clear that professional corporations are included therein and would as a result require the Internal Revenue Service to recognize corporations formed under either of the Minnesota Professional Corporation Acts and acts of other States similar thereto as corporations for the purpose of the Internal Revenue Code: Be it

Resolved by the Legislature of the State of Minnesota, That the Congress of the United States be urged to enact S. 177, H.R. 697, or H.R. 4969; Be it further

Resolved, That the secretary of the State of Minnesota send copies of this resolution to Vice President HUBERT H. HUMPHREY, to Senators MCCARTHY and MONDALE, and to all Members of the House of Representatives from the State of Minnesota.

A. M. KEITH,

President of the Senate.

L. L. DUXBURY, Jr.,

Speaker of the House of Representatives.

Approved April 1, 1965.

KARL F. ROLVAAG,

Governor of the State of Minnesota.

PROPOSED REDUCTION IN SOIL CONSERVATION SERVICE OPERATING FUNDS

Mr. MONDALE. Mr. President, I feel privileged to add my voice to those of my distinguished colleagues in opposing the reduction in Soil Conservation Service operating funds, as proposed by the Bureau of the Budget.

I join with them in supporting the increase in appropriations, proposed by the National Association of Soil and Water Conservation Districts, which would permit the Soil Conservation Service and the local soil conservation districts to provide an accelerated program of assist-

ance to the caretakers of our most valuable heritage, the land.

In 30 years of diligent and dedicated effort, the Soil Conservation Service and the soil conservation districts have assisted thousands of farmers and ranchers from coast to coast in bringing sound conservation practices to the land. This great experiment in the conservation and development of the Nation's soil and water resources is a monument to the concept of Federal-State-local cooperation. More than 93 percent of all lands in farms and ranches are now in local, self-governed districts. But all land is not under conservation plans. There is much yet to be done. As the committee is well aware, the job of conservation is never done.

In Minnesota, 96 percent of the farms are in organized soil conservation districts. The almost 46,800 cooperators farm 6 million acres of land covered by basic soil conservation plans.

Twenty watershed projects have been authorized for planning assistance, but 174 watersheds in the State have been found to need this assistance. Nor is this situation unique to Minnesota. A backlog of needed conservation action exists across the Nation, not alone in small watershed planning and development, but significantly in providing technical assistance to the soil conservation districts in their work with cooperators on the land—the very area of Federal-local cooperation where the Bureau of the Budget would cut deeply into SCS funds.

Surely, we are not going to progress in applying sound conservation measures by shortchanging this vital program. Rejection of the Budget Bureau's revolving fund proposal is not enough. Needed also is bipartisan congressional support of the proposal of the National Association of Soil and Water Conservation Districts that the Congress increase the SCS appropriations over the Budget Bureau estimates to assure adequate technical assistance to soil conservation districts, an acceleration of small watershed planning construction, and additional help for farmers and ranchers waiting for assistance under the Great Plains conservation program.

Approval of these increases over the budget estimates would testify to an understanding on the part of the Congress of the continuing and increased importance of soil and water conservation in the Nation.

The members of the committee who lived through the bleak, destructive times of dust storms, flash floods, gullied landscapes and barren farms a quarter of a century ago are aware of the striking contrast to this scene today.

Since those dark days of the thirties great wonders have been worked in restoring fertility to the soil and in the protection of the Nation's land and streams. The battle is a continuing one—and that is why we must not falter now in a struggle that has carried us far along the road to a better, more prosperous rural America, and that has assured a sounder foundation for our urban developments.

I am confident that the committee and the Congress will stand opposed to

the revolving fund plan proposed by the Budget Bureau that would seriously inhibit soil and water conservation in this country, and that the Congress will give strong approval to those increases in the Soil Conservation Service budget which will permit acceleration of existing programs for the benefit of all Americans.

Mr. President, I ask unanimous consent to insert into the RECORD an explanation of the 1966 appropriation proposed for conservation operations.

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

EXPLANATION OF THE 1966 APPROPRIATION PROPOSED FOR CONSERVATION OPERATIONS

The budget allowance for 1966 under the conservation operations appropriation item provides for an eventual reduction of \$20,130,000 from the 1965 base of \$104,233,000. It is specified that \$20 million of the reduction is to be made in the activity of assisting soil conservation districts and cooperating landowners and operators in applying conservation practices. The impact of the reduction is proposed to be offset by charging program cooperators for part of the cost of this technical service furnished to them.

