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SPECIAL SCHOOL MILK PROGRAM

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HEARING

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON AGRICULTURE AND FORESTRY UNITED STATES SENATE EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

S. 2921

A BILL TO PROVIDE A SPECIAL MILK PROGRAM FOR CHILDREN

MAY 12, 1966

Printed for the use of the Committee on Agriculture and Forestry

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WASHINGTON : 1966

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SPECIAL SCHOOL MILK PROGRAM

THURSDAY, MAY 12, 1966

U.S. SENATE,
SUBCOMMITTEE ON AGRICULTURAL PRODUCTION,
MARKETING, AND STABILIZATION OF PRICES OF THE
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 324, Old Senate Office Building, Senator Spessard L. Holland (chairman of the subcommittee) presiding.

Present: Senators Holland, Mondale, and Young of North Dakota.

Senator HOLLAND. The subcommittee will please come to order. The subcommittee is called to order to hear testimony in connection with S. 2921, by Senator Proxmire, of Wisconsin, for himself and other Senators.

I will insert S. 2921 into the record to be made a part of the record at this point.

The staff of our committee has given us a summary of the bill which, I think, gives a clear picture of its contents, and I will ask that summary be incorporated in the record at this point.

And, third, we have from the Secretary of Agriculture, Mr. Freeman, a letter addressed to our chairman, Senator Ellender, chairman of the full committee, giving his comments relative to this bill under date of May 11.

I will ask that this letter, too, be incorporated into the record at this point.

(The documents are as follows:)

[S. 2921, 89th Cong., 1st sess.]

A BILL To provide a special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Children's Special Milk Act."

SEC. 2. The Secretary of Agriculture is hereby authorized and directed, under such rules and regulations as he may deem in the public interest, to encourage the consumption of fluid milk by children in the United States in (1) nonprofit schools of high school grade and under, and (2) nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. For the purposes of this Act "United States" means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

SEC. 3. All sums appropriated under this Act less such amounts as the Secretary shall determine to be reasonable and necessary for his administrative costs and reserves, shall be allocated at the earliest possible date for the use of nonprofit schools and other nonprofit institutions desiring to participate in the program and shall be used to reimburse such nonprofit schools and other nonprofit institutions for fluid milk served to children. Any such allocation, or portion thereof, which the Secretary shall determine will not be fully utilized by any such nonprofit school

or other nonprofit institution as then allocated, shall be reallocated by the Secretary so as to accomplish maximum use of such funds.

SEC. 4. For the purpose of carrying out this Act, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1967, not less than \$110,000,000; for the fiscal year ending June 30, 1968, not less than \$115,000,000; and for the fiscal year ending June 30, 1969, and each succeeding fiscal year thereafter, not less than \$120,000,000.

STAFF EXPLANATION OF S. 2921

(SUBCOMMITTEE NO. 3)

This bill extends the duration of the special milk program for children permanently, and extends its coverage to include Puerto Rico, the Virgin Islands, Guam, and American Samoa (sec. 9 of the act of September 6, 1958, extended surplus donations under sec. 32 of the act of August 24, 1935, and sec. 416 of the Agricultural Act of 1949 to those areas and any other areas under the jurisdiction of the United States).

While it does not amend or repeal the existing authority for the special milk program, the bill apparently is intended to supersede it, since it provides for an appropriation for fiscal 1967, the last year of the existing authority.

The existing authority has neither minimum nor maximum limits on appropriations. S. 2921 provides minimum limits of \$110 million for fiscal 1967; \$115 million for fiscal 1968; and \$120 million for each fiscal year thereafter. Unlike the existing authority, which is discretionary, "enabling," legislation, S. 2921 "directs" the Secretary to encourage the consumption of milk by children and requires him to allocate all sums appropriated (except those required for administrative costs and reserves) at the earliest possible date for the use of eligible institutions, and to reallocate any allocation which will not be fully utilized, so as to accomplish maximum use of funds. The bill, therefore, appears to be intended to require a higher level of appropriations than in the past, and to require maximum use of the funds appropriated.

As in the existing authority, the funds would be used to encourage the consumption of fluid milk by children in the United States in nonprofit schools of high school grade and under, nursery schools, child-care centers, settlement houses, summer camps, and similar institutions.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., May 11, 1966.

HON. ALLEN J. ELLENDER,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of March 4, 1966 for a report on S. 2921, a Bill "to provide a Special Milk Program for Children."

This Bill would establish a permanent Special Milk Program for children along the lines of the program that is now in operation. The present legislative authorization expires June 30, 1967.

The Department does not recommend enactment of this Bill.

The Department is not opposed to continuation of a milk program. In fact, provision for a Special Milk Program for children in schools and nonprofit institutions is included in the Child Nutrition Act of 1966 as proposed by the President, and which was recently introduced as H.R. 13361. However, to assure that children in greatest need for improved nutrition will be reached, H.R. 13361 would give priority in the use of funds to schools without a food service and to needy children in schools with a food service and if sufficient funds are available, children in all nonprofit schools and institutions would be included.

The Bill, S. 2921, as now drawn would extend the program to Puerto Rico, the Virgin Islands, Guam and American Samoa. This would not be practical because of the insufficient supply of fluid milk locally available.

Furthermore, S. 2921 raises some question as to the procedure that would be used in making funds available for reimbursement. It would be wholly impracticable to allocate these funds directly to schools and institutions, as indicated, rather than through a State Agency as is the current administrative practice.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

Mr. YOUNG. I am going to have to leave soon for another meeting, but before I do, I want to say the dairy farmers of Wisconsin and Minnesota are ably represented by Senator Proxmire and Senator Mondale. Their problems are fully understood by these two Senators, who not only represent them but champion their cause in the best possible way. They are to be congratulated on sponsoring this legislation and bringing the importance of the school milk program to the attention of the public. I am glad to work with them on getting early action on the bill.

Senator HOLLAND. I know that we have present our colleague, Senator Proxmire, the principal sponsor of this bill, and I will ask, first, that he testify in support of this bill.

Senator PROXMIRE. Thank you very much, Senator, Senator Young and Senator Mondale.

Senator HOLLAND. I will have to leave because of another committee meeting very soon. I do not think that there is any doubt where these two witnesses stand. I do not know that there are any better advocates for this entire program. You may proceed.

STATEMENT OF HON. WILLIAM PROXMIRE, A U.S. SENATOR FROM THE STATE OF WISCONSIN

Senator PROXMIRE. Mr. Chairman, it is a great pleasure to appear before your subcommittee today in support of the Children's Special Milk Act which would make the special milk program for schoolchildren permanent and set guidelines for the program's funding.

As you know so well, Mr. Chairman, the special milk program has been an unqualified success over the years. In 1966 the number of participating outlets will increase by nearly 1,000, while half pints of milk distributed under the program will climb by about 50 million. This impressive type of program growth has taken place annually since the program was initiated back in 1954.

The program itself fills a substantial child nutrition need. It helps provide children with milk in midmorning and midafternoon by authorizing the Federal Government to share the cost of this milk with the child. At the present time the Federal reimbursement amounts to approximately 3 cents per half pint. The child usually pays the remaining 2 to 4 cents, although in cases of demonstrated need the local school district will pay the additional cost, thus providing the milk to the child free.

I believe the facts will show that this program is essential to the health of our Nation's schoolchildren. Although it supplements in most instances the school lunch program it enables children attending schools, day camps, Headstart nurseries and other institutions to receive vital supplementary nourishment. This is especially important to the child who may be going home to a meager dinner. The sustenance given by Nature's perfect food is particularly helpful to children who have to travel long distances to their classes.

The school milk program has played an important part in relieving the Federal Government of the expense of purchasing and storing surplus milk. Milk not purchased for use in this program simply has to be purchased and stored at Federal expense under our dairy price support program. However, the school milk program is now generally regarded by school administrators and parents alike as

first and foremost a child nutrition aid and only secondarily as a means of holding down dairy surpluses.

The administration has proposed an 80-percent cutback in the school milk program. It would redirect the program to the needy and those children attending schools without a lunch program. The number participating in the program would drop from approximately 18 million to 3 million as a result.

Senator HOLLAND. The effect of the action of the Bureau of the Budget would be to make it a social welfare program and require every child, in order to participate, to show that he is a welfare recipient, would it not?

Senator PROXMIRE. That is, certainly, my impression. I do not know how they could possibly escape that. That is the purpose of it.

Senator HOLLAND. And that would be unfair to those children affected and it would be hurtful to the program as a whole, besides being unfair to many children who do not get an adequate supply of milk at home, even though their parents support them.

Senator PROXMIRE. Exactly. In addition to that, it seems to me that even the children who can be properly classified as being in the poverty classification, the way that this program would have to be administered, it seems to me that they will not get the kind of opportunity to drink milk that they get under the regular program now.

Senator MONDALE. Will you yield at that point?

Senator HOLLAND. I should have said in the beginning that Senator Mondale, from Minnesota, is a member of this subcommittee and is vitally interested in this program, as is Senator Young from North Dakota, but I hope that the chairman, too, is vitally interested in it. I think that the whole committee is vitally interested in it. I am certainly glad to yield to Senator Mondale.

Senator MONDALE. I want to commend you for your leadership in shaping this legislation and speaking out on behalf of the permanent school milk program. I was proud to join as a sponsor with you in support of this measure.

Is it not possible that if you draw a line on the basis of poverty in the distribution of school milk that some impoverished children might not get the benefit of the program because of the basic insult involved in admitting that "my parents are poor"? They are forced to say, "I get free milk," knowing that some of their playmates coming from wealthier families would not have to accept free milk. Is it not possible that the embarrassment to a poor child might be such, under this program, that he might not avail himself of it?

Senator PROXMIRE. That is exactly it. There is no question that this kind of thing has worked in that direction in the past.

It is very difficult to know where to draw the line on needy children. After all, if you draw it at \$3,000 per family, and the family has an income of \$4,000 and more children, these days with the cost of living where it is, the family has to allocate its spending, and the milk expenditures is one that is likely to be the casualty. Family after family finds this to be true. These judgments are very, very hard to make. This kind of cutback is just as certain to deprive needy children of milk regardless of its intention.

Senator MONDALE. This would create a distinction which would cause a division in the classroom of young children on the basis of poor parents and rich parents. I do not think that is the kind of distinction that we want to draw.

Senator PROXMIRE. I think that is very important, because there is a difference of opinion between those of us who advocate this program and the Department of Agriculture. The Department of Agriculture argues that that situation will not develop, that nurses and teachers and so forth can handle this and do it in a discreet and diplomatic way, but we have had enough experience under the school lunch program to know that it cannot be handled that way. There is not any question that there has to be some kind of formal discrimination, and some kind of test like that will be very difficult.

Senator MONDALE. I think that even if they tried to be as subtle and delicate about this as possible, there would still be some children who would get milk free and some who would not, and that will be known. I think that if we were dealing with a multibillion-dollar program these distinctions might be more relevant, but this is one of the less expensive and more desirable programs in the Government today. I have never heard a complaint about the program, only praise. And it seems to me that the modest appropriation involved here is very deserving, contributing as it does to the health of 19 million children.

Senator PROXMIRE. It is 18 million.

Senator MONDALE. Yes, you are correct. This is a minimum and decent national effort to contribute to the nutrition of our children.

Senator PROXMIRE. Thank you very much for that statement.

Senator YOUNG of North Dakota. I would like to add this comment. Under the proposed budget for fiscal year 1967, the State of North Dakota would get only \$81,000, which would mean something less than \$1 per child per year. You would have to draw the line pretty sharply between poor children and other children in order to spread the \$81,000 through the whole school system of North Dakota. I think that if you have that small amount you might just as well not have any program at all.

Senator PROXMIRE. I think that would be the attitude on the part of the school administrators. That is an excellent point. That would be true among them throughout the country, rather than going through the trouble of this, the turmoil of trying to make the parents understand. Many of them would be unhappy with this kind of discrimination, whether excluded or included; many administrators might very well conclude that, rather than put the burden on the teachers, they would reject the whole program.

Senator HOLLAND. What is the degree of cooperation required of the State and local authorities under your bill as contrasted or compared with the present situation?

Senator PROXMIRE. It was my understanding on this that it would be the same. I understand from this letter which the Secretary of Agriculture wrote this morning, that there may be a difference. I certainly want to find out about that. I just saw the letter a few minutes ago, and I have not had a chance to examine it in detail. We certainly tried to draft this legislation to carry on the established program without any significant change. The program has been so successful and has proved itself.

Senator HOLLAND. Your intention was to make permanent the present temporary program, and to make it mandatory, rather than simply permissive, is that correct?

Senator PROXMIRE. Yes, sir.

Senator HOLLAND. But not to make any substantial change in the requirements for State and local cooperation?

Senator PROXMIRE. That is right.

Senator HOLLAND. I am very glad of that, because it seems to me that when it comes to schoolchildren we have a special field where we should be grateful for such cooperation, that it should exist and will exist, and that ought to be emphasized in the bill. I am glad that you have that in the bill.

Senator PROXMIRE. I respect that view, and I think it makes all the sense in the world. If you are going to have the Federal and the State authorities in this, there ought, certainly, in this area to be that cooperation.

The passage of such a proposal could kill the school milk program. It would mean that only 1 million needy children would receive milk under the program. Yet almost 5 million school-age children come from families with incomes of under \$2,000 a year according to statistics published by the Office of Education. Apparently the remaining 4 million children would either have to pay the full cost of the milk, receive a full subsidy from local school districts whose finances are already badly pinched, or stop taking milk breaks. I predict that the majority will follow the last-mentioned course.

Furthermore, the administration's proposal would require children qualifying as needy to pass a means test. This is disputed by the Department of Agriculture, but I have with me today a number of forms used by local school districts to qualify children for free school lunches. Obviously these same forms would be used under the proposed redirection of the school milk program. I will gladly submit these forms, which cover communities with populations from a few hundred to hundreds of thousands for the subcommittee's records if it so desires.

My conversations with officials of the American School Food Service Association indicate that it would be impossible for the home-room teacher or school nurse to choose those who were to receive the benefits of the school milk program without grave abuses developing. These are the very administrators who run the program. They certainly are in a better position than the Department of Agriculture to discuss the day-to-day problems of program operation on the local level.

These administrators say that many schools would simply abandon the school milk program rather than go through the complicated and discouraging task of discriminating between those who were to receive free milk under the program and those who were to receive no milk under the program.

Senator HOLLAND. Is it not true that there are two reasons which make it unwise to have the teacher make that selection? The feeling is that regardless of how wise and how capable the selection might be, it is always subject to the charge of discrimination and partiality. Schoolteachers are invariably charged with partiality by some of the parents, and having been a teacher for several years myself, I know that to be true. This is opening the door wide to that situation, is it not?

Senator PROXMIRE. Yes, it does, indeed.

Senator HOLLAND. And the second point is, is it not true that in many areas, not perhaps in the country schools and not perhaps in

the small towns, but in many areas of the urban population, the schoolteacher does not have any way of knowing—

Senator PROXMIRE. That is so.

Senator HOLLAND (continuing). What the financial situation is in the family?

Senator PROXMIRE. In the forms we indicated that in some of the smaller cities they feel that it is necessary, in order to do a responsible and honest job, to have the parents state in writing what their sources of income are, how small their income is or how large their income is, where they get it, who their employer is and all of that kind of thing that has to be detailed in the form.

Senator HOLLAND. And these, too, are a real barrier to sound administration of this program, if it were enacted in the form that the Budget sent it over?

Senator PROXMIRE. Yes, indeed.

Senator HOLLAND. Thank you. Please proceed.

Senator PROXMIRE. The administration's proposal would mean that youngsters who did not pass an onerous means test would not receive milk under the program. It would bar the sons and daughters of many proud parents whose children need the benefits of the program, and could qualify to receive free milk, because these parents refuse to undergo a demeaning means test—refuse to have their children classified as needy. Many of these children simply could not afford to pay the extra dollar or two a month the withdrawal of Federal support would cost them.

Thus literally millions of children would stop taking nutritious milk breaks—the very children who need the milk most and can afford it least.

Study after study has indicated that, as the price of milk drops, participation in the milk program increases. Some, such as an Illinois study made a few years ago, indicate that as the price of school milk goes up participation drops off substantially. Thus even in families with moderate incomes, there will be substantial reduction in milk breaks at school.

Take, for example, a family of six children whose breadwinner earns \$6,000 a year. I cite this example because it is a real one—it springs from a constituent letter. This man works in Milwaukee. Because he is from a metropolitan area his expenses are greater than they would be in a small town. The added cost to this man, if the administration's proposal is passed, of providing milk breaks for his children would be equivalent to a pair of shoes per year per child. Yet he has to keep his children in shoes. He doesn't have to give them money for school milk. It is obvious that these children would no longer receive supplementary milk at school.

Passage of my bill which is being cosponsored by 67 of my Senate colleagues would eliminate the cloud of uncertainty that the administration's new proposal—the Child Nutrition Act of 1966—has placed over tens of thousands of school administrators. It would enable them to make their future plans with certainty in the knowledge that the school milk program as we know it today would continue.

The House of Representatives, fortunately, has dissipated the confusion to some extent by providing \$103 million for the school milk program in the fiscal 1967 Department of Agriculture appropriations bill. I'm sure the Senate will take similar action.

That depends, of course, on the judgment of the distinguished chairman of this committee and the chairman of the subcommittee, both of whom have been a great champion of this program. I have found in the past that the prestige and power of the chairman of this subcommittee is likely to be followed.

Senator MONDALE. It is a good place to begin.

Senator PROXMIRE. Very much so. However, additional legislation is needed. Although the legislation authorizing the school milk program does not expire until June 30, 1967, Congress must act this year to foreclose with any certainty the death of this vital activity. Next year may be too late. The housekeeping functions that consume so much time at the beginning of a new Congress could easily postpone fiscal passage of school milk legislation introduced next year until after the June 30 deadline.

The time is now. The place is here. And the purpose is the enrichment of the diets and lives of millions of schoolchildren who have grown and prospered under the overwhelmingly popular school milk program.

Senator HOLLAND. I want to ask you this question. Recognizing the importance of acting this year, is it your understanding, as it is mine, that this bill would take effect upon its enactment and that the new program, the mandatory one provided by the bill would supersede for last year of the existing program?

Senator PROXMIRE. I think that is true. I think that is the way the bill is drafted at the present time. That is something that the committee might want to consider, but I think that is a proper feature of the bill. I think that we can make a sound case that it should be on that basis.

Senator HOLLAND. Have you had a chance—I know that you have been quite limited as to time—to examine the letter from the Secretary of Agriculture, to consider two of the objections that he urges to the bill?

Senator PROXMIRE. The objection that he has is as to Guam and Puerto Rico, the Virgin Islands, American Samoa, that it would not be practical to cover them because of the insufficient supply of local fluid milk being available. This would require study, on our part, frankly.

Senator HOLLAND. The present law does not include those outlying areas, does it?

Senator PROXMIRE. It does not, to the best of my knowledge.

Senator HOLLAND. The chairman is inclined to think that that criticism is soundly based, because it would become a matter of very heavy expense to try to ship fresh milk, say, from Wisconsin or Minnesota, or wherever it was produced, in quantity to these outlying areas and that it would be far more expensive than is envisioned under this bill.

Senator PROXMIRE. I think that this is a very helpful suggestion. I would not necessarily agree with it—I would want to study what the costs were, and I think that it is obviously something we have to consider.

Senator HOLLAND. In considering this bill we should give some attention to that suggestion, and I would appreciate your supplying the committee, before the record is closed, with your reaction to that, whether it is a sound criticism of the bill.

Senator PROXMIRE. As to the second suggestion, I will read the subparagraph:

Furthermore, S. 2921 raises some question as to the procedure that would be used in making funds available for reimbursement. It would be wholly impractical to allocate these funds directly to schools and institutions, as indicated, rather than to a State agency as is the current administrative practice.

As I indicated in my testimony, this surprised me somewhat. There may be a difference of interpretation as to the intention of the bill. As I indicated to the chairman, it was my view that we should follow the administrative practice that we have pursued in the past, since it has been satisfactory.

Senator HOLLAND. In other words, the sponsors of the bill feel that the present practice should be followed in having the State handle the matter?

Senator PROXMIRE. That is correct; yes, sir.

Senator HOLLAND. The chairman again urges that the expression of the Senator is sound in that regard. I did not have a chance to study the bill to determine whether or not the Secretary's interpretation of the bill is sound. I think that matter should be studied further, and if there is good reason for his interpretation, I think the bill should be corrected.

Senator PROXMIRE. I would be very grateful if the chairman would permit at the time of supplying the information of these outlying areas, such as Puerto Rico and the Virgin Islands, et cetera, to also indicate that in this case.

Senator HOLLAND. I hope that the sponsors of the bill will do that, because it seems to me that those two recommendations have merit, provided the interpretation of the bill by the Secretary of Agriculture is in accord with the terms of the bill.

Senator PROXMIRE. Very well.
(The information is as follows:)

U.S. SENATE,
May 16, 1966.

HON. SPESSARD HOLLAND,
Chairman, Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, Senate Agriculture Committee.

DEAR MR. CHAIRMAN: I am submitting this letter for the hearing record on S. 2921 as a response to the Secretary of Agriculture's suggested changes in the legislation.

In his letter to the subcommittee, Secretary Freeman says the bill would "extend the program to Puerto Rico, the Virgin Islands, Guam and American Samoa. This would not be practical because of the insufficient supply of fluid milk locally available."

I understand that fluid milk is available on the island of Puerto Rico in sufficient quantities to meet any needs for market growth. Apparently there is currently a supply of milk which is surplus to present fresh fluid milk requirements and could be diverted for use in an extension of the special milk program for children in Puerto Rico. This milk is currently being manufactured in a government controlled plant into butter and cheese.

I have no information that would lead me to believe that the same situation exists in the Virgin Islands, Guam, or American Samoa. I would not object to deleting the extension of the program to these territories as well as Puerto Rico if this is necessary to insure speedy progress on this important legislation. However I felt that the subcommittee should be completely aware of the Puerto Rican situation.

The Secretary also says "Furthermore, S. 2921 raises some question as to the procedure that would be used in making funds available for reimbursement. It would be wholly impracticable to allocate these funds directly to schools and institutions as indicated rather than through a State Agency as is the current administrative practice."

It was not my intention, in drafting this legislation, to bypass the state agencies, which have done a marvelous job in implementing the special milk program. I simply intended to provide permanent continuity for the program because of its very fine record.

There is, however, a provision contained in S. 2921 which authorizes the Secretary to recover funds, which in his opinion will not be spent, for re-allocation among states that can use this additional money. In my estimation it would help the Secretary to carry out Congress' intent that these funds be effectively utilized. I would not object to an amendment to S. 2921 which would make the bill's language more exact on this point.

Another possibility which your subcommittee may want to consider is the use of language in any report that may be filed on this legislation to clarify the questions the Secretary has raised.

Thank you for giving me a chance to comment on the Secretary's criticisms of S. 2921 as it is presently drafted.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

Senator HOLLAND. Do you have any questions?

Senator MONDALE. No further questions.

Senator HOLLAND. Thank you very much.

Senator PROXMIRE. Thank you.

Senator HOLLAND. Senator Mondale is one of the cosponsors of this legislation. He is a member of this committee, and has a statement, and I will yield to him now to introduce that into the record.

STATEMENT OF HON. WALTER F. MONDALE, A U.S. SENATOR FROM THE STATE OF MINNESOTA

Senator MONDALE. Mr. Chairman, I wish to state for the record that I am flatly opposed to the cutbacks in the school milk program. I am wholeheartedly in favor of reducing unnecessary Government expenditures, but the special milk program does not fit in that category. It is a modest investment in the health of the Nation, and no place to begin false economies.

The special milk program assures that every school child has an adequate diet and encourages them to drink more milk by making it available at a reduced price. Second, this program has expanded the market for fluid milk for dairy farmers in Minnesota, the second largest dairy State in the country. But the most important factor is, of course, the incalculable health and nutritional benefits derived by the children who participate.

This has been a very successful program in Minnesota, and I am sure that is the case in other States. In Minnesota alone, some 740,000 half pints of milk are consumed each day. In 1965, for example, schoolchildren drank a total of 133 million half pints of milk of which more than 64 million were served with noon school lunches. The cutback could mean, based on a rough analysis, that anywhere from 300,000 to 350,000 children would lose the benefits of school milk at a reduced cost.

I have received hundreds of letters from concerned parents of schoolchildren and school officials in Minnesota, and very few, if any, letters from those supporting the cutback. The Minnesota Farmers Union, under the guidance of its capable president, Mr. Edwin Christianson, circulated a continuous-roll petition across the State of Minnesota. They had to stop circulating the petition in time to present it to the House and Senate Appropriations Committee, but by

that time it had reached the length of 680 feet with an estimated 26,000 signatures. Mr. Christianson warned the Appropriations Committees that it would have taken 16 hours to read all of the names into the hearing's record.

Thus, I have protested these reductions on the floor of the U.S. Senate on two different occasions and a large number of other Members of Congress have done likewise. I have also had several of the letters I have received protesting these cuts inserted in the Congressional Record.

As a result of the efforts undertaken by many Senators and Congressmen, the reductions will not be approved this year. And this will take care of this year. But unless we want to face an annual battle, we must pass legislation to make the special milk program permanent. Since the threat to the program is by far the most serious at this time, I have joined with other Senators in sponsoring a bill which will not only make the program permanent, but will expand it each year to meet the needs of increasing school enrollments.

This legislation is, of course, the legislation being considered by the committee this morning. I am cosponsoring it, and will vote for it in committee and on the floor.

But I think that more can be done, and that, while we face the need to reenact the special milk program, we should consider a more comprehensive package covering the additional recommendations contained in the proposed "Child Nutrition Act of 1966."

Among the new proposals contained in that bill are a pilot school breakfast program in those areas drawing children from low-income areas and in schools whose enrollees travel a long distance; a pilot program to provide some food to children during the summer months in areas of poverty and deprivation and to needy children enrolled in preschool and child-care centers, and settlement houses, summer camps, playgrounds, and other summer community activities; and some form of Federal assistance to the States in providing kitchen and food preparation facilities to schools whose deficiencies in that area prevent them from using the existing school lunch programs.

I believe that these proposals merit careful and close consideration. Children's need for the health and nutritional benefits of milk and food programs should not depend on whether they are in school or in a vacation period, or on whether their school happens to have the necessary facilities to take advantage of milk and lunch assistance. The lessons learned from the highly successful Project Headstart point to the fact that children often cannot be disciplined, much less learn to read or write, when they are hungry. It is all the more important that these benefits not be limited arbitrarily.

Although this program started as a surplus removal program for milk and dairy products, it has come to be accepted by the public and by the Congress as a program devoted to the general welfare of the Nation's children. We should not be inhibited by changes in the meaning and direction of programs.

The economic importance of the program to the Nation's dairy farmers has been substantial. The lunch and milk programs, taken together, consume the equivalent of nearly 3 billion pounds of milk production in the form of fluid milk, butter, and dairy products. This is equal to about 2½ percent of the total annual milk production. When it is considered that our surplus production in recent years has

only been on the order of 5 or 6 percent of the total production, the effect of the markets provided by the school lunch and school lunch programs is more than just of fringe importance.

Mr. Chairman, I support legislation to make the milk program permanent, and call for adoption—after consideration of additional proposals to strengthen it—by this committee.

Thank you.

Senator HOLLAND. Thank you, Senator Mondale. You represent a State that not only has important agricultural production, including milk, being the second largest milk-producing State, but you have great city areas, such as Minneapolis, St. Paul, Duluth, and many others. Have you noted any difference in the degree of support and enthusiasm behind the school milk program from the areas which are directly affected, in that they are producing areas, and those which are not directly affected, in that they are the city areas, and areas of working people and other nonfarm people?

Senator MONDALE. I have not. Without analyzing the support carefully, it has been my impression that I have heard more from superintendents of schools and members of school boards in urban areas than I have from farmers, because they know firsthand what this means to the nutrition of the children who attend their classes, and how important it is to their health. It is one of those programs that has been wholeheartedly supported, in my opinion, by everybody.

Senator HOLLAND. Were you here when Senator Proxmire testified and when he discussed two of these criticisms contained in the letter to Senator Ellender from Secretary Freeman?

Senator MONDALE. Yes.

Senator HOLLAND. The first related to the supply of milk in far-off areas of the Nation, such as American Samoa and the Virgin Islands and the like, and the other related to the method of payment as to whether it should be as now through the State agencies or directly to the various school units and authorities. I do not know whether you have had a chance to check into that as yet, but I hope that you will join Senator Proxmire in consideration of that program, so that we may have at the proper time and for the record an expression from you as a representative of a great producing State and, also, a great milk-consuming State and, also, as a cosponsor of this bill, on those two points which I have already stated for the record, and which seem to me to have considerable merit if they accurately reflect the meaning of the pending bill.

Senator MONDALE. I appreciate those comments, Mr. Chairman. I am not familiar with the objection dealing with the availability of fluid milk in Puerto Rico, the Virgin Islands, and the other outlying territories. The second point relating to the administration of the milk program seems to have great merit. Having served as attorney general of my State for some 5 years, I know that the administrative procedures have been worked out very satisfactorily and that the school districts and the State administration dealing with this program know exactly what they are doing and how best to administer it. I do not see any point in changing those procedures now.

Senator HOLLAND. I want to suggest one other thing that I think the record should reflect. Everyone knows that milk production in many areas now is down, although even at this time, as I understand it, the Federal Government is still purchasing surplus milk. I

wondered if, in connection with the other points that you and Senator Proxmire are looking into, you could furnish us with a showing of the need for the bill even in such a time as this. I hope that you will explore that problem and cover it in a joint statement which I expect you and Senator Proxmire to furnish.

Senator MONDALE. I will be glad to do that, but, of course, the reduction of the production of milk in this country is a problem which concerns all of us. Our fluid milk production in Minnesota is down nearly 7 percent. Indeed, in January and February it was down nearly 15 percent from the previous year. We are losing about 12 dairy farms a day. We are very, very concerned about providing adequate incentives to maintain a decent dairy herd. I think that has to be considered in relation to this problem. But I think that the basic and fundamental point with regard to S. 2921 is that it is a minimum program—it is very well received by all parties—and it is a worthwhile and inexpensive investment in the health of our children.

Senator HOLLAND. As between providing milk for hungry children and turning that same milk into processed form for storage by the Government as a part of the surplus supply, would you think that the Nation would prefer to have the fresh milk go to the children?

Senator MONDALE. Certainly.

Senator HOLLAND. I realize that the present deficit situation in production can be quickly corrected, because that is the way the American system works. Whenever there is a void in any area, it is very shortly filled with additional production. However, I would like the record to show, if that is the case, that at this time, with deficit production in some areas, the Federal Government is still being required to spend its money in acquiring surplus products. We should like to have your comments on that.

Senator MONDALE. Perhaps the staff could supply us with the current figures on the surplus milk purchases. I was under the impression that they did not amount to very much right now.

Senator HOLLAND. It does not amount to nearly as much as it did in the past, but my impression is that there was still some continuing purchases. It is the American way for business to try to build a producing machine, the largest amount that the demand will take; and I am sure we will soon be back to heavy production. There is no question in my mind that that will be the case in the dairy industry, just as it is and always has been in other industries. So I think that it would be helpful for the record to show, if this is the case, that even at this time of relatively low production, as compared to normal, the Federal Government still is being required to put out money for the acquisition of processed milk, which might better be used as fresh milk to supply our children with more of this very fine product.

Senator MONDALE. It might be in order to include in the record at this point the figures from the Department of Agriculture for the year 1965-66 in the purchase of milk and various dairy products.

(For information above, see p. 24.)

Senator HOLLAND. So some purchases are still being made, but not in any such amount as before.

Senator MONDALE. It has been sharply reduced.

Senator HOLLAND. But it is still being purchased.

Senator MONDALE. There were no cheese purchases at all in March. But butter purchases for the month of March were 2.2 billion.

Or, rather 2.2 million pounds.

Senator HOLLAND. 2.2 million pounds?

Senator MONDALE. Yes.

Senator HOLLAND. And dried milk?

Senator MONDALE. 46.7 million pounds. The milk equivalent purchased for the year 1964-65 was 8,967 million pounds of milk. In 1965-66 it was 3,699 million, or a reduction of, roughly, in the neighborhood of 2½ times.

Senator HOLLAND. So it shows that the Government is still making purchases?

Senator MONDALE. Is still making purchases.

Senator HOLLAND. Yes. And when they are reducing the special milk program, that becomes particularly auspicious, it seems to me.

Senator MONDALE. I agree with the chairman on that point.

Senator HOLLAND. You might want to expand on that point in the statement which will be made a part of the record. Thank you very much. You have made a very fine statement.

I have been requested by the Senator from Colorado, Mr. Allott, to place in the record a statement he had made, and I am glad to do this. It will be incorporated in the record at this point.

(The statement is as follows:)

STATEMENT OF HON. GORDON ALLOTT, A U.S. SENATOR FROM THE STATE OF COLORADO

Mr. Chairman, the Special Milk Program for school children has been in operation since 1954, and it has been received with the enthusiastic support of school systems and other participating outlets. It is a program of proven worth.

At a time when a high percentage of young Americans cannot meet the physical qualifications of the military services because of defects traceable to nutritional deficiencies, recent efforts of the Administration to drastically cut back the funding of the program is, in my opinion, "penny wise and pound foolish". The requested budget cut of \$82,000,000 in the Special Milk Program would deny supplemental milk to about 80 percent of our schoolchildren who are now benefiting from this program.

Last year we enacted the Elementary and Secondary Education Act which authorized more than \$1.3 billion in the first year in aid to school systems to feed the hungry minds of the young, and we know that the program will be expanded in subsequent years. It seems incredible that efforts should now be made to seriously cripple a program that is designed to feed the hungry bodies of the young.

The value of this program to the health and dietary habits of school children is well recognized by school authorities. Increased school attendance and an improved approach to learning are among some of the benefits observed by teachers and school administrators. Obviously, a higher rate of school attendance and an improved learning attitude are factors essential to achieving maximum benefits from our expenditures under the Elementary and Secondary Education Act. It is false economy to spend billions to improve the quality of our primary and secondary educational systems and at the same time cut back drastically on a program that has proven its worth in getting the child to school in a receptive frame of mind.

We have heard much about poverty in the past two or three years. In the final analysis, the only truly effective weapon against poverty is education and training, for it is only through education and training that we can hope to achieve lasting results in our efforts to combat poverty. To that end, the Special Milk Program can be an effective tool in helping children obtain basic education, a prerequisite for job training, by improving learning attitudes and increasing school attendance.

The House Appropriations Committee, in its report on the fiscal year 1967 Agriculture Appropriations Bill, pointed out that the Special Milk Program has been so successful that it has been adopted in many other countries. Dried milk in large quantities has been shipped overseas under Public Law 480, our food-for-peace program, for use in the schools in those countries which we are supplying aid. Should we do less for our own children?

According to Departmental figures, 85,929 schools and 6,076 child-care institutions and summer camps participated in this program last year, and about 3 billion half pints of milk were made available and consumed. In my own State of Colorado, there were 1,200 participating outlets, dispensing nearly 27 million half pints of milk under this program. These figures are mute evidence of the success of the program, and while I am sure that the program can be improved, the fact is that milk, whose high nutritional value has been recognized by physicians and dieticians for generations, has been getting into the stomachs of our children in greater quantities as a result of the Special Milk Program. It is difficult to argue with success, and this program has been a success. Because of the demonstrated success of that program, I was happy to join with 62 of my colleagues in sponsoring S. 2921, a bill which would make the Special Milk Program a permanent program.

While S. 2921 would expand the Special Milk Program to a minor degree, in my opinion it will be money well spent, for who can put a price tag on the health and well-being of our children? I know of no better investment that this country can make—it is an investment in the future.

Mr. Chairman, I urge early and favorable action on this important measure. It is my hope that with the early enactment of S. 2921, the Special Milk Program will not be subject to the attacks of the "false economists" in the future.

Senator HOLLAND. Our next witness is Mr. Mehren, Assistant Secretary of Agriculture, who is here and ready to testify, and we will be happy to hear his testimony.

STATEMENT OF HON. GEORGE L. MEHREN, ASSISTANT SECRETARY OF AGRICULTURE

Mr. MEHREN. Mr. Chairman and members of the committee, I am happy to appear before this committee to discuss Senate bill 2921, which is cited as the "Children's Special Milk Act." This bill is cosponsored by many distinguished Senators. It deals with a matter of great importance—the nutrition of our children.

We in the Department of Agriculture agree without reservation that our children are the most precious resources of this Nation. We know that beyond any question proper and adequate diets are an essential condition for development of our children into adults who may achieve their full potential. We have held that in this last third of the 20th century, and in a nation like ours, no child should be deprived of the food he needs. It is morally right that our children should receive enough food, and that this food should meet the nutritional requirements of the child—and it is good economics to invest public funds to assure that these nutritional needs be met.

These are the reasons that for some 20 years we have administered a school lunch program in which 18 million children now take part. These are the reasons that every federally supported school lunch must include a half pint of milk. These are also the reasons that we have sought to expand our child feeding programs under present statutory authority insofar as our resources permit. And, finally, these are also the reasons we have sought legislation authorizing us to widen the scope of our child nutrition programs, and to extend it to children who do not now receive its benefits.

Thus, the Department is, and always has been thoroughly sympathetic with measures intended to improve the nutrition of children

in our country. We know this is the major purpose of S. 2921. We respect that major purpose as consistent with public policy.

Any differences of opinion we may have with the supporters of S. 2921 do not involve the purposes of our national child-feeding programs of the public policies through which the goals of those programs are sought. Rather, our differences involve questions of which among the alternative methods or approaches will be most effective in using our limited resources to reach the goals upon which we all agree.

First, we agree wholly and without any reservation that milk is a food of great value in the diets of growing children. We believe that every child should have at least the daily minimum necessary amount of milk and of the various other essential foods. This is why milk is a required part of our type A school lunch. And this is also why the type A lunch must also include a balanced proportion of all of the other food elements that are no more but certainly no less essential than milk itself.

We do not in any measure question the propriety of using Federal funds to help children obtain the quantity of milk required for good nutrition. The Department in recent years has contributed about one-third of the more than a billion dollars spent annually for food through our school feeding programs.

Senator HOLLAND. I want to show that in our hearings of the Subcommittee on Agricultural Appropriations the Secretary of Agriculture or his witnesses—I believe it was yourself, Dr. Mehren—stated that the original request of the agency had been for \$105 million for this fiscal year 1967 in support of a school milk program, but after discussion with the Bureau of the Budget—and I naturally use the word “discussion” as an understatement of what occurred—the Secretary reduced his request to that which finally reached us. I would want to have it clearly shown in the record that the Secretary originally did not approve this proposed reduction. I had the record of the appropriations hearing checked. That is your own recollection, is it not?

Mr. MEHREN. That is essentially so, Senator Holland. There were a series of discussions after the submission of the first \$105 million figure by the agency.

Senator HOLLAND. The point is that the agency did not originally recommend the reduction of this program.

Mr. MEHREN. That is completely true.

Senator HOLLAND. Thank you. All right, you may proceed.

But, before doing so, what do you mean that the Department has “contributed”?

Mr. MEHREN. By the total value of the contribution of the Department of Agriculture has been about one-third of the total cost of the program, including that which we spend, the States and the localities and the kids spend in paying for it.

Senator HOLLAND. But you do not mean that the Congress had nothing to do with that?

Mr. MEHREN. The Congress made it possible for the Department to do this, Mr. Chairman, and for which we are properly grateful.

Senator HOLLAND. Proceed.

Mr. MEHREN. For the program as a whole, dairy products constitute about one-third of these total expenditures. This is an immensely

greater proportion of milk and dairy products than in the typical well-balanced ration. It is far higher proportion of total food expenditures than the typical American family spends on milk. So we have never slighted milk in our child-feeding programs—nor do we propose to do so now.

We think that our milk program must continue to be an integral element of our overall program for child nutrition. We think that our milk program must also be properly coordinated part of our overall program. Within whatever resources are made available by the National, State, or local government, by parents, or by others—the proportions allocated to milk and other equally essential foods must be governed by the goal of well-balanced nutrition.

We think, therefore, that the efforts of the National Government to provide milk should be in proper proportion to our total efforts to improve child nutrition. Specifically, we want each child to obtain a complete meal designed to meet his nutritional needs.

We believe, and I think that all concur, that our child-feeding programs have been of immense benefit to our children. And, both in short- and long-run terms, they have been of immense benefit to our farmers and to processors and handlers of food. Yet, many needs of child nutrition are still unmet. We believe that some of these needs are of higher urgency than additional milk for children already receiving milk in the regular school lunch. We believe that providing milk for schoolchildren who do not receive it now is of higher priority than additional milk for children who now receive it.

However, the compelling reason that we cannot offer full support for S. 2921 is that this bill is concerned with only one, albeit an important one, part of the nutritive needs of the child. It provides a separate program for one essential commodity and not for any other essential element of the diet of a child. It provides that a higher proportion of the resources available to us must be spent on this one commodity than can be justified either by the goals of the child nutrition program, the relative urgency of nutritional needs now unmet, or the relative nutritional merits of the various foods. If a major increase in expenditures on milk were to mean inadequate expenditures on other necessary foods, our children would be the losers.

Senator HOLLAND. Do you mean that the passage of this act would mean just that?

Mr. MEHREN. That was a disjunctive statement in which I said "if"; that "If a major increase in expenditures in milk were to mean inadequate expenditures on other necessary foods, our children would be the losers." And if so, we would be required to cut back. I am saying, however, that it is the considered opinion of our people that there are higher priorities in the child nutrition field, and if we were to have the funds, we think that we know where we would like to put them.

Senator HOLLAND. But in meeting this question whether a major increase in expenditures on milk would mean something hurtful in other fields, really, the legislative branch of the Government has some responsibility to determine that question, does it not?

Mr. MEHREN. Yes, sir. Our interest is that I would, personally, speaking quite personally, not like to see \$80 or \$100 million put on milk if I had to cut it out of the places where we have critical needs in feeding more kids, where the kids are not getting it.

Senator HOLLAND. Is there any suggestion that that condition exists?

Mr. MEHREN. No, sir. It is not, Senator Holland. That is why I put the word "if" at the opening of that statement.

Senator HOLLAND. Thank you. Please proceed.