To implement this plan on a practical operating basis will require setting up a public enterprise revolving fund for deposit of collections received from program cooperators for services rendered. This requires special legislation. A bill to authorize the revolving fund and also to provide for payment into the fund of the SCS contribution from the conservation operations appropriation to the financing of practice application assistance is being prepared for submission to the Congress. In the meantime, the budget will request an appropriation of the full \$104,103,000 for conservation operations for 1966. As soon as the revolving fund is authorized and in operation and sufficient collections from program cooperators have been deposited in it to fund part of the cost of technical practice application assistance, supplemental appropriation legislation will be sought to rescind up to \$20 million of the 1966 appropriation.

The SCS has formal and long-standing cooperative working relationships with the individual soil and water conservation districts throughout the country. It would be the intention of the SCS to look to these districts, rather than individual farmers and ranchers, to raise the funds annually that are to be paid into the revolving fund as the local contribution toward the cost of practice application assistance. Under the proposed joint financing system technical practice application assistance to a district would have to be limited each year to that which the sum of its contribution plus its allocable share of the Federal contribution to the revolving fund would finance. To the extent non-Federal contributions fail to reach the planned total of \$20 million it will be necessary for the SCS to reduce proportionately its technical staff providing practice application assistance to districts. This amount currently pays the salaries and expenses of over 3,000 man-years of full-time technical employees and temporary local aids.

Some of the possible methods by which districts could raise their share of funds required to finance practice application assistance are as follows:

1. State appropriations to soil conservation districts,
2. Appropriations from local subdivisions of State government,
3. Assessments, contributions from, or charges to district cooperators in soil conservation work and to groups of landowners or operators,

4. Contributions from commercial concerns and others,

5. Taxation by soil conservation districts.

Mr. TYDINGS. Mr. President, I rise to protest the proposed reduction in the level of Federal support to the Soil Conservation Service. The President's proposed budget for fiscal year 1965 does not include any funds for technical assistance to soil conservation districts. Heretofore the Soil Conservation Service received \$20 million for this purpose.

The Bureau of the Budget has proposed that the \$20 million deficit be made up by establishing a revolving fund to be replenished from local soil conservation district contributions. In other words, local districts will now be required to pay for the costs for technical assistance that their members receive from their soil conservation agent. The local districts will have to raise this money either by receiving contributions from the State or a county, by assessing user charges on those who receive assistance or by levying taxes on their members.

I feel this policy is shortsighted.

This reduction will seriously injure the conservation programs of the soil and water conservation districts. A great many districts will not be able to afford to make substantial contributions to the revolving fund. These, the poorer districts, will suffer a reduction, or a denial, of technical assistance to their conservation programs. But these are precisely the districts which need this assistance the most.

One chairman of a conservation district in my own State of Maryland has expressed the opinion that the change would discriminate against the poor farmer. Another has expressed the fear that the program would be shifted "from dirt farmers to wealthy farmers and nonfarmer landowners." Such a program seems to conflict rather sharply with our aim to build a Great Society.

In Maryland the proposed elimination of technical assistance could reduce the operations of the conservation districts as much as 75 percent. A like reduction in conservation projects on a nationwide scale will result in losses to our natural resources which will more than overbalance any purported saving.

I should like to emphasize, Mr. President, that this proposed reduction in the Soil Conservation Service adversely affects not only our farmers, but our city dwellers as well. Water is the life blood of our cities. Without fresh water, flowing through their mains, they would shrivel and die like a flower. The technical assistance program of the Soil Conservation Service is vital to maintaining and improving our watersheds.

At present, we as a nation require 350 billion gallons of water per day. By 1980 we will require 600 billion, for our farms and our factories and our residences. In 15 years we will need almost double the amount of water that we need today. By the end of this century our requirement of agricultural products will more than double, and our need for recreation areas will triple.

Obviously, it is in the interest of the urbanite and the suburbanite to unite

with the farmer, in cooperative programs to preserve our soil and water resources.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MONDALE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, received during adjournment, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. PROXMIRE, from the Committee on Banking and Currency:

Sherman J. Maisel, of California, to be a member of the Board of Governors of the Federal Reserve System.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF STATE

The legislative clerk proceeded to read sundry nominations in the Department of State.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the Department of State be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Department of State are confirmed en bloc.

UNITED NATIONS

The legislative clerk proceeded to read sundry nominations in the United Nations.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the United Nations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the United Nations are confirmed en bloc.

ADVISORY COMMISSION ON INFORMATION

The legislative clerk proceeded to read sundry nominations in the Advisory Commission on Information.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the Advisory Commission on Information be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Advisory Commission on Information are confirmed en bloc.