Mr. MEHREN. The sponsors of S. 2921 and we in the Department agree on goals. We in the Department do not agree that S. 2921 is an effective way to reach those goals. We believe that the program outlined in the Child Nutrition Act of 1966 which has been introduced in the House of Representatives as H.R. 13361 is a substantially better way to achieve those goals.

The bill under consideration here would require the Secretary to continue and expand the special milk program now in effect. That special milk program was begun in 1954, 12 years ago. There was no provision in the School Lunch Act—which was passed in 1946—for special treatment for milk as opposed to other essential foods. There is no doubt that the primary immediate aim of initiating the special milk program was to relieve a surplus situation.

Senator HOLLAND. On that point now, despite the deficit in milk production in the last year, which still exists, there is surplus milk being purchased by the Government in the amount of over 3 billion pounds, isn't there?

Mr. MEHREN. Yes, Senator Holland.

Senator HOLLAND. As between the purchase of milk as surplus in the processed form in which such purchases are made, or the feeding of that milk to children through the school milk program, which do you prefer?

Mr. MEHREN. In the event of the surplus, I quite clearly would prefer to see the milk go through the channel of nutrition, provided, again, that no offset is required in the other parts of the feeding program. I do refer to this, Senator Holland, briefly later on in this statement. I express again a personal opinion, that there may be the danger of a possibility of shrinkage in the productive capacity of the American milk industry. I am speaking personally. I have worked very closely with it now for months, and, if I may, I would like to defer the responses to that part of the question until later.

Senator HOLLAND. You are very familiar, of course, with this subject, and we give very great weight to your interest and your knowledge, because we know of your interest and your responsibility. But when, in a deficit production year in so many areas, such as the year through which we have just passed, it is shown that over 3 billion pounds had to be processed for storable form as surplus by the Federal Government and when—

Mr. MEHREN. I have been disturbed—

Senator HOLLAND (continuing). The amount of the increase provided by the bill over last year is very small and very gradual, it seems to me that this is hardly an appropriate time to talk about a heavy reduction of the school milk program. I did not join as a sponsor of this bill because I wanted to be in a position to look at the facts as impartially as possible, but it seems to me that the facts already shown in this record and already known to me, as chairman of the Appropriations Subcommittee, are such as to make it very clear that this is not an appropriate time for a reduction of the program.

Mr. MEHREN. I may say, Senator Holland, in addition to the statements later on in my paper—which manifest the fear I have of a possibility of shortage of milk later on down the road—that the possibility is now no less than 2 or 3 months ago and that there have been 13 consecutive months of relative decline in milk production, and they have centered in the heart of the milk areas of the United States—while this is not a major point, my fear is just the opposite of yours, I think.

Senator HOLLAND. Has it been your experience—and I know that it has been a very wide experience—that when a deficit threatens in the production of an essential commodity under our private enterprise system, people immediately start taking care of that situation? In this case by building larger herds? As a matter of fact, my information has been that many of the small dairy farmers who have gone out of business have done so because reductions in the size of their herds have made their production uneconomical. It seems to me that they would welcome the opportunity to build back their herds at this particular time to a more economic size.

Mr. MEHREN. Yes, sir. My fear, to be quite exact, is that it takes far longer to do that in the dairy industry than it does in the specialty products with which you and I are familiar, and if this shrinkage, the symptoms of which now appear, do, in fact, represent a substantial threat of a substantial shrinkage in the milk industry of the United States and I do not, personally, think that it will be turned around very quickly. For one reason, the biological attributes of the lactating animal.

Senator HOLLAND. The biological attributes here, of course, are very different from anything in the vegetable industry or in the fruit industry.

Mr. MEHREN. Yes, sir.

Senator HOLLAND. In the fruit industry it takes even longer—

Mr. MEHREN. But even longer, yes.

Senator HOLLAND (continuing). In increasing the production. What is the time required, from your very mature observation of this problem, for a substantial increase in the milk producing unit in the dairy industry?

Mr. MEHREN. My own personal judgment, while not a complete analytical view, is the industry probably has been shrinking for, at least, a couple of years; that the shrinkage began accelerating about 13 or 14 months ago; that it appears as if there is a definite shifting of milk production in a number of places, and I would think that if these symptoms are true it would take 3 years to change production trends.

Senator HOLLAND. About 3 years, is that right?

Mr. MEHREN. No less.

Senator HOLLAND. To begin to produce larger quantities of milk, you mean?

Mr. MEHREN. If, in fact, the production capacity—the number of cows, the number of enterprises—if, in fact, those have been shrinking, then I am concerned about that.

Senator HOLLAND. The number of cows, of course, has been shrinking for a good many years.

Mr. MEHREN. Yes.

Senator HOLLAND. But at the same time the productivity of those cows that were left in production has been increasing.

Mr. MEHREN. Yes.

Senator HOLLAND. That is per cow.

Mr. MEHREN. Yes.

Senator HOLLAND. Because the process has been selective and the farmers have realized that they would have to have cows with heavy production, that is, who are heavy producers, to make their business as economical as possible. You have noticed that that tendency exists, have you not?

Mr. MEHREN. There are two other things. I think it is pretty well established that the dairy farmers are just about at the bottom of the income level in the farming sector of agriculture and have been for a long, long time. And the second thing—

Senator HOLLAND. You mean below the average cotton farmer in income level?

Mr. MEHREN. I think the data I have in mind would indicate that the actual earnings of the dairy farmer are, probably, lower than that of most cotton farmers. They are surely the lowest of the livestock part.

Senator HOLLAND. I wish that you would obtain the statistical information from the Department, from that part of the Department that is handling this thing, and put that information into the record. It is my feeling and my understanding that every time there has been a reduction in the number of producing units in the dairy industry, since I have been in the Senate, there has been an upswing in the production per cow.

Mr. MEHREN. That is correct. I think that is still true.

Senator HOLLAND. And I think that will go on. I think it should go on. But I, also, think that the number of producing units under our private enterprise system, as it applies to the milk industry, just as it does everywhere else, will go up as rapidly as the biological cycle permits.

Mr. MEHREN. Certainly. I do hope you are right. I would doubt that this would happen with a \$21 cow market which is, probably, pulling the production out a little faster than normally prevails.

Senator HOLLAND. That is pretty poor beef.

Mr. MEHREN. You cannot tell that in a frankfurter and sausage.

Senator HOLLAND. I wish that you would produce the statistics on the matter, unless you already have them.

Mr. MEHREN. We will get them. I do not have them here with me now.

(The information is as follows:)

Net farm income, specified types and sizes of commercial farms, and rank of farms, by income, for years 1956, 1960, and 1964

Type of farm and location	1956		1960		1964	
	Amount	Rank	Amount	Rank	Amount	Rank
Dairy farms:						
Central Northeast.....	\$3,850	23	\$4,234	29	\$4,178	28
Eastern Wisconsin:						
Grade A.....	4,839	18	5,858	22	6,541	17
Grade B.....	2,117	34	2,799	36	3,332	32
Western Wisconsin, grade B.....	2,945	27	3,636	30	2,837	34
Dairy-hog farms, southeastern Minnesota.....	3,962	21	3,552	31	3,904	29
Egg-producing farms, New Jersey.....	3,371	24	5,158	24	2,470	36
Broiler farms:						
Maine.....	2,854	28	3,389	32	3,692	30
Delmarva:						
Broilers.....	(¹)	(¹)	1,727	40	2,433	37
Broiler-crop.....	5,140	17	5,945	21	6,022	22
Georgia.....	947	38	910	41	718	41
Corn Belt farms:						
Hog-dairy.....	5,164	16	6,641	18	7,173	14
Hog fattening—beef raising.....	2,950	26	3,225	34	4,395	27
Hog-beef fattening.....	6,841	12	6,684	17	8,643	12
Cash grain.....	9,210	9	7,671	14	12,205	9
Cotton farms:						
Southern Piedmont.....	1,576	36	1,895	38	3,274	33
Mississippi Delta:						
Small.....	1,975	35	1,737	39	2,383	38
Large-scale.....	23,080	4	24,474	4	34,623	4
Texas:						
Black Prairie.....	1,059	37	2,878	35	4,668	26
High Plains (nonirrigated).....	2,444	31	9,375	12	1,676	39
High Plains (irrigated).....	13,351	7	13,082	5	12,903	8
San Joaquin Valley, Calif. (irrigated):						
Cotton-specialty crop.....	89,251	1	40,041	2	58,290	2
Cotton-general crop (medium sized).....	25,268	3	26,172	3	36,067	3
Cotton-general crop (large).....	77,398	2	79,405	1	108,875	1
Peanut-cotton farms, Southern Coastal Plains.....	2,737	29	3,364	33	5,181	24
Tobacco farms:						
North Carolina Coastal Plain:						
Tobacco.....	3,991	20	6,080	19	6,429	19
Tobacco-cotton.....	3,887	22	5,983	20	6,362	20
Kentucky bluegrass:						
Tobacco-livestock, inner area.....	6,985	10	7,318	16	6,530	18
Tobacco-dairy, intermediate area.....	2,532	30	2,475	37	2,678	35
Tobacco-dairy, outer area.....	4,351	19	4,657	27	5,323	23
Spring wheat farms:						
Northern Plains:						
Wheat-small grain-livestock.....	6,972	11	5,099	25	8,690	11
Wheat-corn-livestock.....	3,283	25	5,674	13	5,062	25
Wheat-fallow.....	5,953	13	4,609	28	7,429	14
Winter wheat farms:						
Southern Plains:						
Wheat.....	3,808	23	10,684	10	8,271	13
Wheat-grain sorghum.....	2,282	32	12,149	6	6,949	15
Pacific Northwest:						
Wheat-pea.....	13,722	6	10,575	11	15,190	5
Wheat-fallow.....	10,189	8	11,613	8	13,836	7
Cattle ranches:						
Northern Plains.....	2,140	33	4,980	26	6,043	21
Intermountain region.....	5,718	14	8,711	12	6,860	16
Southwest.....	-769	40	7,580	15	1,310	40
Sheep ranches:						
Northern Plains.....	5,336	15	8,707	13	11,765	10
Utah-Nevada.....	17,659	5	11,960	7	14,631	6
Southwest.....	553	39	10,759	9	3,370	31

¹ Not available.

Milk production, farms selling milk and cream, and other factors affecting supply, 1944-65

Year	Average number of milk cows on farms	Milk production		Farms selling milk and cream	Milk-feed price ratio	Manufacturing milk-beef price ratio
		Per cow	Total			
	<i>Thousands</i>	<i>Pounds</i>	<i>Million pounds</i>	<i>Thousands</i>	<i>Pounds</i>	<i>Pound</i>
1944.....	25,597	4,572	117,023	2,340	1.38	¹ 0.26
1949.....	22,024	5,272	116,103	2,007	1.28	.16
1954.....	21,581	5,657	122,094	1,475	1.19	.20
1956.....	20,501	6,090	124,860	-----	1.36	.22
1957.....	19,774	6,303	124,628	-----	1.39	.19
1958.....	18,711	6,585	123,220	-----	1.41	.15
1959.....	17,911	6,815	121,989	1,017	1.43	.14
1960.....	17,560	7,002	122,951	-----	1.45	.16
1961.....	17,367	7,223	125,442	-----	1.45	.17
1962.....	17,050	7,391	126,021	-----	1.40	.15
1963.....	16,534	7,561	125,009	-----	1.36	.16
1964.....	16,061	7,907	127,000	¹ 600	1.38	.18
1965.....	15,477	8,080	125,061	-----	1.40	.17

¹ Estimated, DS-307, p. 33, U.S. Department of Agriculture, Economic Research Service, Washington, D. C.

Senator MONDALE. What percentage of the total mass production of milk is now purchased to provide milk for the school milk program?

Mr. MEHREN. As I recall, on a national basis it is 2½ percent of the fluid milk. May I turn to one of my associates, please, for that answer? That is true, I understand.

Senator HOLLAND. You may, of course, if you find that this is in some degree inaccurate, correct that part of the record.

Mr. MEHREN. Yes.

Senator MONDALE. What is the total milk production for fluid milk, for manufacturing, and otherwise?

Mr. HEALY. The fluid milk production is about, or, rather, the consumption is about, one-half.

Senator HOLLAND. Your name, please?

Mr. HEALY. P. B. Healy. It is about one-half of that which is consumed.

Mr. MEHREN. It would be one and a quarter maximum going through this. That would be the maximum of the total milk production.

Senator MONDALE. One and a quarter percent?

Mr. MEHREN. It is 2½ percent of fluid milk and fluid milk accounts for approximately one-half of the total milk production in normal times.

Senator HOLLAND. I think that these statistics would, also, be developed in connection with the economics. So with what you have already stated, it would be helpful.

Mr. MEHREN. It will be one and a quarter percent going to the school lunch program, and one and one-quarter percent going to the special milk, so that the two programs together would encompass 2½ percent of it.

Senator MONDALE. Of fluid milk?

Mr. MEHREN. Of all milk. You have about as much milk in the school lunch program as you do in the special milk program.

(The information is as follows:)

Fluid milk products: Domestic consumption (milk equivalent), 1950-65

Year	Civilian					Military		Total domestic	Special milk as percent of fluid use	Special milk as percent of total milk production
	Used on farms with milk cows ¹	USDA school program		Com-mercial sources	Total	From military funds	Partly from CCC funds			
		School lunch	Special milk							
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent	
1947-49	11,593	479		39,961	52,033	400		52,433		
1957-59	6,391	1,005	1,100	48,971	57,467	1,333		58,800	1.9	0.9
1955	8,214	909	485	46,892	56,500	818	182	57,500	.8	.4
1956	7,694	895	848	48,163	57,600	756	344	58,700	1.4	.7
1957	7,003	936	981	48,780	57,700	799	601	59,100	1.7	.8
1958	6,393	1,007	1,106	48,994	57,500	734	566	58,800	1.9	.9
1959	5,776	1,071	1,213	49,140	57,200	736	564	58,500	2.1	
1960	5,322	1,155	1,300	49,523	57,300	618	582	58,500	2.2	1.0
1961	4,865	1,231	1,371	48,733	56,200	707	593	57,500	2.4	1.1
1962	4,410	1,305	1,450	49,435	56,600	782	618	58,000	2.5	1.2
1963	4,023	1,374	1,528	50,475	57,400	770	630	58,800	2.6	1.2
1964	3,691	1,451	1,580	51,078	57,800	741	659	59,200	2.7	1.2
1965 ²	3,300	1,540	1,666	51,494	58,000	1,084	* 316	59,400	2.8	1.3

¹ Milk consumed on farms with milk cows and off-farm production.

² Preliminary.

* Reimbursements discontinued June 30, 1965.

Senator MONDALE. I agree with you that milk production has recently been dropping. There is no question about it in Minnesota, Wisconsin, and so on. I think it is a combination of several factors.

First of all, the return to the dairy farmer is one of the lowest, if not the lowest, to any class of farmer. I agree with you on that. On Grade A dairy farms in 1963, the return per hour for the operator and family for labor in eastern Wisconsin is 56 cents an hour. For grade B it was 21 cents an hour, and in the Midwest we produced a lot of manufacturing milk. In any event, that is the figure. For the central-northeast it was 42 cents an hour.

So first of all, the dairy farmer is getting a very low return per hour. Secondly, dairy farmers have to more or less be married to their cattle. As Senator Talmadge says, the dairy farmer needs no Sunday clothes and very few everyday clothes. It is a 7-day, 14-hour-a-day occupation. Nobody likes to be tied down this way. And with the improved prices for beef, pork, soybeans, and so on, there are alternatives which bring a more desirable return.

Finally, they are able to sell their milk cows for a pretty decent return right now in the market.

But this gets back to another problem. A great part of the reason for the decline in milk production is the absence of a dairy support level which offers reasonable assurance of an improved economic return for the dairy farmer. And that is the way to deal with the problem of supply. I think that if milk production continues to fall, prices will ultimately rise for everybody, including the poor and everybody with a limited income. And I think that is a separate problem.

I would say that your figures, since the milk going into this program amounts to 2½ percent of the total production, present a very interesting situation. You say one of the arguments against a permanent program is that milk production is going to be slowed down. That is almost irrelevant. We can still afford this for our children.

Mr. MEHREN. I will cover that point later on in my statement.

When the special milk program was initiated, milk production far exceeded the capacity of commercial markets to take it at prices that would yield acceptable incomes to producers. There were, as there have been until about a year ago, very large Government acquisitions of dairy products under the price support program.

It was considered—and we think quite properly—that to increase fluid milk consumption among children was a better way to handle part of a long-term surplus of milk than to let it all go into storable dairy products and then to Government storage. We believe that the program has worked well. At present program levels, some 3 billion half-pints of milk are consumed yearly under the special milk program. This is about 2½ percent of national fluid milk consumption.

Senator HOLLAND. How much of it went into surplus last year?

Mr. MEHREN. I do not have the figures, but it is substantially more than that which is going into surplus now. It is about 14, 15 months ago that what may possibly be a turndown in dairy, really, began to show itself.

Senator HOLLAND. Your economic showing will cover that?

Mr. MEHREN. Yes, sir.

(The information is as follows:)

Dairy products removed from the commercial market by programs of the U.S. Department of Agriculture, marketing years, 1949-66

Marketing year and month	Butter			Nonfat dry milk			Solids content of removals			
	Purchases ¹	PIK exports ²	American cheese ¹	Purchases ¹	PIK exports	Milk equivalent	Milk fat	Solids, not fat	As a percentage of marketings of—	
									Milk fat	Solids, not fat
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent	Percent
1949 ³	114.3		25.5	325.5		2,541	102.5	321.1	2.7	4.6
1950 ⁴	127.9		108.9	359.1		3,660	140.5	379.2	3.0	4.4
1951-52	.2		.8	71.9		12	.9	69.3	(5)	1.0
1952-53	143.3		75.3	217.6		3,648	141.1	233.1	3.7	3.2
1953-54	375.0		386.8	680.1		11,443	431.2	774.7	10.6	9.8
1954-55	210.5		153.4	526.4		5,787	222.5	554.1	5.4	6.9
1955-56	177.6		157.4	604.2		5,167	197.9	629.8	4.7	7.5
1956-57	154.4		197.2	736.1		5,100	192.9	768.5	4.6	8.9
1957-58	215.1		248.3	907.4		6,891	259.5	949.1	6.1	10.7
1958-59	150.2		34.7	825.8		3,557	137.9	804.5	3.3	9.0
1959-60	135.2		50.3	856.8		3,390	131.0	839.0	3.1	9.3
1960-61	154.4		.2	837.2		3,305	130.2	804.9	3.0	8.7
1961-62	434.9		191.2	1,275.4		11,180	420.6	1,286.3	9.5	13.3
1962-63	347.1		136.9	1,278.8	24.2	8,809	332.6	1,295.5	7.6	13.3
1963-64	291.1	1.6	121.8	922.8	251.9	7,532	283.1	1,170.5	6.4	11.9
1964-65	237.0	115.5	134.6	760.3	462.7	8,955	335.7	1,221.5	7.5	12.1
1965-66	149.8	11.9	21.2	695.6	189.7	3,699	143.2	859.8	3.3	8.6
1965-66:										
April	39.5	1.8	9.5	98.1	8.3	985	37.1	105.7		
May	37.0	.9	1.2	98.1	13.8	830	31.7	108.4		
June	43.1	1.3	3.0	98.9	18.8	988	37.5	114.6		
July	17.4	2.2	4.7	63.3	27.7	468	17.9	89.2		
August	4.2	3.2	2.2	60.9	49.9	181	7.4	107.3		
September	.4	.4	.4	43.6	28.8	23	1.3	69.8		
October	.4	.3	.2	22.5	33.8	17	1.0	54.2		
November	.4	.2		39.7	5.6	14	.8	43.6		
December	.7	.4		39.1	1.1	24	1.2	38.7		
January	1.7	.2		37.8	.1	40	1.8	36.5		
February	2.8	.2		46.9	.7	65	2.7	45.8		
March	2.2	.8		46.7	1.1	64	2.8	46.0		

¹ Delivery basis.

² Includes butter equivalent of anhydrous milk fat.

³ Calendar year.

⁴ 15 months, January 1950 to March 1951.

⁵ Less than 0.05 percent.

CCC purchases (delivery basis) of butter, cheese, and nonfat dry milk, as well as PIK exports were lower last marketing year than in 1964-65. Net butter removals were 126 million pounds, 190 million below 1964-65, while those of cheese, 21 million pounds, were 113 million below 1964-65. Nonfat dry milk fell to 881 million from 1,223 million the previous year. Net removals were lower than purchases because USDA sold 35.3 million pounds of butter and 4.7 million pounds of nonfat dry milk for domestic use in 1965-66.

In the 1965-66 marketing year, both USDA dairy product sales and donations fell below a year earlier, reflecting smaller quantities removed and lower carryin stocks on April 1, 1965. Combined CCC utilization and PIK exports for butter and nonfat dry milk last marketing year were the lowest since 1961, while cheese was the lowest since 1960 (table 10).

During April, USDA had purchased no butter or cheese under open-purchase offers, and print butter offers were rejected because offering prices were above the equivalent to support purchase prices. USDA contracted for 65 million pounds of nonfat dry milk for delivery in April-June in 4½-pound containers and 50-pound bags for domestic and foreign donations. In April, USDA paid 17.65 cents per pound for vitaminized nonfat dry milk packed in 50-pound bags, 19.093 cents in 4½-pound containers, and 18.793 cents for domestic packs. Prospective U.S. supplies of nonfat dry milk in excess of domestic use are smaller this marketing year than last. Foreign sales are expected to be lower and most of the remaining available supplies are expected to be used for donations.

Dairy stocks below year earlier

Storage stocks of nearly all dairy products, as of April 1, 1966, were below a year earlier. Only fluid cream and natural cheese, other than American or Swiss, were higher. In milk equivalent terms, stocks were estimated at 3.4 billion pounds, 1.9 billion below a year earlier. This is the lowest stock level for that date since 1952. While commercial holdings fell slightly in 1965-66, Government stocks dropped to negligible levels.

In the second quarter, milk production is rising seasonally, and so are commercial holdings. Dairy products stocks are expected to continue below a year earlier, but by mid-year likely will rise to about twice the April 1 level. Whether supplies in excess of current requirements move to commercial outlets or into CCC stocks will depend on how rapidly production rises and how the trade views the prospective supply-demand situation in the August-January period, the usual out-of-storage months.

Because of reduced production, butter carryover at end of calendar 1966 may be even lower than last year's low level of 52 million pounds. American cheese stocks at the end of March totaled 229 million pounds, 9 percent below a year earlier; practically all were in commercial hands. Currently, cheese stocks are low relative to use, so storage demand is likely to be strong over the next few months because of the growing cheese demand.

USDA and manufacturers' stocks of nonfat dry milk—not used in computing milk equivalent (fat solids basis) of stocks—were 68 million pounds at the end of March, down from 233 million from a year earlier and 31 percent from the February level. Government holdings were down sharply from a year earlier and manufacturers' holdings are also lower. With supplies continuing lower in 1966, carryover stocks by December 31, 1966, are expected to be about the same as last December's low level.

Mr. MEHREN. The program has not always absorbed a major part of what once were massive milk surpluses, but it clearly has helped maintain incomes of dairy farmers. And there is no doubt that dairy farmers needed and merited income stabilization.

Senator HOLLAND. Is that the same situation now?

Mr. MEHREN. I do not have any recent analysis of earnings, but my own feeling is that if it were not possible to do better in industrial or other activities that the exodus which now appears—at least, the first symptoms of the exodus—indicates that dairying is still not one of the better earnings for farmers.

Senator HOLLAND. From that approach it would still be desirable to continue the school milk program?

Mr. MEHREN. I do not think that this would necessarily say that we should continue it. The point that is being made here is that it is

difficult to foresee in the near future, at least, any major surplus in dairying products, prolonged over any period of time as the basis for the special milk program, but that does not mean, necessarily, that there are not excellent other reasons for special milk.

Senator HOLLAND. Due to the fact that the surplus acquired during the last year largely exceeded the total of milk that went into the school milk program?

Mr. MEHREN. Oh, yes. Last year I would think that that is correct—I would have to check it.

Senator HOLLAND. What you fear is that that situation may not always remain?

Mr. MEHREN. But again, speaking quite personally, I would like to be very sure that we will not be short of milk this winter. And I am not certain that we will not. I am not comfortable in feeling that we may be short of milk this winter.

Senator HOLLAND. And the schoolchildren would, certainly, be short of milk if the present budget program went into effect?

Mr. MEHREN. They would have less milk, yes, sir, by that reduction.

Our children benefited—some by getting milk which would not be available otherwise because the child had no access to school lunch milk, and others by getting milk in addition to that served in the school lunch.

Yet it is important to note that a half-pint of milk is and must be served with every national school lunch program meal. The primary purpose of the school lunch program is child nutrition—not surplus removal or price support of any single commodity, although surplus products are regularly used. Milk is required in each meal to help meet the nutritional standards explicitly required in the type A menus.

They stated in the case of the milk program, Senator Holland, that it was a surplus removal program.

Senator HOLLAND. I helped to write the bill at that time. I am talking about the present time. Has it not been just as much a part of the food and milk program for children as has been the amount of milk in the special school program?

Mr. MEHREN. I have checked the record, and it is very clear that the Congress over the years has detached the special milk program from its original orientation to surplus, and it has explicitly stated that it is not a welfare program. And those two points, I think, have been clearly established in the record made by the Congress.

Senator HOLLAND. Then, really, the history back of the thing is not controlling at this time.

Mr. MEHREN. I would not think so. Not in terms of the later statements of the Congress.

Thus, 3 billion half pints of milk are served under the national school lunch program annually. This, again, is the same amount as that distributed through the special milk program. Many children in the United States do not get lunches or milk. Those who have access to both the special milk and the school lunch programs may receive subsidized milk from both sources. We want to find means to get milk—at least a half pint daily—to all of our growing children. We would rather do this than to have some of our children get no milk, while others might have two or three additional half pints. We would even more prefer to extend a balanced meal, including at least a half

pint of milk daily, to our children who are not getting milk rather than to provide an additional two or three half pints for children already receiving milk.

There is nothing in this program that intends to cut down the school lunch program while there is demand.

Senator HOLLAND. It is not intended to cut it down—the only thing cut is the budget recommendation; is that not so?

Mr. MEHREN. The only thing that is cut down is the budget recommendation; yes.

Senator HOLLAND. Thank you.

Mr. MEHREN. So, we seek to balance needs against our child nutrition resources. We believe, deeply and sincerely, that our resources are now inadequate to meet present pressing needs. This is why we have proposed legislation to broaden this overall program.

So far as the nutritional needs of our children are concerned, there are clear and present necessities now unmet, the urgency of which greatly exceeds the need for additional milk to children already receiving it. We want to meet those unmet needs with balance and with appropriate allocations to needs of high priority.

Senator MONDALE. Would you yield at that point?

Mr. MEHREN. Yes.

Senator MONDALE. Do you believe that we are providing unnecessary milk to certain schoolchildren at this time and thus wasting milk?

Mr. MEHREN. I personally doubt—having reared two children and one is 6 feet 4 inches tall weighing 240 pounds—that there is any such thing as unnecessary milk.

Senator MONDALE. So that you would not say that we are wasting milk?

Mr. MEHREN. I am trying to say in a polite and unprovocative way that I think that I could use that \$80 million, to be truthful, under present circumstances more effectively in extending food to kids who are not now getting food, than I can under the special milk program.

Senator MONDALE. There is an implication there that we cannot have the one without the other. I think that these programs are a good investment. You would be on better ground to say that we should expand and improve in those areas where there is compelling human need, rather than cut out a program in which there is no waste now, which is getting much nutritional need into the people. And it seems to me that one can be accomplished without destroying the other.

Senator HOLLAND. I think that the witness has already said that there is nothing in this proposed bill that would diminish the school lunch program. The only thing that would tend to diminish it would be the recommendation of the budget.

Senator MONDALE. I would endorse wholeheartedly what Mr. Mehren has said about the children in our country who are not receiving decent diets, whether it is milk or school lunches. That is beyond a doubt the case and an overlooked problem that ought to be considered.

I would like to see it in addition to the very fine existing school milk program. The assumption that we cannot have the one without the other will not stand up under analysis.

Mr. MEHREN. I will cover this a little bit later in my paper.

Senator HOLLAND. Proceed.

MR. MEHREN. Many other changes have occurred. In my judgment, average income levels to dairy farmers are still far too low in terms of economics and of equity. We in the Department are doing everything we can within our statutory powers and our resources to raise earned farm incomes to acceptable levels, and we have had substantial success—but yet not enough—in the past 5 years. And, especially in the dairy industry there is still inadequate farmer income despite the great progress of these past 5 years. We are keenly aware of and deeply sympathetic to the plight of many dairy farmers. We shall not abate our efforts to find means for the family dairy farm to get incomes equal to those earned elsewhere.

Output of dairy products has in fact shrunk in absolute terms over the past year. Stocks in Government storage have been depleted, and relatively little has been acquired in this present spring period. There have been 13 consecutive months of downturn in monthly production as compared to the same month 1 year earlier. There is disturbing evidence, not compelling but surely disturbing, that the production basis for dairy products may actually be shrinking.

Thus, the longstanding reason for a special milk program to alleviate surplus production conditions does not now exist. There is no evidence that there will be such surplus production in the near future. We do not now need a special milk program for this reason.

There has been a tremendous increase in average real incomes earned in this Nation. Food costs this year will be a lower proportion of real incomes than ever before, while average farm income, happily, is at the highest level in history. A far greater proportion of American families are now able to pay all—or a large part—of the costs of special milk or other foods for children than ever before.

Yet there are many Americans who do not fully participate in the record levels of prosperity now prevailing. Their children have the same nutritional needs as those born of more fortunate parents. The consequence of malnutrition among children of poor families is no different from those for other children. Such children need milk, and we want them to have it. But they also need balanced meals. They need balanced meals, including milk, more than they need milk alone. This is why we seek legislation which will permit us to distribute our resources with balance among a battery of needs.

There has also been a tremendous awakening among our people to the needs for adequate child nutrition, to the nutritional gap that prevails in parts of our population, and to the consequences of not filling it. For 20 years we have relied on the national school lunch program as our basic effort in child nutrition. While there were massive milk surpluses, we supplemented this effort with the special milk program.

The national school lunch program has grown. It has served this Nation well. The program operates in public and in nonprofit private schools in which three-fourths of our children are enrolled. This year, 18 million children are participating. This is more than 36 percent of all children enrolled in school.

SENATOR HOLLAND. I notice that the statement that the school lunch program has both grown and served the Nation well. You do not mean to imply that the special milk program has not served the Nation well?

MR. MEHREN. I very carefully stated about two pages down the road that I believe that it has served the Nation magnificently.

Senator HOLLAND. Thank you.

Mr. MEHREN. The Department thus has had 20 years of experience with a program that now provides from one-third to one-half the daily nutritional requirements of the children who can and want to participate. We believe with deep conviction that expansion and extension of this kind of program offers the best way to closing the remaining gaps in child nutrition.

Such a program also offers the broadest possible market, both present and potential, for all our farmers. It is the largest nonprofit institutional outlet in the Nation. It is the best market promotion mechanism in the food industry. It helps to mold the future food preferences of our children.

Milk is the major item in this market. Let me cite a few figures from a 1963 survey of the values of foods used in school lunches:

Meats.....	\$135, 000, 000
Poultry.....	42, 000, 000
Eggs.....	16, 000, 000
Fruits and vegetables.....	156, 000, 000
Dairy products.....	110, 000, 000
Fluid milk.....	296, 000, 000

Together, fluid milk and dairy products accounted for \$406 million, about one-third of total food costs.

Senator HOLLAND. I judge from this statement that you are very strong for the school lunch program?

Mr. MEHREN. Quite honestly, I think it is the one program in the Department of Agriculture in which I have by far the deepest pride and respect. It is a beautifully operated program.

Senator HOLLAND. I wonder how that reply and the recommendation of the budget as echoed by the Department of Agriculture, providing for a reduction of the school lunch program, can be correlated.

Mr. MEHREN. I believe that all of my colleagues will share my view. The formation of the budget, as you know far better than I do, involves a variety of targets, of initial submission, of constraints imposed by overall targets, of discussion, of tradeoffs among different programs. And the final submission to the Congress is not necessarily inconsistent with my personal view that this is an excellent program, sir.

Senator HOLLAND. This is a very nice way for you to say that you do not agree with the budget conclusion.

Mr. MEHREN. I believe that as long as I work for Mr. Freeman I would agree with every last decision that comes out of the Department of Agriculture, sir. And you would not—I am not being offensive or impertinent in this statement—but you would not expect me to do anything else.

Senator HOLLAND. We can draw our own conclusions as to your disapproval of the budget's position in this, can we not?

Mr. MEHREN. I hope that you do not draw that too definitively, because so long as I work for the Department of Agriculture it is my duty to support every decision that is made and not to give the slightest impression that I disapprove of it, and were I to do so, I would be grossly immoral, and the alternative is to go home to the city of San Francisco, in which I live.

Senator HOLLAND. The second question. You have some responsibility to state very frankly to the Congress what your own personal opinion is in appearing here as a witness.

Mr. MEHREN. Of course I do, and I am doing that. And I will answer your question in this way: I do respect the special school program.

Senator HOLLAND. We are talking about the lunch program.

Mr. MEHREN. I respect it very much. I know a good deal about it. I worked with it for 10 years. I am not at all certain that if I had \$82 million to put into our total food program that despite the number of friends I have in the dairy industry sitting here and elsewhere and despite the attitude that I know that prevails in the schools to some measure, at least, I would find a better place to put it than in the milk. That is an "iffy" statement. I would like to extend the school lunch tremendously. There are huge needs. If all I had was \$82 million, and if I had my personal decision as to where to use it, I do not think that I would put it all in special milk.

Senator HOLLAND. I think that we were talking just now, though, about the reduction of the school lunch program which I understand from your testimony you are very strongly for, which the Budget Bureau has recommended for a decrease. You have just said that you are very strong for the expansion of that program.

Mr. MEHREN. Yes, sir.

Senator HOLLAND. And the conclusion is rather inescapable that you are not in accord with the Budget Bureau's recommendation for the reduction of that program.

Mr. MEHREN. I would not really want to say.

Senator HOLLAND. We will not press the question. Go right ahead.

Mr. MEHREN. Thank you, Senator.

In 1946, the Congress set out the purposes of the school lunch program:

* * * as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of agricultural commodities and other food. * * *

The local, State, and Federal people who have worked together have done well. But the program as it now operates in the late sixties is not fully meeting the commitment made by the Congress in 1946.

Senator HOLLAND. I am going to ask Senator Mondale to preside over the committee hearing, if you will be kind enough to do so. I am glad to see that you are a gentleman.

Mr. MEHREN. Many proposals have been made to remove one or another of the limitations inhibiting the local, State, and Federal people from meeting the commitment fully. Other agencies of Government have tried to close parts of the gaps and to fill some of the unmet needs. Their legislative authorities have given them greater flexibility of action than we now have. We have cooperated wholeheartedly with these efforts, but in the main they are still largely uncoordinated and fragmented.

We have carefully studied our programs to identify priorities among unmet needs. We have identified the things we need to do this important job as it should be done.

We cannot now provide the full range of needed foods to children in preschool activities, in day-care centers, or during the summer

unless they are formally enrolled in a regular school program. We know that many children arrive as school hungry in the morning, and not always as a result of parental delinquency. We can donate a few surplus commodities. There is not much else we can do to help initiate or maintain a nutritionally sound breakfast program.

The President has recognized both the commitment of the Congress and our inability under present authorities fully to meet it. He has submitted to the Congress a bill called the Child Nutrition Act. Its cornerstone is the present national school lunch program. Under that bill, we would operate the school lunch program precisely as at present. It would require milk in every meal. It would reach more school-children and we would be able to help preschool children.

The terms of that bill would make the special milk program a permanent activity, just as S. 2921 does. But it does not fix appropriations at present levels. It would set first priorities within available funds to make milk available to children in schools without a lunch program and to needy children who require supplementary milk servings but are unable to pay for them.

The Child Nutrition Act would also authorize initiation of a pilot school breakfast program. It would authorize us to operate pilot summer feeding activities. We would be able to reach children in many different situations—in recreation and training programs and in summer camps. Many year-round activities such as day-care centers, settlement houses, and neighborhood houses would also be eligible. And milk would be included in all of the meals in all of these activities.

The Child Nutrition Act would enable us to try to remove the equipment barrier—or at least to lower it—in the low-income schools that simply cannot afford minimum equipment for food service.

I would add here that in Watts and the city of Los Angeles, which is not a poor city, one of the major inhibiting factors to feeding these kids is the almost total absence of equipment. And this is true in a great many other communities.

And, for 20 years State educational agencies have administered the school lunch program without a penny of Federal funds to help carry the costs of administration. Many children thereby have been denied access to milk and the other equally essential foods required for inclusion in school lunches. The kind of balance and comprehensive nutrition effort we have in mind will require the States to assume far more responsibilities.

We believe that the Child Nutrition Act puts first things first. There is no substitute—not even by way of additional milk—for a balanced meal that includes both milk and other foods not one whit less essential. The standards for such a meal are based on tested nutritional research.

The State agencies that would administer this program have accumulated know-how available nowhere else in child nutrition, meal appeal, food purchasing, storage, and distribution techniques and sanitation practices.

We favor strongly the continued inclusion of milk in all meals for children. We favor getting milk to children who can't get it because they get no lunches. There is no longer a burdensome surplus of dairy products. If we must choose between additional milk for children already getting milk and a balanced ration in general for

children now undernourished, we would choose the latter without reservation.

In short, we believe that the time is here clearly to define basic policy for child nutrition. The time is here to begin a comprehensive child nutrition program and to use our 20 years of experience in doing so. We need to assure that the whole fabric of child-feeding activities are coordinated into a mutually consistent set of functions and within a single administrative structure. We need to bring together the piecemeal efforts that are now emerging to meet unmet needs. We need to channel all of these efforts through the experienced departments of education of the States.

We respect the purposes underlying S. 2921. But the surplus justification no longer exists.

Senator MONDALE (presiding). What would you say is the justification?

Mr. MEHREN. I am only saying that the original record for the program itself identified its major purpose as surplus.

Senator MONDALE. And as sponsors we are not justifying this as surplus removal, but on nutritional grounds.

Mr. MEHREN. Yes. There are higher priority needs than additional milk for children receiving it now. These higher priority needs can be met through the Child Nutrition Act. That act would provide for milk in all meals. It would provide special milk for those who need it and cannot otherwise get it. S. 2921 would not enable us to meet—and might inhibit meeting—the needs so clearly before us. The alternative proposal in the Child Nutrition Act is a vehicle both for the purposes of S. 2921 and the more urgent need for adequate nutrition of all of our children.

Senator MONDALE. Would you expand on the last sentence in which you said that the adoption of S. 2921 might make it impossible—

Mr. MEHREN. Inhibit.

Senator MONDALE (continuing). To inhibit—how do you see that?

Mr. MEHREN. I see it because after participating in three budgets, watching them go through the various processes to which budgets are subjected, that, generally speaking, there are broad specifications of how you may allocate those funds. And under the present circumstances—and I am speaking personally now—if we were to get an unasked-for increase for appropriations for this purpose that having gotten it, it might require us or might lead us toward reducing related appropriations or related allocations of funds to similar functions. That is one reason.

The second reason is that there is experience which indicates, in some areas particularly, the poorest parts of big metropolitan areas, availability of special milk in effect precludes them from participating in the school lunch programs.

Those are the two things I had in mind.

Senator MONDALE. In other words, you are fearful that the budgetary restrictions are such that you cannot have both?

Mr. MEHREN. Yes.

Senator MONDALE. That is a problem for the Congress.

If we can have both, will you favor them?

Mr. MEHREN. I certainly have no objection to the maintenance of the milk program under those conditions.

Senator MONDALE. I must heartily endorse the statement that you made in the record regarding the need for the adoption of the provisions of the Child Nutrition Act. But I believe that this Nation is clearly rich enough, and I hope wise enough, to see the need for both programs, continuing those which we have and special additional programs for the unanswered needs of the poor and, particularly, the poor school districts that cannot afford now to obtain the benefits of these programs that we have.

Thank you very much, Mr. Mehren.

Mr. MEHREN. Thank you.

Senator MONDALE. It is our honor and privilege today to hear from the distinguished Senator from Alaska, Senator Gruening, who has a statement to make.

STATEMENT OF HON. ERNEST GRUENING, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator GRUENING. As one of the 67 Senate cosponsors of S. 2921, the proposed Children's Special Milk Act, I thank you and the members of the Subcommittee on Agricultural Production, Marketing, and Stabilization for this opportunity to speak on behalf of a bill which is of vital importance to each of our 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

We know that in 1965 nearly 3 billion half pints of milk were consumed under the school milk program in some 92,000 schools and child-care institutions. Now this most desirable program is threatened and its funding has been severely curtailed because, I regret to say, the Bureau of the Budget is counting nickels and pennies while it permits squandering of billions overseas.

Early this year, the Bureau of the Budget, as our knowledgeable colleague from Wisconsin, Senator William Proxmire, has pointed out, deemed it expedient to withhold \$3 million which the Congress had appropriated for the school milk program. This was only the beginning.

When the budget requests for 1967 came to Congress, the special school milk program appropriations had been cut back approximately 80 percent or from the \$103 million appropriated for fiscal year 1966 to \$21 million. The debilitating effects cannot be fully anticipated today. We do know such a reduction means that an uncounted number of schoolchildren, many millions of them, will be denied low-cost milk. We do know that a child from a larger family may not get a second glass of milk.

In Alaska, my State, the decrease means that the \$38,000 available for the special school milk program under the full \$103 million funding will be reduced to \$8,000.

In Alaska, 90 schools are participating in the program this fiscal year. The actual consumption figures and number of children participating are unavailable. In fiscal year 1965, more than 15,000 children in these schools consumed 1,403,569 half pints of milk.

They drink this milk either in the morning, the afternoon, or as extra milk during their lunch hour.

Alaska's commissioner of education, Mr. William T. Zahradnicek, has supplied the following statistics which demonstrate the steady

growth of the special school milk program in Alaska since 1956. That year 22 schools participated and they received \$7,485 for reimbursement for 211,851 half pints of milk. In one decade, the number of participating schools increased to 90 and they received more than \$38,000 for reimbursement for 1,403,569 half pints of milk.

Following is a statistical breakdown I have received from Commissioner Zahradnicek:

School year:	Number of schools	Half pints reimbursed	Amount reimbursed
1956-57	22	211,851	\$7,485
1957-58	26	433,534	15,905
1958-59	32	588,381	18,598
1959-60	38	728,270	19,790
1960-61	48	868,821	23,131
1961-62	60	1,098,500	29,520
1962-63	62	1,151,492	31,750
1963-64	64	1,188,200	32,853
1964-65	78	1,403,569	38,104
1965-66	90		

The administration has proposed to replace this worthwhile program with the Child Nutrition Act of 1966 whose funding of \$21 million would be redirected and used to—

1. Supply milk in schools having no food service;
2. Serve milk without charge to children unable to pay for it; and
3. Provide milk with any funds outstanding to child care institutions during the summer.

Under existing special milk programs, admittedly, the supply of milk to children is subsidized. Children are enabled to buy milk a great deal cheaper. The average price paid by a child in the United States for a half pint of milk ranges between 2 and 3 cents. If the program is cut back, that cost would double.

In Alaska the cost of milk available to children under the program exceeds the national average, the cost ranging between 5 and 10 cents. No one can predict how high the cost of milk would go without the program.

Under the existing special milk program schools taking part in it are entitled to a reimbursement of 4 cents per half pint if they also participate in the school lunch program. If they do not participate in the lunch program, the reimbursement is 3 cents per half pint of milk. Most Alaska schools participate in both programs.

We hear a lot of talk about having both guns and butter. Perhaps today we should be talking about having both milk and napalm. Or perhaps we should be talking about the wisdom of crippling a program which has done much to help millions of children grow more strong, which has given to millions of children vitally needed calcium and vitamins, thereby building a stronger, healthier, more happy America. We will not build if we tear down.

We are, as this inexcusable slash indicates, harvesting the bitter fruits of our unjustifiable military adventures in southeast Asia. We are not only sacrificing American boys' lives there, but depriving their younger brothers and sisters or children at home. I consider it shameful.

Seeing that the present estimated cost of our folly in southeast Asia is estimated at \$2 billion a month, it then becomes obvious that approximately 1 day's cost of the war would pay for the \$80 million cut from the year's budget for the special school milk program.

Cutbacks in milk production harm our dairy industry as well as our children. I know the dairy industry in Alaska cannot suffer such cuts.

This week I read the hearings before a House Appropriations Subcommittee on Department of Agriculture appropriations for 1967.

Witness after witness underscores the desirability for full funding of the special school milk program. I was particularly moved by the testimony of the Reverend Father Charles Woodrich of the Annunciation Church in the Roman Catholic Archdiocese of Denver, Colo., which begins on page 164 in part V of the printed hearings.

Father Woodrich described the worth of the school lunch program. His words hold true for the special school milk program. He said, in part:

* * * A hungry child is a disturbed child, and he will seek to satisfy his needs even at the price of crime. This type of child can be found on the streets during school hours, and he is also found in the juvenile courts. In other words, gentlemen, how many words must be written to illustrate the benefits derived by a child with a full stomach?

How right he is.

Hunger has no friends and makes no friends.

In Alaska today schools pay from 8 to 12 cents per half pint of milk with the average price being 11 cents. The subsidy ranges from 2 to 4 cents depending on the price charged.

Sponsors in Alaska for milk programs this year are the Alaska Crippled Children Association, Delta Junction schools, Anchorage Borough School District, North Star Borough School District, Gateway Borough School District, Greater Juneau Borough School District, Elmendorf Air Force Base, Immaculate Conception School, Kenai Borough School District, Petersburg schools, Lazy Mountain Children's Home, Wasilla Youth Camp, Matanuska-Susitna Borough School District, Kenai city schools, Homer, Seward, St. Ann's school, Catholic Junior High School, Anchorage.

I wish to close with the hope that this subcommittee will approve the making of the special school milk program permanent as we propose.

As Alaska's Commissioner of Education wired me last night:

Any reduction in current level of support would curtail this vital program. Costs would be necessity—would be of necessity passed on (to) the child. Many sponsoring agencies would eliminate program since maximum support would be less than one cent per unit served.

This situation would not be peculiar to Alaska alone, Mr. Chairman. Thank you.

Senator MONDALE. We thank the distinguished Senator from Alaska for a very able statement on behalf of the proposed permanent special milk program, which is typical of his leadership on behalf of humane programs.

One of the points that Mr. Mehren, of the Department of Agriculture, seemed to be making is that we have an undeniable need for special programs for the impoverished school districts, for the very poor, and that you cannot step up the efforts in the special area of need without diminishing the efforts of such programs as the school

milk program. Has it been your observation that we are wasting or providing unnecessary milk for the needs of our children's health?

Senator GRUENING. I have no evidence to that effect. I doubt whether we are wasting any in this area. And if we should be—I think that is one point—one place where possibly we could afford a little waste. I consider the billions of dollars that are being wasted annually in other extravagances, in expenditures overseas, in programs that have no vital importance to the American people but for which they pay, are places where we could drastically cut waste but in this case we might risk a little waste to make sure that no part of the milk program is impaired that is so vital.

Senator MONDALE. So it is your view that we can afford to make this program permanent as a nation. Do you have any views—of course this is beyond the scope of your testimony—with regard to special needs for the very poor?

Senator GRUENING. Well, I think that we should take care of the very poor. Obviously I feel that no child should be deprived of milk. If there are some whose parents can afford it, fine, but in any event we should take no chances to see that any child in our vast and affluent society, as we refer to it in our optimistic moments, is deprived of this essential product. I can imagine no program more essential to maintain.

Senator MONDALE. Thank you very much, Senator Gruening, for your very fine statement and your observations on this important subject.

Senator GRUENING. Thank you.

Senator MONDALE. At this point, I would like to introduce for the record a statement by the distinguished Senator from Oklahoma, Mr. Fred R. Harris, on behalf of S. 2921.

(The statement referred to follows:)

STATEMENT OF HON. FRED R. HARRIS, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Mr. Chairman and members of the committee, it is indeed a privilege for me to appear before you today to make known my support of a bill which I co-sponsored along with Senator Proxmire and a number of my colleagues to make permanent the special school milk program, and to assure that it will be adequately funded in future years. I feel that the bill we are considering here today, S. 2921, provides the necessary assurance which is a necessity if school administrators throughout the United States are to be able to adequately administer the special school milk program on a yearly basis. The bill we are considering here today would make the special school milk program a permanent program and would fund it at a rate of \$110 million for fiscal year 1967, \$115 million for fiscal year 1968 and \$120 million for fiscal year 1969 and thereafter. By making the special school milk program a permanent program and by assuring school administrators that adequate funds would be provided each year for the program we would guarantee its maximum effectiveness to our school age children. The proposed cutback in the school milk program for fiscal year 1967 would have meant a drastic reduction in funds available to school systems throughout the nation. I am happy that the House has increased the budget request in the Agriculture Appropriations Bill this year. Had the proposed cutback taken effect, it would have meant a drastic reduction in funds available to the Oklahoma schools in the special school milk program.

Oklahoma schools in fiscal year 1966 received \$1,059,000 for this program. However, under the proposed reduction, they would have received in fiscal year 1967 only \$221,000. There is no question about the fact that this reduction would have denied milk to many of our students who without the program would not receive adequate amounts of milk in their diets. I am not opposed to economy in government; however, I do feel that a reduction in the school milk program and

a reduction in the availability of milk to our school age children is, in fact, false economy. Secondly, I feel that a reduction in the special school milk program would, in fact, affect the children from poor families who are now benefiting most from it. It might be possible for the Department of Agriculture to draw from other sources such as the Anti-Poverty effort to maintain a good school milk program. Special projects at this time provide for only 1 million needy children. Estimates indicate that there are, in fact, around 5 million needy children in our school systems today. I do not feel that it is wise policy to require a means test for our school children to be eligible for milk, and would, therefore, much rather see the program made available to all of our school aged children. Although the House has raised the appropriations for the special school milk program to \$103 million for fiscal year 1967, I feel that we are creating a hardship for our school administrators in the future if we do not provide them some assurance that there will be adequate funds in the program from year to year. The bill we are considering here today would provide that assurance and would also guarantee the continuation of a program which has been and should continue to be a very effective tool in assuring appropriate diets to our children. I think we should point out that should the school milk program be cut back this year or at some future date, local districts will have to assume a larger share of the cost or pass them on to the children. This could result in less milk being used in our school systems and would certainly affect our poor children because they would be the first to fall by the wayside if increased costs for milk are passed on. I, therefore, urge that the Committee report this bill favorably in order that we might pass it this year and in so doing assure the continuation of this very worthy program and guarantee adequate funding in years ahead. Thanks very much.

Senator MONDALE. Our next witness is Mr. Gilbert Rohde, president of the Wisconsin Farmers Union, accompanied by Mr. Reuben Johnson, director of legislative services, National Farmers Union.

We are delighted to have you before the committee today, Mr. Rohde. You serve as president of the Wisconsin Farmers Union?

STATEMENT OF GILBERT C. ROHDE, PRESIDENT, WISCONSIN FARMERS UNION, CHIPPEWA FALLS, WIS., REPRESENTING THE NATIONAL FARMERS UNION

Mr. ROHDE. Yes, sir.

Senator MONDALE. As the representative of a dairy State whose dairy industry is almost as impressive as that of Minnesota?

Mr. ROHDE. Yes, indeed.

Senator MONDALE. You may proceed.

Mr. ROHDE. Mr. Chairman and members of the subcommittee, for the record I should like to state at the outset that I am appearing in behalf of our national president, Mr. Tony T. Dechant and in behalf of the National Farmers Union. However, before I present a short statement on behalf of our organization I should also like to present for the record a statement of Mr. Edwin Christianson, vice president of the National Farmers Union and president of the Minnesota Farmers Union.

(The statement is on p. 39.)

Senator MONDALE. We are very pleased to receive the statement by Mr. Christianson who is, in addition, president of the Minnesota Farmers Union. He is one of our great agricultural statesmen and, as I noted earlier in the hearings, distributed a petition on which there are now 26,000 signatures, all favoring a permanent special milk program. We are very pleased to have his statement for the record.

Mr. ROHDE. And then we should also like to submit for the record a statement in behalf of our own Wisconsin Farmers Union.

Senator MONDALE. We are very pleased to receive that statement supporting the special milk program introduced by your own Senator William Proxmire, who is providing inspired leadership on this point. This will be made a part of the record.

(The statement is on p. 40.)

Mr. ROHDE. I just want to say, Mr. Chairman, that we of the Wisconsin Farmers Union made a special effort to be here today to support our senior Senator and to commend him for the leadership he has taken and the interest he has that will affect all of us at the economic level very much.

I would now like to present Mr. Dechant's statement on behalf of the National Farmers Union [reads]:

Mr. Chairman and members of the subcommittee, the congressional support given the special milk program this year is a reflection of widespread public support both for its extension and for increasing the funds to meet the need created by an increasing school enrollment.

Farmers Union is of the firm opinion that the special milk program is in the public interest if the only criteria by which it is measured is its contribution to improving the nutrition and health of our children. This program is recognized on farms and in cities for this important contribution to national objectives of better health and physical fitness.

The special milk program is also of economic importance to dairy farmers. Under the program more than 1.5 billion pounds of fluid milk will be consumed this year in our Nation's schools. Another 1.5 billion pounds of milk will be consumed in the school lunch program in the form of fluid milk, butter, cheese, and other dairy products.

Farmers Union asked Congress in Senate and House Agriculture Appropriations hearings to fund the special milk program in keeping with the increase in school enrollment. The response has been gratifying. The next and logical step, we believe, is to make the program permanent with the progressive steps in funding spelled out in S. 2921. The bill would increase authorized funds by \$5 million annually beginning with the 1966 fiscal year in which \$105 million would be authorized through fiscal year 1969 when the objective of \$120 million would be reached. If, in the interim, these projected annual levels are not sufficient, we urge the Congress to take the necessary steps to increase the annual authorizations to the level needed to keep pace with the school enrollment and further demand.

We believe Congress acted wisely in 1958 in extending the special milk program to all children in summer camps. The proviso that only the underprivileged in summer camps would be eligible was found to be impractical and unworkable, during the 2 preceding years, 1956 and 1957. We urge that this recognition by the Congress which in effect decreed that milk be made available to any child in nonprofit summer camps, will be applied across the board in the future administration of the special milk program.

In closing, Mr. Chairman, we want to stress the importance of expanding as rapidly as possible the special milk program to all eligible schools, summer camps, and other institutions that want the program. We believe that action this year to extend the program on a permanent basis will enable administrators at all levels to make the special milk program contribute more meaningfully to educational-nutritional school and related programs. Thank you.

Senator MONDALE. Thank you very much, Mr. Rohde, for submitting the statement by your president, Mr. Dechant. I was particularly impressed by the fact that it was in the summer camp program originally that they planned to distribute milk to the underprivileged.

Mr. ROHDE. That is correct.

Senator MONDALE. And they found out, in fact, that they could not do it and they had then to proceed to the objective of distributing it to all children.

Mr. ROHDE. Yes.

Mr. JOHNSON. Yes.

Senator MONDALE. You have watched this program work in your State, and I know that it has been exceedingly well received by the schools. Have you noticed any waste of milk in feeding milk to the children?

Mr. ROHDE. No, sir, Mr. Chairman. You might be interested in knowing that I am a dairy farmer in Wisconsin, and while I was actively managing and operating our farm I also served on the school board as school clerk in the school district for about 17 years, and in that capacity was concerned with the program. I know how it was received. I know that all parents and children as well received a great deal of benefit from it.

Additionally, it helped to provide a valuable market for our products. And it also potentially developed a larger market as these children grew up. It gets them into the habit of drinking milk which is certainly something which is desirable.

Senator MONDALE. Thank you very much, Mr. Rohde, for your very fine statement and for the observations which are typical of your organization.

Mr. ROHDE. Thank you.

(The statements referred to above are as follows:)

STATEMENT BY EDWIN CHRISTIANSON, VICE PRESIDENT, NATIONAL FARMERS UNION, AND PRESIDENT, MINNESOTA FARMERS UNION, ST. PAUL, MINN.

We should like to stress the importance of the special milk program as an educational-nutritional program for the Nation's children and as an economic aid to dairy farmers.

The special milk program and the school lunch program each year take up the equivalent of 3 billion pounds of milk production in the form of fluid milk, butter, cheese and other dairy foods. This is equal to about 2½% of the total annual milk production on United States farms. Since surplus production in recent years has been in the range of 5 to 6% of total milk production, the market provided in school lunch and special milk programs can be seen as a significant one.

The special milk program was first authorized by the Congress in the Agricultural Act of 1954 and since that time extended for a year or two at a time.

We in Farmers Union have strongly supported more adequate appropriations for the program over the years in order to make the special milk program available to more of the Nation's children. This was again reaffirmed at the 1966 National Farmers Union convention which recommended that the program be made permanent and that funds be provided in line with growing enrollment and participation.

We support S. 2921 as drafted and believe that the minimum fund levels stipulated in the bill ought to be approved.

The House of Representatives recently voted to authorize \$103 million in funds for fiscal year 1967. We believe that the \$110 million figure suggested in S. 2921 is closer to the real need.

The maintenance of at least the current level of federal aid to all the children who wish to participate in the special milk program is essential in our opinion.

There is considerable evidence available from several studies to show that milk consumption by children is sharply increased in response to a lowering of the cost to the child—and that consumption is sharply decreased in response to an increase in the cost to the child.

A typical example is shown in the recent University of Illinois Agricultural economics survey which reported a 40% drop in milk consumption in Chicago public schools as a result of an increase from 2 to 3 cents per half-pint in the cost of milk to the children. While milk consumption dropped sharply in Chicago, the remainder of the State of Illinois which did not change the milk price, showed a gain in participation.

In Jefferson County, Colorado, in the Denver suburban area, an increase in milk price of one cent resulted in a per-pupil drop in consumption of 18%.

Farmers Union has appeared before the Agricultural Appropriations Subcommittee in both Senate and House to oppose a change in the emphasis in the special milk program which would have limited its benefits principally to underprivileged children.

We believe that this issue was already once well settled by the Congress when it acted in 1958 to remove the provision which limited milk program assistance to those in summer camps to the underprivileged. This rule which applied when the milk program was first extended to camps in 1956 did not prove workable and Congress wisely decreed that the milk should be available to any child in non-profit summer camps without discrimination.

The special milk program should be made permanent and assurance of reasonable appropriations should be given so that school districts can make plans ahead.

It is not conducive to good budgeting or effective operations when a school district or the school management do not know, as happened in 1965, until well into the school year, what the special milk reimbursement rate would be. The USDA budget, it will be recalled, was not finally approved until very late in the session.

Additionally, we think it is important to recognize that the efficiency of the special milk program is based upon volume participation. Whatever will make possible greater participation will make possible a lower unit operating cost. Whatever tends to reduce participation will result in a higher per unit cost.

In the brief period of 11 years in which the special milk program has been in operation, a good start has been made. But even so, only about one-third of the Nation's school-age children are participating. We believe that it is time to take whatever steps are necessary to expand and extend the program and we regard S. 2921 as an important step in the right direction.

We believe that action should be taken now in this session of Congress, since a delay in extending the program until next year could well leave the Nation's schools and agencies in an uncertain position at the start of the next fiscal and school year.

STATEMENT OF GILBERT C. ROHDE, PRESIDENT, WISCONSIN FARMERS UNION,
CHIPPEWA FALLS, WIS.

Mr. Chairman and members of the subcommittee, Wisconsin Farmers Union strongly supports S. 2921, a bill to make permanent the Special Milk Program for school-age children and to increase authorized funds.

The bill, as introduced by Senator William Proxmire (D-Wis.), would firmly establish a program that has since its inception in the 1954-55 school year raised nutritional standards.

Enactment of this bill at the present time will serve notice that the American public, through its elected representatives, disapprove the recent recommendations of the Budget Bureau to curtail this valuable program by cutting back appropriations.

It makes little sense to us to hobble a highly successful milk distribution program at a time when national milk consumption per person continues to decline. Annual consumption of fluid milk has dropped over 23 quarts per person in the past 15 years.

The record is clear that the Special Milk Program has affected, beneficially, milk consumption among school children. Annual fluid milk consumption, under the program, has grown from less than a half billion pounds in 1955 to over 1½ billion pounds currently.

A study by the Agricultural Marketing Service of the U.S. Department of Agriculture has shown that children in grades five through nine, attending schools in the Special Milk Program, consumed seven percent more milk at home and at school than children attending non-participating schools. Children in Special Milk Program schools drank nearly one-third again as much milk while at school as children in non-participating schools.

Almost twenty-nine percent of the children attending Special Milk Program schools, drank "extra" milk other than that normally served as part of lunch. Only sixteen percent of the children attending schools having a milk service, but not under the Special Milk Program, drank extra milk.

The study concluded that the effect of the Special Milk Program in the school surveyed was twofold: (1) It increased the level of intake among regular milk drinkers, and (2) it increased the number of milk consumers.

Children need to drink plenty of milk from a nutritional standpoint. What better way to increase their consumption than by making milk available in the schools at a price that all can pay? The milk drinking habit, acquired in our schools at an early age, can serve our nation well by assuring a citizenry that appreciates and makes sufficient use of the many healthful benefits of milk.

Senator MONDALE. We will next hear from the National Milk Producers Federation, Mr. P. B. Healy, assistant secretary.

STATEMENT OF PATRICK B. HEALY, ASSISTANT SECRETARY, NATIONAL MILK PRODUCERS FEDERATION

Mr. HEALY. Mr. Chairman, members of the subcommittee, I am Patrick B. Healy, assistant secretary of the National Milk Producers Federation, with offices at 30 F Street, NW., Washington, D.C.

The federation represents cooperatives whose membership is made up of dairy farmers over the Nation. The federation, therefore, speaks for milk producers.

We appreciate this opportunity to express our views on S. 2921, the Children's Special Milk Act. The National Milk Producers Federation supports S. 2921 without qualification. This bill will assure that this important milk program, which has been so successful since it was begun in 1954, will continue to provide milk for millions of children and can continue to expand.

The objective of this program, as set forth by Congress, now is being realized. The stated purpose was to encourage children in schools and other nonprofit institutions to consume more milk to improve their diets, as well as helping dairy farmers by providing a market for fluid milk.

Continuation of the program also means that the acquisition of dairy products by the Commodity Credit Corporation is directly decreased, so that the costs for purchasing and storing dairy products under the price support program are reduced.

This program has expanded each year since 1954 when the first school in the Nation to come under the program—a school in Lodi, Wis.—served milk to its 530 pupils. Since that time the number of schools and child-care centers participating has grown rapidly. In 1955, the program reimbursed 41,094 institutions for 449.8 million half-pints of milk. Participation increased to 92,005 outlets in 1965 and the use of nearly 3 billion half-pints of milk.

Senator MONDALE. It will be included in the record following your statement.

Mr. HEALY. A table showing the growth of this program is attached to this statement. Also attached is a table showing the State-by-State totals for 1964-65.

Senator MONDALE. That will also be included in the record at the end of your statement.

Mr. HEALY. Certainly, this program which grew so quickly has received overall public acceptance. It will continue to grow if the Congress will provide the needed funds and make the program permanent.

When a program works as well as this, it should be continued. We do not need a new program. Years of successful operation have already proven the worth of this one.

Over the years the special milk program for children has grown at the rate of approximately 5 percent per year. This is due to increased school enrollment and added participation. If the present growth rate continues, more funds will be required each year. This bill provides authorization to meet such future needs.

Sufficient funds are not available under the present program to reimburse the schools now taking part. The rate of payment to schools was cut to 95 percent in 1965, and was cut again to 90 percent in February of this year as a result of the impounding by the Bureau of the Budget of \$3 million which Congress had appropriated. These cuts have resulted in either a higher cost of milk to children, or to fewer children drinking milk or both. The health and welfare of the children taking part in the program are too important to be sacrificed.

The present law ends June 30, 1967. While it is a reasonable expectation that funds for this program for 1967 will be appropriated by Congress, it still is necessary to enact S. 2921 now. We would like to point out that the authority for the program expires on June 30, 1967, and that all bills not enacted into law will die on adjournment of this Congress. We do not want this to happen to S. 2921. When a bill has been sponsored by 67 Members of the Senate, it would be better to enact this legislation now, rather than postponing consideration to the new Congress.

Furthermore, as Senator Proxmire, the sponsor of S. 2921, pointed out on the floor of the Senate, the normal housekeeping duties of the Congress next year will take up much of the available time, and could make it almost impossible to pass this bill before the program now in operation expires. This is why it is important to pass this bill during this session of Congress.

By making this law permanent as provided in S. 2921, schools can plan their programs for this year and for succeeding years. Now is the time to make this program permanent, as this modest investment in the health of our children should not be provided by a temporary program nor should it be limited for lack of funds.

While this program is primarily a nutritional program, it also has helped raise the income of the dairy farmer by encouraging the consumption of fluid milk, thereby bringing about a balance between supply and demand.

I would like to digress from my statement at this point and comment on this balance. Mr. Mehren, who appeared just previously, spoke of the lack of milk to meet the needs of this and other programs. And I think that he takes too shortsighted a view of the situation with which we are now confronted. There is not a shortage of milk. For instance, in March of this year the Government bought 2,200,000 pounds of butter; in February, 2,800,000 pounds of butter; in January, 1,700,000 pounds of butter. And for each month back to about the

end of the Korean war, the Commodity Credit Corporation has not failed to buy some dairy products. Now admittedly——

Senator MONDALE. We have figures from last month that indicate that we were buying milk equivalent now for Government storage in the amount of 3 billion-some-hundred-million pounds. The figures for 1965-66, the net quantities removed, in the 1965-66 market year, was equivalent to 2.9 billion pounds of milk, which is 2.4 percent of the market, which is almost the same as the amount used for the school milk program and the school lunch program. So I think that your point is beyond dispute. What is more important than feeding our children?

Mr. HEALY. Senator Mondale, admittedly, more of this was bought in the early part of this fiscal year than was bought in the latter part of the year. And there is a serious reduction in the milk production on the American farms.

Senator MONDALE. But do you not agree with me that the school milk program has nothing to do with this except insofar as it affects the market beneficially reflecting upon the farmers' income?

Mr. HEALY. Exactly.

Senator MONDALE. And it is to make dairy farming worth the effort?

Mr. HEALY. That is exactly the point.

Senator MONDALE. You have very nearly the lowest paid farmers in America today, considering the tremendous amount of time required for a dairy farmer as against others in their work. The problem of supply and demand is a fundamental one, but it is really basically irrelevant to this question.

Mr. HEALY. That is exactly right, Senator. It is irrelevant, except as it applies to the dairy farm income.

Senator MONDALE. That is right.

Mr. HEALY. You see, in 1961, when the production control devices for milk were sent to the Congress we appeared here at the insistence of our membership in opposition to those limiting of production devices. Our people had chosen instead to maintain supports at minimum levels until such time as balance could be brought about between supply and demand. We also told the Congress—we told the administration that when that balance was achieved we fully expected to take our price out of the market and effect some very badly needed increases in farm income. We have that balance now, but I think that it is very important that we understand what maintains the balance.

There is commercial demand which is by far and away the greatest part of the balance. There is the Armed Forces program. There is the school lunch program. There is Public Law 480, the relief feeding program. And most important, because it is the biggest quantity of all, the school milk program. And if we had to cut this program in any respect, whether we cut it out completely or reduce it to \$21 million, we would immediately affect this balance to the detriment of farm income.

We had balance through the fall and the winter months. And as you well know, the Minnesota-Wisconsin average pay price was excellent, and it was because there was a demand and the demand is made up of the commercial demand plus these program demands. And in the interest of the farmers whom I represent here we cannot allow any part of this demand to be diminished.

Senator MONDALE. As a matter of fact, the future prognosis is for rapidly rising income as you will recall.

Mr. HEALY. That is correct.

Senator MONDALE. With the support of your organization, we included in the 4-year farm program for the first time explicit authority, lodged in the Secretary of Agriculture, to purchase dairy products not in surplus in order to give that high nutrition food to needy overseas recipients. As we approach such programs as food for freedom, the high nutritional value of milk is very much in the center of the sort of food that we must now think of providing. But it seems to me, even as we look at this great supply problem, that it is basically irrelevant to the school milk program. We have got to make dairy farming profitable enough to make farmers want to be dairy farmers.

Mr. HEALY. That is, of course, exactly right. It is one of the things that worries the farmers who are members of my organization. As I say, we have achieved this balance and have started to develop some increased income on dairy farms, whereupon several things came about. They substituted, first, margarine for butter. They did not make timely use of this section 709 of the Agricultural Act of 1965. The Defense Department has now started feeding margarine instead of butter to the Army and the Air Force. They have asked for a decrease in the school lunch budget. They have directed the Tariff Commission to explore the import of almost three times as much cheddar cheese that now comes into this country. And by the way, Green Bay cheese market dropped off after this announcement—it dropped 3 cents, which is 30 cents a hundred on milk. They have refused to consider controlling imports of Colby cheese, which is interchangeable with cheddar, and they have refused to control imports of other cheeses. They have set supports at a very minimum level. And they have refused to go to hearings to increase class I prices. Unless we are able to pump some money out onto American dairy farms we can run into a production problem which is serious.

I also dispute Mr. Mehren's statement that it would take 3 years to turn this thing around. These herds are culled 20 to 30 percent each year. And a decision any day can increase milk production on any farm in America.

Senator MONDALE. Do you not think it time to prevent this reversal now by trying to persuade farmers who are leaving in droves from the dairy business to stay in the business?

Mr. HEALY. Yes, sir.

Senator MONDALE. And to improve the dairy price supports and other price structures, so that it can be worked?

Mr. HEALY. That is the only way that we are going to be able to persuade them; yes, sir. We have to pump more money out there and we have to make sure that the markets they have developed are continuously available to them. And one is the school milk program.

Senator MONDALE. I think we are in agreement.

Mr. HEALY. Yes, sir. I am very happy, too, about that.

The income of dairy farmers is too low, and as a result many are selling their herds and diverting their farm resources to other alternatives, or taking jobs in industry.

By improving the market for milk through enactment of S. 2921, we are making an investment in a strong dairy industry, which will be needed if this country is to supply the increasing needs of the American consumer in coming years.

Milk production has been dropping at an alarming rate—in April it was 3.8 percent below April of a year ago; in March down 4.6 percent; in February down 5.8 percent; and in January down 5.3 percent. The decline in the number of dairy cows points to an industry decision to leave dairying. As of January 1 of this year, there were 6 percent fewer dairy cows on U.S. farms, the smallest total since 1900, and of equal importance, 6.8 percent fewer heifers, the replacement stock. Any bill which will help reverse this trend is of benefit to the entire Nation.

Senator MONDALE. I think that the figures in Wisconsin and Minnesota are even higher than that.

Mr. HEALY. The greatest loss in milk production was in the three big dairy States, Minnesota, Wisconsin, and Iowa—in those three big dairy States.

During fiscal 1965, children drank nearly 3 billion half-pints of milk under the program. This amounts to 1.6 billion pounds of milk, about 3 percent of the total nonfarm consumption in this country. This milk represents the balancing factor which provided for badly needed increased farm income during the fall and winter months of 1965-66. It would be necessary for Commodity Credit Corporation to purchase this milk in the form of manufactured dairy products, if the program were impaired, with the Government paying for the dairy products, as well as the storage bill. Surely, the Children's Special Milk Act provides a wiser course to follow.

Another important provision of S. 2921 is that the bill authorizes the Secretary of Agriculture to reallocate funds when it appears that a participating State would not be able to fully use the funds allocated to it, thereby providing for maximum utilization of available funds and encouraging optimum participation by children.

We look upon this as a very important feature of this bill. You have alluded here in the past to the waste of milk, but what we have noticed most strongly—

Senator MONDALE. I alluded to the "alleged."

Mr. HEALY. To the alleged, yes.

Senator MONDALE. Of which I do not think there is any.

Mr. HEALY. You are correct there is no waste of milk. We have noted that the greatest waste is the waste of opportunity for the use of more milk and the waste of opportunity to feed more children. And we think that this provision of this bill can help to correct that.

Many children of destitute families receive milk they otherwise could not afford because of this program. More will benefit in the future if this bill is passed. Prices for dairy products will be stabilized because of a continued market for the milk used by the children. The farmer, who has been forced to accept low prices in the past, will be sure of this market for fluid milk.

To continue this program, which already has received such wide acceptance, and to provide for adequate financing, we support S. 2921. In authorizing the funds for the fiscal year ending June 30, 1967, and thereafter, this bill will insure that all nonprofit schools and nonprofit

nursery schools, child-care centers, settlement homes, summer camps, and similar nonprofit institutions devoted to the care and training of children can continue to provide for them the nutritional benefits available under the program.

We appreciate the subcommittee's interest in this and other matters of concern to dairy farmers and we thank you in their behalf for your interest.

Thank you.

(The tables referred to follow:)

Special milk—Average reimbursement rate per half pint, half pints reimbursed annually, and participating outlets fiscal years, 1955-65

Fiscal year	Average reimbursement rate per half pint	Half pints reimbursed annually	Participating outlets
	<i>Cents</i>	<i>Millions</i>	<i>Number</i>
1955.....	3.83	449.8	41,094
1956.....	3.29	1,394.2	62,266
1957.....	3.45	1,752.7	71,239
1958.....	3.46	1,918.2	76,478
1959.....	3.41	2,176.2	81,587
1960.....	3.37	2,384.7	83,922
1961.....	3.39	2,476.7	86,494
1962.....	3.37	2,631.0	88,188
1963.....	3.38	2,765.6	90,486
1964.....	3.39	2,929.0	91,890
1965.....	3.28	2,966.8	92,005

School milk program: Number of outlets participating, number of half pints reimbursed and obligations by States, 1964-65

State	Number of outlets participating		Estimated number ½ pints milk reimbursed (millions)		Obligations (thousands)	
	1964	1965	1964	1965	1964	1965
Alabama.....	1,504	1,726	43.6	44.8	\$1,454	\$1,448
Alaska.....	69	78	1.2	1.4	33	40
Arizona.....	596	601	18.1	17.3	545	519
Arkansas.....	1,132	1,114	34.1	33.2	1,306	1,226
California.....	7,325	7,591	279.7	286.5	9,040	9,090
Colorado.....	1,197	1,200	27.6	26.9	937	961
Connecticut.....	1,188	1,276	47.4	50.4	1,586	1,515
Delaware.....	201	206	9.3	9.8	326	328
District of Columbia.....	210	218	18.9	19.1	603	616
Florida.....	1,760	1,589	51.3	58.3	1,292	1,456
Georgia.....	1,825	1,813	33.5	35.5	1,139	1,196
Hawaii.....	223	227	5.4	5.3	184	174
Idaho.....	525	600	6.9	7.1	229	225
Illinois.....	4,823	4,633	194.8	197.8	6,746	6,709
Indiana.....	2,328	2,418	70.0	76.6	2,501	2,632
Iowa.....	2,276	2,249	52.7	53.0	1,945	1,904
Kansas.....	1,260	1,285	34.9	34.9	1,160	1,131
Kentucky.....	1,834	1,639	51.2	50.9	1,919	1,880
Louisiana.....	1,194	1,225	19.1	19.3	725	711
Maine.....	882	873	14.0	14.0	478	464
Maryland.....	1,373	1,437	61.4	64.1	2,149	2,177
Massachusetts.....	2,922	2,944	108.6	107.6	3,475	3,388
Michigan.....	4,733	4,660	169.4	170.1	5,809	5,706
Minnesota.....	2,779	2,841	76.2	77.3	2,786	2,710
Mississippi.....	1,056	1,057	38.3	39.0	1,490	1,476
Missouri.....	3,082	2,984	82.8	61.7	3,052	2,208
Montana.....	448	448	6.1	6.0	206	198
Nebraska.....	945	992	18.8	19.8	646	672
Nevada.....	190	196	4.0	4.4	107	122
New Hampshire.....	498	515	12.5	13.0	417	424
New Jersey.....	2,285	2,327	100.5	108.1	3,366	3,615
New Mexico.....	652	673	28.3	28.2	778	745
New York.....	5,843	6,021	276.5	277.2	9,720	9,602
North Carolina.....	2,252	2,066	61.6	64.2	2,089	2,244
North Dakota.....	551	549	10.9	11.0	387	391
Ohio.....	4,420	4,572	194.3	195.5	6,184	6,306
Oklahoma.....	1,458	1,445	34.6	35.4	1,119	1,058
Oregon.....	1,232	1,284	19.9	19.4	576	534
Pennsylvania.....	5,080	4,855	149.8	158.2	4,763	4,786
Rhode Island.....	377	368	13.5	12.9	423	416
South Carolina.....	1,183	1,192	22.6	22.4	764	745
South Dakota.....	668	659	14.0	14.3	433	430
Tennessee.....	2,226	2,157	63.2	62.6	2,141	2,071
Texas.....	3,666	3,683	110.1	110.2	3,895	3,810
Utah.....	511	552	10.2	10.9	364	378
Vermont.....	427	415	6.4	6.5	204	202
Virginia.....	1,769	1,788	51.9	53.1	1,719	1,691
Washington.....	1,711	1,748	45.1	45.2	1,580	1,490
West Virginia.....	1,108	1,067	15.5	16.5	558	589
Wisconsin.....	3,765	3,635	104.7	106.3	3,680	3,651
Wyoming.....	328	314	3.6	3.6	136	129
Total.....	91,890	92,005	2,929.0	2,966.8	99,164	98,109

Senator MONDALE. Thank you so much, Mr. Healy, for your very fine and able statement. I wish to commend you and the National Milk Producers Federation for your leadership on this issue.

Mr. HEALY. Senator Mondale, may I add one more thing for the record?

Senator MONDALE. Yes.

Mr. HEALY. My organization consulted with Senator Proxmire and you and other sponsors of this bill many times in its drafting, and contrary to the point which has been raised by the Secretary of Agriculture, there was absolutely no intention on the part of the sponsors, as we understood it, and on the part of our organization to change the method of distributing these funds. And, perhaps, if that is not clear

to the department, then maybe some mention in the report would prove to be helpful, because it works well the way it works now.

Senator MONDALE. From what I can determine the language may be a little unclear on that, but I agree with you that no one intended to change the administrative channeling of these funds. It is working very well.

Mr. HEALY. Very well.

Senator MONDALE. And I see no reason for changing it now.

I appreciate your observation on that.

Mr. HEALY. Thank you.

Senator MONDALE. Without objection we will keep the record open through Monday to permit the filing of further statements.

We stand in recess subject to the call of the Chair. Thank you.

(Whereupon, at 12:10 p.m., the subcommittee was in recess, to reconvene subject to the call of the Chair.)

(Additional statements filed for the record are as follows:)

STATEMENT OF ANDREW J. BIEMILLER, LEGISLATIVE DIRECTOR, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

The AFL-CIO wishes to express its support for S. 2921 introduced by Senator Proxmire to provide a special milk program for school children.

We are fully in accord with the purposes of the bill, and we support the authorizations of \$110,000,000 for fiscal 1967, \$125,000,000 for fiscal 1968 and \$120,000,000 for 1969 and thereafter.

We are indeed pleased that the House of Representatives has restored to the 1967 Agriculture Department appropriation funds to equal the 1966 fiscal year appropriation of \$103 million for the school lunch program, but we also feel that making this program permanent and boosting the appropriation to more meaningful levels is necessary.

We strongly believe that to cut funds for these programs inevitably means that local school boards must either charge students more for their milk, or institute means tests to segregate out the neediest children, or eliminate the program entirely. None of these is a realistic alternative in our view.

To increase the price of milk to the school children inevitably cuts down the participation in the program. In Jefferson County, Colorado, one of the nation's wealthier suburban areas, an increase in the price of milk from 2 cents to 3 cents resulted in a drop of 18% in milk consumption on a per pupil basis. Other studies in other communities show a range of 15 to 40 percent decrease in participation with rising prices.

Without wishing to belabor the point, we simply want to stress our belief that providing milk for school children is one of the best ways of improving the nation's health. We urge the committee to report the bill favorably and we hope it will be promptly enacted into law.

STATEMENT OF HON. FRANK CHURCH, A U.S. SENATOR FROM THE STATE OF IDAHO

Mr. Chairman, a simple addition of the number of Senators sponsoring S. 2921, the proposed "Children's Special Milk Act," is indicative of the determination of the Senate to maintain and expand the special milk program, one of the most successful programs undertaken by the Federal government.

When the National School Lunch Act was passed in 1962, the Congress declared that "It is the policy of Congress, as a measure of national security, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food." If the proposed budget is to be any guide of how committed we are to this policy, then apparently we have weakened our commitment. Yet the participation of school children in the special milk program has increased substantially (an average of six percent growth per year in Idaho). Therefore, I believe that the Congress should go beyond simply repairing this year's damaged budget; I believe we should insure against school milk cuts in the future. That is why I am an active co-sponsor of S. 2921, which would make the special milk program permanent.

It is true that a new program will be launched to extend the special milk program to children in greatest need who do not now have any program. It is also true that local school districts would make a heroic effort to compensate for any reduction of special milk program. While I want to see the benefits of our bountiful agriculture extended to more children, I am completely opposed to returning this burden to the local school districts. It is neither necessary nor proper. I believe the school milk budget should be increased and made permanent, not reduced.

In response to a joint resolution of Congress, the President designated the week of October 10, 1965 as "National School Lunch Week." In his proclamation the President stated, "The program is an outstanding example of a local-state-federal partnership to protect the health and well-being of the Nation's children and thus to strengthen the national security." I agree wholeheartedly and urge favorable action on S. 2921 which is commensurate with the views expressed and the actions taken by the Administration only last fall.

STATEMENT OF HON. JOHN C. CULVER, REPRESENTATIVE IN CONGRESS FROM THE SECOND CONGRESSIONAL DISTRICT OF IOWA

Mr. Chairman, I wish to thank you and the distinguished members of the subcommittee for affording me this opportunity to submit testimony on the importance of the special school milk program.

At a time when we are increasingly stressing the vital significance of educational excellence and physical fitness, it is certainly most necessary to insure that this successful program is continued. It was designed as a nutritional program, not a welfare one, and I am convinced that this emphasis should not now be changed.

Since these programs were first established, we have not only been feeding our school children, but we have been establishing sound and lasting nutritional habits as well. Longer school days, longer bus routes, and the employment of mothers away from home make the role of the school milk and lunch programs more important than ever before.

I was therefore deeply disturbed by the budget bureau's proposed reduction in funds for the special milk program by almost 80 percent for the coming fiscal year, and at that time I introduced legislation in the House of Representatives to extend the program with an adequate appropriation to assure the continued availability of milk at a moderate price for consumption in our Nation's schools.

During fiscal year 1964, over 50 million half-pints of milk were served to students in the State of Iowa under this program. Last year, in Cedar Rapids alone almost one million half-pints were served through the special milk program, and in one month more than 26,800 half-pints were distributed to school children in Dubuque.

The effect of the proposed cuts would almost certainly impose further strains upon already overburdened property taxes and local school budgets, as well as increasing the cost of milk to our school children. Officials of the Iowa school lunch program have predicted that such action would result in many school administrators dropping the special milk program altogether.

I am pleased that the House of Representatives has seen fit to provide \$103 million to the school milk program in the agricultural appropriations bill which we passed last month, and I am hopeful that the Senate will take similar action in the immediate days ahead.

It is, however, equally important that we consider this extremely successful and popular program on a long-term basis so as to eliminate the confusion which came about this year with the recommended budget cuts which threatened the continuation of the whole program.

I therefore urge your favorable consideration of legislation in this area so that in the coming years school children will continue to receive the benefits of this highly successful program, which has been so important to our overall educational effort.

FOND DU LAC, WIS., May 12, 1966.

CHAIRMAN, SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND PRICE STABILIZATION,
Senate Committee on Agriculture and Forestry,
Senate Office Building, Washington, D.C.

DEAR SIR: Pure Milk Products Co-operative supports the prompt enactment of Senate Bill No. 2921 to make permanent the School Milk Program. This Organization represents some 15,000 dairy farmer members in Wisconsin, Illinois and Michigan. Many supply Grade "A" milk to fluid milk distributors throughout Wisconsin and nearby markets, as well as milk for the various manufactured dairy products.

The School Milk Program has been and will continue to be of tremendous value in meeting the nutritional needs of millions of school children, many of whom would go without the needed consumption of pure and wholesome milk. It has gone far to improve dietary standards of students who otherwise would have settled for snacks and soft drinks, which fall far short of recommended nutritional needs.

The School Milk Program has been of untold value in improving the health of many American children and young people who have had the opportunity to participate in the Program.

We urge favorable consideration of Senate Bill No. 2921 which would make the School Milk Program a permanent one and provide adequate financing of the program.

Thank you for your consideration.

Sincerely,

WM. C. ECKLES,
General Manager, Pure Milk Products Co-operative.

STATEMENT OF HON. HIRAM L. FONG, A U.S. SENATOR FROM THE STATE OF HAWAII

Mr. Chairman and members of the subcommittee, thank you very much for providing the opportunity to make a statement in favor of S. 2921, Children's Special Milk Act, of which I am a cosponsor.

I want to commend you for scheduling these hearings on what I consider one of the most important health and nutrition measures before Congress this year.

I welcome the occasion to express my support for this milk program which is so beneficial to our Nation's school children.

Since the Special Milk Program first began in 1954, it has become one of the most successful and least controversial school health programs.

It has provided literally billions of cartons of "nature's perfect food"—milk—for millions of school-age youngsters throughout America.

It has grown approximately 5% a year because of both increased school enrollment and increased participation.

Official estimates show 24 to 26 million children in 92,000 to 93,000 schools, child-care centers, summer camps, nurseries, and other child-care institutions received more than three billion half-pints of fluid milk in fiscal year 1965 alone.

Each child paid three to four cents on the average for a half-pint of milk costing six to eight cents total. Many needy children received milk free. The milk was distributed during recesses and other times of the day.

For years, the School Milk and School Lunch Programs, where milk is also served, have operated efficiently and effectively. They are noncontroversial. Schools in all the States are familiar with these programs. Administration functions smoothly.

There is no doubt the milk program has been a significant factor in improving the diet and health of millions of school children.

There is no doubt that good nutrition enhances the learning capacity of young people. Well-balanced school lunches and supplemental milk provided under the Special Milk Program have certainly contributed to good nutrition for students.

As we all know, under present law, the Special Milk Program will expire June 30, 1967.

ADMINISTRATION MILK PROPOSALS DRASTIC

As we also know, the President has proposed an 80% cutback in the Special Milk Program presently authorized. In addition to a drastic cut in funds, the President seeks a drastic change in the direction of the program.

Instead of helping as many school children as possible in America to obtain low-cost milk at a cost of a few pennies to them, the President proposes to provide free milk just to some—not all—needy children.

Under the President's proposal, two million children in schools where there is no school lunch program would continue to receive low-cost milk as at present. One million needy children would receive free milk.

Yet the Administration told Congress in connection with the Elementary and Secondary Education Act a year ago that there are five million children in the poverty bracket—that is, in families with less than \$2,000 yearly income. So the Administration bill would provide milk only to 20% of the Nation's neediest children. Eighty per cent of America's neediest children would not receive free milk.

MEANS TEST BAD

Another very bad feature of the President's proposal is that it imposes a means test on school children. School children or their parents would have to confess their poverty in order to receive the milk. Administratively, this would be a nightmare for teachers, principals and supervisors already overburdened with non-teaching and noneducational chores.

Only last year, the Administration violently opposed any means test in connection with medical care for 19 million persons over 65, and so the medicare program covers even wealthy people who can afford to pay their own hospital and doctor bills.

Now, the Administration contends we should invoke a means test for school children.

If a means test was bad under medicare, it is worse under the School Milk Program.

The Administration contends that all but needy children can afford to pay the full price for milk. But, as I have already pointed out, the Administration milk plan would take care of only 20% of children in the poverty category. How can the Administration claim the other 80% in the poverty category can pay the full price for milk.

Furthermore, when the Federal Government stops paying its three or four cents per half-pint of milk, the higher price will have to be passed along to local taxpayers through higher local subsidy or to the students and their parents. This will really hit middle-income people hard. Since the cost-of-living is already sharply rising, quite likely a rise in school milk will put this nutritious food beyond the reach of many families who, while not in the \$2,000-or-less income bracket, nevertheless find it very difficult to provide even necessities in these times of high-cost living.

WHEN MILK PRICES UP, CONSUMPTION DOWN

Studies have shown that the price of school milk greatly affects consumption of milk. In Chicago, where school milk was increased by one cent per half-pint, milk consumption dropped 40%. In a Denver west suburban area, school milk was raised by one cent a half-pint and milk consumed fell by 13.4 per cent—and this in spite of a four per cent increase in school enrollment.

Conversely, consumption of school milk rose significantly as prices decreased in Wisconsin schools. When the price of milk was reduced 25%, milk consumed rose 40% in Madison elementary schools and 10% in Milwaukee schools. A 50% price reduction brought increased consumption of 69% and 24% respectively.

The higher the price of milk to students, the less milk is consumed. Fewer students drink milk and many drink less.

MILK VITAL TO NUTRITION AND HEALTH

The heart and core of the School Milk Program is its vital purpose: to help fulfill nutritional and health needs of America's schoolchildren. Healthy children can learn better, play better, grow better.

The school lunch manager of our Kalaniana'ole Elementary and Intermediate School recently wrote me:

"To grant milk subsidy to only needy children seems to make a basic assumption that un-needy children's parents understand the importance of milk's nutritional value because of their better financial situation. Higher income does not guarantee higher nutrition. I base this statement on my experience in working with school age children in the past 23 years."

Making milk available to as many children as possible is a very modest investment in the health of our people. Who knows it may even help keep down the

costs of medicare, for healthy children have a better chance to become healthy adults.

Mr. Chairman, it seems to me the present School Milk Program, designed to bring low-cost milk within the pocketbooks of as many schoolchildren as possible, in the right approach.

The very narrow restrictive approach of the Administration plan, which will not even take care of all children from families at the poverty level, is the wrong approach.

SCHOOL MILK PROGRAM VITAL TO DAIRY INDUSTRY

In stressing the importance of the School Milk Program to the health of America's school children, I do not mean to overlook the importance of this legislation to the health of the Nation's indispensable dairy industry.

Milk consumed under the Special Milk Program in fiscal year 1965 represents 1,600,000,000 pounds of milk—about three percent of the total nonfarm consumption of fluid milk in the United States.

So the milk program is of significant importance as a steady market for fresh milk. With rising school enrollment in coming years and with the President's proposal to export more milk and dairy products abroad, the market will be expanding.

Our dairy farmers and milk producers have been so efficient and productive that all of us tend to take for granted the seemingly endless output of milk and dairy products. But recent events show that dairying has become unprofitable to many dairymen, and they are switching to more profitable farming enterprises.

It is of paramount necessity to have at all times a thriving dairy industry. S. 2921 will help materially toward that end.

Should the School Milk Program terminate, milk that would have been consumed by children will probably be bought in times of surplus by the Federal Commodity Credit Corporation in the form of manufactured dairy products. This would entail substantial cost to the Government not only for the product but also for its storage.

I say, "Let's put milk into stomachs, not into storage."

HAWAII SUPPORTS SCHOOL MILK PROGRAM

I would like the record to show that the School Milk, as well as the School Lunch, Programs have wide community support in Hawaii. My mail protesting the President's proposed cuts in these programs has been running exceptionally heavy.

School principals, school teachers, cafeteria officers, food service associations, PTA groups, educational secretaries association, parents and students—all have written urging Congress to reject the Administration plan and provide the necessary funds to continue the School Lunch and School Milk Programs as at present.

The Chairman of the Legislative Committee of the Hawaii State Food Service Association, wrote me:

"If these cuts are not restored at the Congressional level, it will mean that the State would be called upon to make up what we will lose in Federal subsidy.

"Any chance of getting a bill through our State Legislature to take care of this during the present budget session seems very dim. Consequently, all of the cuts must be made up by the children who buy the lunches at the school cafeterias.

"Higher lunch prices would mean lower participation and lower participation would mean higher per capita overhead cost. This will cause a vicious cycle, which will mean the deterioration of the School Lunch Program here in Hawaii, which today is one of the best in the country."

Both the Senate and the House of Representatives of the State Legislature of Hawaii indicated strong support for the School Milk Program and the School Lunch Program by adopting resolutions this year urging restoration of the President's proposed cuts in these programs. The Maui County Board of Supervisors adopted a similar resolution.

So there is strong support in Hawaii for these programs and there is great concern over the proposed reductions.

CONFIDENT CONGRESS WILL VOTE FUNDS THIS YEAR

I realize this Subcommittee is not an appropriating body. And I also realize that the House of Representatives recently restored the cuts in sending the Agriculture Appropriations bill to the Senate. I am confident the Senate will

also approve the restorations. This will take care of funding these programs through June 30, 1967.

Why then is action on S. 2921 needed now?

ACTION ON S. 2921 NEEDED NOW

I am urging action now for two reasons. One, in view of the President's efforts to cut back the School Milk Program and change its approach so drastically, now is the time to express the intent of Congress through the basic authorizing legislation that we want the School Milk Program to continue under its present format and to take care of future growth in school enrollment.

S. 2921 follows the pattern of the existing School Milk law. Further, S. 2921 would make the milk program permanent. In addition, by specifying increased appropriations over the next few years, S. 2921 allows for growth in School Milk Programs as school enrollment rises as it is expected to do. By passing S. 2921 now, the Administration will be put on notice that Congress does not intend the Administration to cut back this Program in its next budget due to be submitted in January 1967.

The second major reason for enactment of S. 2921 is to let school administrators all over the Nation know that the Program will continue. Schools must know well in advance whether they will have to ask their State Legislature for funds to carry on the milk program should it expire June 30, 1967. Most legislatures meet in the early months of each year. Some only biennially. If Congress postpones action on school milk legislation until next year, and if existing legislation expires, this may be too late for action by State Legislatures. Then the added costs would have to be passed along to school children, and I am sure we would then see a sharp decline in milk consumption.

Enactment of S. 2921 is needed this year to keep the School Milk Program running smoothly and avoid disruption and confusion, with all the adverse effects of the children, which that would entail.

Mr. Chairman, on January 12 the President delivered his State of the Union Message to Congress in which he informed us that despite guns for the Viet-Nam War, America could have butter too. Of those who were saying we must sacrifice, he asked, "Are they going to sacrifice the children who seek the learning * * *"

Yet the Administration's Milk bill would do just that.

DON'T SACRIFICE SCHOOL CHILDREN'S MILK

Mr. Chairman, I do not believe the costs of the Viet-Nam War should be paid by cutting the heart out of the School Milk Program as this Administration proposes.

I enthusiastically support S. 2921 which will continue the Milk Program on the present basis for millions of school children in America. I strongly urge this Subcommittee to approve it and speed it to the Senate.

Thank you, again, for the opportunity to present my views on this vital measure.

STATEMENT OF HARRY L. GRAHAM, LEGISLATIVE REPRESENTATIVE, NATIONAL GRANGE

The National Grange is pleased to submit this statement supporting S. 2921, introduced by the distinguished Senator from Wisconsin and co-sponsored by 67 of his colleagues of both political parties.

At its 99th Annual Session in November 1965, the National Grange adopted the following resolution:

"Resolved, That the National Grange encourage every appropriate government agency to purchase dairy products for school lunches, welfare recipients, and other governmental institutions, thus reducing the surplus of dairy products and aiding in stabilization of dairy farmers' income."

The Grange and the rest of the nation were distressed to see the 80 per cent cut in the school milk program in the Administration's USDA budget proposal. We were pleased to see these funds restored by the House and anticipate that the same will take place in the Senate. However, this present program will expire in June 1967. Therefore, we see great merit in the Proxmire bill which will make this program permanent and increase the appropriations.

As was stated in our testimony before the House Appropriations Subcommittee on Agriculture on April 7, 1966, it is our judgment that the school milk program

is primarily a consumer service and should not properly be charged to agriculture. However, such programs have been under USDA jurisdiction and have served both to stimulate market development programs for milk and also to reduce the reserves of dry milk. Therefore, the Grange vigorously supports them.

Realizing that a healthy nation is a strong nation, we urge your support of this measure.

MADISON, Wis., May 13, 1966.

HON. SPESSARD L. HOLLAND,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

The American School Food Service Association wishes to go on record favoring the passage of S. 2921 known as the "Children's Special Milk Act" sponsored by Senator Proxmire and 67 Senators co-sponsoring. The special milk program is an inexpensive and convenient means for improving the nutritional status of school children. Milk is frequently called nature's most perfect food. Although the special milk program was originally introduced as a surplus removal measure it has proven its worth over the years as a most valuable supplement to the school lunch program in bringing much needed food nutrients to the school children of America. We urge enactment of this measure at the current session of Congress in order to assure uninterrupted continuation of this nutrition service for school children when existing legislation expires on June 30, 1967.

AMERICAN SCHOOL FOOD SERVICE ASSOCIATION,
By GORDON W. GUNDERSON,
Chairman, Legislative Committee.

STATEMENT OF HON. DANIEL K. INOUE, A UNITED STATES SENATOR FROM
THE STATE OF HAWAII

Mr. Chairman, I would like to speak in favor of S. 2921 because I believe our school milk program requires stability and permanence. This legislation would provide these essentials by fixing increments to growth needs over a period of years.

The importance of such long-range planning is illustrated by recent proposals to tamper with the funding of this program. There are few activities which have proved themselves more worthwhile than this relatively small Federal assistance provided to the local citizens. Its success is indicated by its growth since its start in 1954 to now when it serves more than 92,000 youngsters. Its practicality is shown by alternatives: It consumes a food commodity of which some, if not all would otherwise go into government surplus to be sold eventually at below cost. Its closeness to the people is shown by the arrangement in which for \$103 million a year the government pays three cents per ½ pint of milk, while the school child pays the remainder, usually from two to three cents. For this investment, the child receives daily the complete food represented by milk.

The importance of this arrangement can only be appreciated by noting that because of the warping of tastes through fads and advertisement, many children in our more affluent families receive improper food balances. But much more serious are the many cases of children who come from families where adequate food is not available—children who come to school without breakfast, or children who must go home to sparse or poorly balanced evening meals. Widespread first-hand acquaintance by both parents and by school administrators who are familiar with the service the school milk program provides to youngsters has given it unusual grassroots support. No one in the country, whether from rural or urban areas, whether from a dairy or non-dairy state, has a bad word to say about this program. There are indeed very few government proposals for which this could be said.

It is, therefore, strange that of all programs this one should be selected for reduction and phasing out. Can present developments be considered otherwise? There is the proposal to reduce the Fiscal 1967 budget by \$80 million to a mere \$21 million. Since 1965 there have been efforts to tighten and limit expenditures for this program. Recent action by the House in reinstating the \$103 million for Fiscal 1967 reflects general repugnance at a move to destroy this program, and I feel the Senate will follow the lead of the House in this protest. Nevertheless, there is the threat.

The basis of this unnatural move is the argument that the money should be used elsewhere. I certainly am not unaware of the unusual demand made on our economy by the war in Viet Nam. Neither am I unsympathetic to the needs of the impoverished segments of our society; in fact I feel this program is a part of these efforts. If the distinction could be made readily between the poor and the not so poor in the classrooms, and if those able to pay could be called to do so without psychic harm to those not able to pay, I would be more sympathetic to this proposal; but this cannot be done with so intimate a thing as providing nourishment within the classroom to the children who need it.

Look at the alternative: It is the "means" test—children who do not have the money would not be required to pay, while those who do would be required to meet the full cost. A determination would be made within the school. Under this scheme, we would oblige the child publicly to drink in his socio-economic status along with his mid-morning snack. Means test for providing medical care for the aged was found completely repugnant because it destroyed human dignity. Why, now, should this same program be imposed on children?

It is small wonder that school administrators would sooner discontinue the whole milk program rather than subject the child to this humiliation. If money is the item, it should be gotten elsewhere. We spend vast amounts on futuristic programs—in science, in exploration—all to find and develop our potential resources. I think these are wise investments. But I must also point out that the child is a natural resource too—the most basic, the most valuable, the most certain natural resource we have. Let's not stint on them.

STATEMENT OF HON. HENRY M. JACKSON, A U.S. SENATOR FROM THE STATE OF WASHINGTON

I am pleased to express my strong support for S. 2921. I believe the bill is important and I believe it is needed. I urge prompt and favorable action so that the special milk program will no longer have to struggle along totally dependent on annual, and sometimes supplemental, appropriations.

Senator Proxmire is to be commended for his persistent efforts emphasizing the need for this legislation. Not only does the special milk program promote the well-being of our children but it also has a salutary effect on the agricultural economy. The special milk program simply encourages children to drink more milk by making it available at a price most children can afford. The program extends beyond schools to summer camps, nursery centers, and other child care institutions.

As the Committee well knows, the House of Representatives recently approved \$103 million in the Agriculture Department appropriations bill to continue the special milk program without reduction for the coming fiscal year. But, clearly, that does not remove the need for this bill, which would extend and give permanent authorization for this successful, popular, and immensely useful program. Sometimes we do not fully appreciate the value of a program until the possibility arises of drastically changing or ending it. That is the case with the special milk program. But after the steady flow of letters from children, mothers, and school principals this year, there should be no doubt about the valuable contribution of this Federal program.

I also want to remind the Committee that the existing authority for the special milk program is now scheduled to expire next June. Action will be required next spring if the program is not to end. I think it makes more sense to move forward now, building on the interest in the Congress that now exists, and approve S. 2921. That would remove the need for rush legislation early in the next session. It would also remove an important program from the temporary category by giving it permanent authorization.

As one of 67 co-sponsors of this bill, I am happy to make my views known to the Committee and to recommend quick approval.

SANTA CLARA, CALIF., May 15 1966.

HON. ALLEN ELLENDER,
Chairman, Senate Committee on Agriculture and Forestry, Washington, D.C.:

Our committee, representing more than a quarter of a million members of affiliated farmer, cooperative, consumer, church, and labor organizations and individual members, wholeheartedly supports S. 2921, Proxmire and others including California Senator George Murphy, to put the special milk program on a permanent basis.

Please have this telegram made part of the hearing records.

Mrs. GRACE McDONALD,
California Farmer Consumer Information Committee.

STATEMENT OF HON. A. S. MIKE MONRONEY, A U.S. SENATOR FROM THE STATE OF OKLAHOMA

Mr. Chairman and members of the subcommittee, as one of the sponsors of S. 2921, I urge prompt enactment of the "Children's Special Milk Act." I believe it will contribute to the nutrition and health of America's children, and thus to the nation's security.

The special milk program we started in 1954 will expire June 30, 1967. We possibly should have made it permanent when we started the program, but then it was untried. It has proved its usefulness and value now, along with the School Lunch program, which already has permanent authorization.

Success of the program was immediate. But the budget proposals to cut the Fiscal 1967 milk program for \$103 million to \$21 million, and to cut the school lunch program from \$157 to \$138 million have brought howls, appeals and arguments from my state that are extraordinarily. We seem to have here two of the most generally popular programs Congress ever has enacted.

Pleas for continuing both programs at or above present levels come from everyone—parents as individuals, parents in P.T.A. groups of 200 or more, teachers, volunteer school lunch aids, paid cooks, school superintendents and principals, dairy farmers, poverty program administrators, lawyers and unemployed. Many urge that anything else can be taken away, but not this.

"If we are to cut governmental expenses, let us do it in some area where it will not be detrimental to our youth," a small town man writes, echoing the general position of my correspondents.

"Since we are putting so much emphasis on physical fitness," he adds, "it would be a fallacy to cut in any way the milk program which guarantees a child at least a portion of an essential health food. As a taxpayer and father of three boys, there is no other program I would rather have my taxes go for."

From a city mother, the story comes in pencil, handwritten: "Please don't forsake these children in the school rooms the afternoon milk program is a great help * * * With a Type A Lunch they get a daily requirement of nutrition which gives them better grades and helps them grow on to helthier men and women."

A small town school superintendent warns: "In my estimation, this (losing food from government surpluses and reimbursement for the special milk program) would endanger the prospect of offering a hot lunch through school facilities unless a substantial increase was placed on the price."

A minister explains that the school lunch and the special milk programs "are a very important part of our town's educational program." A widow who says she is the sole support of three children asks if I am "aware of the great benefit nutrition-wise that these lunches as well as the special milk program provide."

Out state school lunch administrators agreed with many other of my unofficial correspondents that the special milk program we are considering today and the lunch program should provide an educational program in food and nutrition available to all children rather than just to poor children.

Already, in our state, it is provided in each school's contract that they must provide free or reduced cost meals to needy children as defined by each school's local rules and regulations. Oklahoma officials are so convinced that an increased cost for milk and lunches "must be prevented for the sake of all children and not just the low-income children," that they are now making a food survey of 10,000 children. Spot checks have indicated that the children from high-income homes need more help in eating "nutritionally" than low income children do.

One woman wrote me that she had worked in school programs for 25 years and had "seen many little weak children develop into strong robust children because of that one well-balanced, nourishing meal each school day."

"Rising costs are already straining the special milk and school lunch programs," another superintendent writes. "Reduced reimbursement will force us to increase lunch and milk charges which will force the people who are paying for lunches to discontinue using the lunch program. Reduced participation will cause a reduced lunch program or force us to close it out altogether," he wrote.

Most of my letters, however, were not as detailed as these I have quoted. They say, as one cafeteria manager put it: "Please help us keep our milk program for public schools as it is now for our our boys and girls."

I share with my many correspondents the feeling that our present system of making milk available is a good one. I believe we made a wise decision when we made the special milk available, not only to schools of high school grade and under, but to non-profit summer camps, nursery centers and other child-care centers.

I believe that this bill's provision for authorizing not less than \$110 million for 1967, \$115 million for 1968 and \$120 million for 1969 and succeeding fiscal years is wise. We must be sure that the milk program accomplishes its purpose, even with a growing population.

I hope the subcommittee will approve the bill and that it will pass the Congress and be signed into law.

I thank the committee.

STATEMENT OF HON. JOSEPH M. MONTOYA, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Mr. Chairman, and members of the subcommittee, I wish to thank you for providing me with this opportunity to appear here before you in support of S. 2921, a bill to provide a special milk program for children.

This legislation is badly needed to replace the present act which expires July 1, 1967, and to place the school milk program on a permanent basis. The slight increase in funds for the program over the next few years, as called for in the bill, would just barely take care of the increased number of school children. The American people consider it one of the finest programs in operations to better develop and strengthen the potential of our youth.

Last year the milk program reached some 16 million youths who consumed over three billion half pints of milk. In New Mexico over 115,000 school children participated. Most of these children come from low-income families and as a result have improper diets and, therefore, in many instances the milk they receive at school is all they get during the day.

The school milk program, however, should continue to be made available for all children and not restricted to those who are not considered able to pay. It would be extremely repugnant and embarrassing for a small child to submit proof that his family was too poor to pay for his school milk. School administrators would be confronted with the problem of snooping into each family's financial status. Congress has made great strides recently in getting rid of discrimination, let's not be a party to creating it. As it properly should, this bill will provide milk for all children regardless of economic background.

Mr. Chairman, I feel very strongly that the amount requested in this bill is essential to the future success of the school milk program and should be approved by this subcommittee. I appreciate the opportunity to present this statement and request that it be made a part of the hearing record.

Thank you.

STATEMENT OF HON. GAYLORD NELSON, A U.S. SENATOR FROM THE STATE OF WISCONSIN

Mr. Chairman, I appreciate this opportunity to submit testimony on S. 2921, which would make the School Milk Program permanent and increase the authorization annually to meet the needs of expanding school enrollments.

This excellent program was adopted by the Congress in 1954 to increase consumption of dairy products and to improve the diets of children. It is apparent from the reaction to a proposal to cut it back by \$80 million that it is a sound and popular program that is fulfilling these objectives.

The Congress, in my judgment, should not put itself in the position of having to wage an annual fight to maintain this program. This bill, which I am pleased to co-sponsor, would make that unnecessary.

The urgent need to act now on S. 2921 is clearly shown by the attempt to abruptly cut the Federal support for the coming fiscal year. The proposal would cut the support from the \$99.4 million required in the current fiscal year to \$20.4 million in fiscal 1967.

This program has had, and has deserved, strong and consistent support in the Congress since it started. The support this year, both in the Congress and from the general public, appears to be stronger than ever before.

The Agriculture Department has noted recently that it is sound policy for the Federal government to participate in the cost of milk for children who do not have access to a school milk program or who are unable to pay for milk at school. I agree. But I do not agree that this should be done at the expense of a 12-year-old program that has wide acceptance and support. I do not agree with the position that it no longer is sound to make it possible for all children to obtain milk for a few cents per half-pint in all our schools.

We support physical fitness in our young people as a highly desirable national objective and have little hesitation in investing in it at all levels of government. We support good health and nutritional habits in our young people and our school milk and school lunch programs are major parts of the Federal-State-Local investment in this objective.

This program, which makes milk available at a few cents a carton, builds the habit of drinking milk at the same time it helps provide school children with an adequate diet. It is clearly an investment in the health of this county that we should support and expand in line with the purposes of this bill.

STATEMENT OF HON. JAMES B. PEARSON, A U.S. SENATOR FROM THE STATE OF KANSAS

Mr. Chairman, we have, through S. 2921, the opportunity to provide a great service to the youth of America. This may sound a little lofty to some, but it is something I sincerely believe.

Through establishment of a special milk program for children, on a regular and permanent basis, we are helping to provide sounder nourishment for millions of young Americans. No doubt all of us have received many letters from people concerned about the possible loss of the school milk program.

School officials, health officials and interested citizens are seeking assurances the program will be retained. At the same time we must remember the majority of those for whom the benefit is the greatest, the children, must rely on us to act according to their best interests.

For the economically depressed child, this program has been a keystone in providing a nutritionally balanced meal—in some cases the only balanced and hot meal the child receives during a day. But let us not be blind to the fact that many other children, who may have the money in their pocket to buy the milk, will often first seek candy or soft drinks instead of the milk. This program has given them the milk, assuring them of some assistance in better dietary habits.

There has been some indication the program costs too much, that budget cuts must be made, spending reduced. This is a principle with which few can disagree. However, when this special milk program is assessed on the basis of value received for money spent, there can be no doubt of its tremendous importance, and fiscal justification demonstrating the false economy in such a cutback.

Then too we might remember what it would cost states individually to maintain a special milk program for children.

For instance, the Administration has proposed to reduce the allocation for the milk program in my State of Kansas by nearly 1-million dollars—which means the state would have to collect about 1-million more dollars in taxes to keep the program going, or else drop the program.

It seems to me that the only proper course for us to follow is that prescribed in S. 2921—and I strongly urge the committee's approval of this bill for the welfare of young Americans.

I wish to insert in the record, as part of my testimony, a sampling of letters from interested Kansans in support of a sustained special milk program for children.

(The letters referred to follow:)

MARCH 29, 1966.

HON. JAMES B. PEARSON,
Senate Chamber, Washington, D.C.

DEAR MR. PEARSON: As one very much interested in the welfare of the School Lunch Program, I wish to express to you my objection to the administration's budget recommendations for the 1966-67 school year. I would like to support the reinstatement of the \$103,000,000 for cash reimbursement to schools under the Special Milk Program. The \$21,000,000 proposed in the new budget would virtually wipe out the Special Milk Program which is playing such an important role in the nutrition of children in the elementary grades and kindergarten. Reducing the appropriation for this program by \$82,000,000 would also mean that the program could not be extended to child care centers, nursery schools, summer camps, Head Start projects, and others. This money is certainly well spent. I know what I am talking about because I was associated with a small school in rural Salina before and after special milk was made available to the children.

Also, let's not allow the proposed cuts to be made in the funds for Milk Reimbursement (cut of \$9,175,000) and Commodity Procurement and Distribution (cut of \$14,325,000) in connection with the School Lunch Program. If there is a rise in the price of school lunches, there is bound to be a decrease in participation among the very children who need this program most. I hardly think the increase of \$4,500,000 in the Special Assistance to Needy Districts will benefit enough children to offset the withdrawal of the funds from the regular programs. It has been my experience that the children who might need special assistance most would not be benefitted. Instead they would be deprived because their parents would be too proud to accept a special or free rate and would send a cold, inadequate lunch for the child to eat at noon because they could not afford the higher price. The democratic way would be to keep the lunches at the present low price level for all. This permits even those in very modest circumstances to afford them and feel that they are paying their way and not accepting charity. I believe this kind of a feeling and atmosphere about the school lunches is very important to the children and their parents.

Thanking you for your consideration of this matter, I am

Yours very truly,

Mrs. A. T. LEACH,

President, Saline-Dickinson County School Food Service Association.

HON. JAMES B. PEARSON,
U.S. Senate, Washington, D.C.

DEAR JIM: I am writing to express concern relative to the President's proposal in connection with the 1966-67 budget recommendations that the Special Milk Program, as it has operated since 1954, would be virtually "dead". Also, according to his proposals, there would be a significant reduction in appropriations for the School Lunch Programs that would in essence require an increase in the price of lunches in local school districts.

It is difficult for me to understand the President's reason for this curtailment, because it seems to be completely inconsistent with his overall policy of assisting schools in doing those things which are of particular importance in maintaining the health and education level of the young children and youth of our Nation.

It would be my hope that the Congress would not cut back on the appropriations for the School Lunch Program and that it be allowed to continue much as it has in the past and that new programs might be started in schools which do not presently provide this service.

I am also concerned with the President's proposal that the Public Law 874 Funds be reduced and some schools be cut off entirely from such funds, when the load they would carry for Federal Aid Impacted Students would be equally great or greater than it is at the present time. There was ample justification for the passage of Public Law 874 when it was initiated. The reason is equally valid today as it was at that time, since at least 65% of the cost of schools in Kansas is still carried by the property tax. The presence of substantial numbers of students in a school district because of Federal Installations throws an excessive load on the taxpayers of that community. Certainly, it is only proper and fair that the Federal Government pay the equivalent of the tax funds that would be forthcoming to the school district if the government installation were on the tax rolls.

Your interest and attention to these proposals to reduce Federal Appropriations for both of these programs will be sincerely appreciated by many of the school administrators in Kansas.

Cordially yours,

CARL S. KNOX, Ed. D.,
Superintendent of Schools.

SOLOMON, KANS., *April 4, 1966.*

DEAR SIR: This letter is to enlist your support in defeating the cut in agricultural funds for the School Lunch Program as recommended by President Johnson.

While I am in accord with the war effort in Viet Nam, I do not believe it is in the best interests of our country to sacrifice the health of our school children to finance it.

The only aim of the School Lunch Program is nutritionally sound lunches for America's school children, many of whom receive only this one adequate meal each day. This purpose will be greatly endangered by this cut in funds.

I earnestly seek your support in defeating what I believe to be an unwise and false economy on the part of the Administration.

Sincerely,

Mrs. RAYMOND VEAL.

WICHITA KANS., *March 28, 1966.*

Senator JAMES PEARSON,
Washington, D.C.

DEAR SIR: "Let's feed our own children!"—By their heritage, they should be fed first, through these low-cost school lunches, before we give it away to some 50 odd countries.

Mrs. J. HIPP.

MARCH 10, 1966.

Hon. JAMES PEARSON,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR PEARSON: I am writing you in regards to the President's budget message concerning school lunch programs.

We feel the reduction in appropriation for the School Lunch Program and measures which virtually kill the Special Milk Program is not right. We know such measures would have drastic effect on our school lunch program.

Our school lunch program is operating at a very reasonable cost. But if the appropriation is cut, our cost will soar and children who need a hot lunch will be unable to afford the raise in cost of a school lunch. We would appreciate whatever help you can give us in this matter.

Want you to know we certainly appreciate your support of education in the past and know you'll continue to work for the best interest of the children of Kansas.

Very truly yours,

CHARLES A. GIBSON,
Superintendent, Burlington Public Schools.

STATEMENT OF HON. LYNN E. STALBAUM, REPRESENTATIVE IN CONGRESS FROM
THE FIRST CONGRESSIONAL DISTRICT OF WISCONSIN

Nothing during this, my first term in Congress, has evidenced as wide-spread support as the School Milk Program. For several weeks, speeches appeared almost daily in the CONGRESSIONAL RECORD by Congressmen from urban as well as rural districts, strongly supporting the School Milk Program.

In 1965 nearly three billion half pints of milk were consumed under the School Milk Program in approximately 92,000 schools and child care institutions. Seventy thousand of these units also had a School Lunch Program and consumed about an equivalent amount of milk, that is, three billion half pints.

On February 18, Mr. S. R. Smith, Administrator of the Consumer and Marketing Service of the Department of Agriculture, was questioned by me on the cut in consumption of milk if we were to pass the Child Nutrition Act. The following is taken from the transcript of our exchange:

"Mr. SMITH. They estimate that on a \$21 million budget, we would have about a third falloff in the consumption of milk under the school milk program.

"Mr. STALBAUM. Which is a billion half pints.

"Mr. SMITH. A third is a billion, or about 500 million pounds.

"Mr. STALBAUM. In other words, you believe that this would reduce the consumption of milk in the schools about a billion half pints?

"Mr. SMITH. That is about the best calculation of the analysts that have dug into it, Congressman."

A loss of sales of 500 million pounds of fluid milk by the American dairy farmers is a substantial loss. More serious, however, is the nutritive loss incurred by American children who do not consume that one-half a billion pounds of milk which they had previously been doing.

The United States already ranks 16th in per capita of consumption in dairy products among the 17 major milk producing countries. Only the people of Italy use less. Why now should we turn toward a method of reducing this consumption further? Those who have followed the School Milk Program are well aware of the benefits it has brought. This milk has been good for the children. It has given them nutrition without stigma, and insofar as they were willing to participate, has made them healthier Americans.

Most serious, however, is the change which some have contemplated in the School Milk Program so that Federal funds will be used only to provide milk for the needy, with others paying the full costs of any milk that they would be obliged to consume. This raises a host of questions, particularly as to the determination of those who would be needy, and, therefore, eligible. The only conclusion one can finally reach is that this decision, if it is to be at all objective, can only be determined through a means test of some sort. As one observer succinctly stated, "Children would be forced to swallow their pride before they would be able to swallow any milk."

Seriously, I ask each of the Members of this Committee to ponder for a moment, if they were a school administrator, a teacher, or a counsellor, how they would impose this type of means test. Would they try to guess at which children came from poor families? Would they quietly call each one into their office and ask some embarrassing questions? Would they ask each child to stand up in the classroom and raise his or her hand if the parents had an income under a certain specified amount? Would whatever procedure is followed have to be held accountable to the officials from Washington? And this last question as to the accountability puts in sharp perspective the contrast between what is now proposed and what we have had operating since 1954.

The surest way to avoid the problems which would be involved in a change to a means test is to make the existing School Milk Program a permanent one, as is proposed in the bill before the Committee today.

The present School Milk Program is about as free of red tape as any such program could hope to be. There is no arbitrary imposition on the children of a dietary requirement. There are also no restrictions on the schools as to whether the milk is served as a mid-morning snack, an afternoon lunch, or if it is as an added available item with the noon hot lunch served under the School Lunch Program. No tests are required of the children as to their ability to pay. If they wish to participate, they merely bring in their few pennies and pay the difference between the school cost of the milk and that portion which is paid by government subsidy. Each school, is, therefore, free to make its own determination as to how it wishes to participate in the program. Each child is free to determine if he or she wants to participate in the program.

And from this rather relaxed approach, we have developed a method of encouraging our school children to drink three billion half pints of milk a year, which perhaps otherwise would not have been consumed at all.

The Washington Post summed up this matter well in an editorial printed on February 4: "The milk and the lunches served a better purpose all these years than merely keeping up farm prices. They were good for children, and the children continued to need them. * * * There is a category of subsidies, in which the unit costs are low and the benefits broad, which are properly distributed without a means test. This country can afford to encourage nourishing diets for its school children, even in a year when dairy prices no longer require that support."

Problems arise in the administration of programs of this type when there is no assurance of continuity. School administrators have expressed to me their concern over the purchase of capital equipment for the School Milk Program if there is a possibility that it could be discontinued.

Mr. Chairman, the School Milk Program because of its success has gained almost universal acceptance. Its benefits are great: and to change, eliminate,

or modify the Program would void the advantages which are being enjoyed by our school children today. Therefore, I support the legislation before you to make the School Milk Program a permanent one, with Federal financing continued at the same per-unit level as provided in the past.

STATEMENT OF JOHN C. YORK, EXECUTIVE SECRETARY, EASTERN MILK PRODUCERS COOPERATIVE ASSOCIATION, SYRACUSE, N.Y.

My name is John C. York, I am the Executive Secretary of Eastern Milk Producers Cooperative Association, Inc., whose offices are located in Syracuse, New York. The mailing address is Kinne Road, Syracuse, New York, 13214.

Our Association is a milk producers bargaining cooperative with a total membership of 10,000 dairymen, whose farms are situated throughout the northeast. The milk of our member-farmers is sold in numerous areas of that section of the country, and particularly in the New York-New Jersey market. We have a vital interest in the continued operation of the children's milk program, and we strongly support the enactment of S. 2921.

The President's budget, which is now pending in the Congress, proposes a reduction of new obligational authority for the milk program from a level of \$103 million this fiscal year to \$21 million for fiscal 1967. This budgetary cut in the school milk program could result in losses to producers of approximately \$4 million in supplying milk under the Massachusetts-Rhode Island Order #1; a loss of \$9 million to producers supplying milk under the New York-New Jersey Order #2; and \$2 million to producers supplying milk under the Delaware Valley Order #4. Dairymen cannot experience any further cost price squeeze. The present unfavorable prices to dairymen are forcing substantial reductions in milk production and wide spread auctions of dairy farms.

While we recognize that S. 2921 is not an appropriation bill, yet its introduction has been occasioned by the proposed budgetary action. By the same token, the enactment of S. 2921 would, once and for all, settle the question of the level of appropriations for the children's milk program. S. 2921 would authorize an appropriation of not less than \$110 million for fiscal 1967, not less than \$115 million for fiscal 1968, and \$120 million for each succeeding fiscal year thereafter.

This Committee is of course fully aware of the proposed budgetary action, and of the storm of protest and anguish which the proposed cut has engendered not only among dairy farmers, but even more so among school officials, school-children, and citizens from every walk of life. The pages of the Congressional Record echo the voices which have been raised in every corner of the land.

Milk producers supplying the New York City area have had a quarter of a century of experience with the Federally-sponsored children's milk program. A program of this type was first introduced in New York City in 1940 and was known as the "School Milk Program", and more popularly, as the "Penny Milk Program". Children in schools paid one cent for a half-pint of milk. The Federal payment which made this possible, came from funds appropriated by Section 32.

From New York City the program spread to other sections of the country but it was suspended during the period of World War II.

The Children's Milk Program now in operation was authorized by the Agricultural Act of 1954. Through this enactment, the Congress gave permanence to the plan. To distinguish this program from the earlier 1940 program, the Department of Agriculture gave it the name of "Special Milk Program".

The importance which the Congress placed on Federal assistance to increasing the consumption of milk by children of school age is indicated in its declaration of policy in the Agricultural Act of 1954. The Congress stated: "The production and use of abundant supplies of high quality milk and dairy products are essential to the health and general welfare of the Nation".

The Agricultural Act of 1954 provided that the children's milk program be financed from funds of the Commodity Credit Corporation. This was changed by the Agricultural Act of 1961, which provided that the program be financed by regular appropriations, and authorized the appropriation of "such sums as may be necessary to enable the Secretary of Agriculture . . . to encourage consumption of fluid milk by children in the United States."

Aside from this historical background, there are a few facts which we feel need re-emphasizing for the record:

(1) For the calendar year 1965, the estimated distribution of milk under the Special School Milk Program was 3,093 million half-pints. This is equivalent to 1.66 billion pounds of milk.

(2) The total consumption of fluid milk in the United States for 1965 is estimated at 60 billion pounds.

(3) On that basis, the school milk distribution represents 2.8 percent of the total.

(4) The average U.S. price for January 1966 for milk for fluid consumption is estimated at \$5.57 per hundredweight. The average price of milk for manufacturing grades was \$3.58 per hundredweight. The difference was \$1.99. This difference of \$1.99 represents the loss to dairy farmers when milk is shifted from fluid consumption to manufacturing uses.

(5) Unless the milk program is continued on the existing basis, the loss in income to dairy farmers would amount to approximately \$26 million.

(6) None of the computations above make any allowance for the possibility that some school children, when denied milk at Government subsidized prices, would drink milk bought at regular prices.

(7) About 37 million children are enrolled in schools and institutions where the special milk program is in operation.

In spite of all the talk about a shortage of dairy products this year, the fact is that the contrary is true, and that before the year is out, there will be a surplus of dairy products. The United States Department of Agriculture will then find it necessary to enter the market and buy up the surplus consisting of Cheddar cheese, butter and skim milk powder—under the price-support program.

Purchases of dairy products by the Department of Agriculture during 1965 under the support program, amounted to, on a milk fat basis, 5.6 percent of total production, and, on a solids-not-fat basis, 10.6 percent.

Total milk production in the United States this year is expected to be only 2 percent below 1965. Accordingly, the surplus which the Department of Agriculture will have to buy under the price support program will still be around 3 percent of production, on a milk fat basis, and 9 percent on a solids-not-fat basis.

The conclusion to be drawn from this is that any reduction in the consumption of fluid milk by school children will lead eventually to higher purchases of manufactured dairy products, at a cost of about \$4.50 per hundredweight of milk equivalent. Accordingly, the government may gain very little by cutting back on the children's milk program.

For the dairy industry, however, the reduction in the scale of operation of the children's milk program will prove to be an unsettling factor in the fluid markets. The Department of Agriculture itself has in the past given voice to this factor. In a publication issued in June, 1965, entitled "Milk and Milk Products in the Nation's Schools", the writers said: "The marketing of increasing quantities of milk through schools has contributed to stabilization of the fluid milk market during the past decade . . . The fluid whole milk consumed during 1962 in all schools, public and private, at noon or other times, was valued at \$312 million."

As a final word, we call the Committee's attention to the following statement made by Secretary of Agriculture Freeman on June 1, 1965, on the occasion of the beginning of the month of June as Dairy Month: "The Special Milk Program is another instance of expanding a market for milk by pricing it within the range of most children. Over 3 billion half-pints of milk will have been served under this program by the close of the current school year * * * yet, good as the school records are, they are not good enough."

Yes, they were not and are not good enough. That is why we favor the enactment of S. 2921, and urge that this Committee report the bill out favorably.

I should like to thank you, Mr. Chairman, for permitting me to come here and express our views.



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