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3-31-1960

Report to the People Vol. 4 No. 6

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REPORT TO THE PEOPLE FROM YOUR CONGRESSWOMAN

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1631 HOUSE OFFICE BUILDING, WASHINGTON 25, D. C.

Volume IV, Number 6

Thursday, March 31, 1960

With the income tax deadline just two weeks away, taxpayers might possibly be interested in knowing that Congress is engaged in occupations other than devising ways of spending our money.

As a matter of fact, both my committees here in the House are presently at work on projects which will save money and increase efficiency.

The Intergovernmental Relations Subcommittee, of which I am ranking minority member, is now completing a lengthy investigation into various aspects of the Commodity Credit Corporation's administration of the farm price-support programs, including the storage of surplus crops. The extent of this operation can be appreciated when it is realized that, as of last October 31, Government-held surpluses represented an investment of more than \$9.2 billion-- which in turn represents a sizable percentage of the tax dollars we are all contributing.

Much of this surplus is necessary: for reserves in case of poor harvests, or for school lunch programs, or for welfare purposes, or for sales to foreign countries struck by drought or other emergencies. But a great deal of the surplus can only be classed as exorbitant, the result of a price-support program that has failed to work.

Arising from the special needs of the depression of the 1930s-- when falling farm incomes intensified the economic dislocation-- and the needs of World War II-- when special incentives were required to raise food production-- the price support program does not fit present-day needs. And Republican and Democratic inability to find a workable compromise farm program has only made things worse.

Instead of controlling production of crops, it controls only the acreage that is planted-- thereby allowing acreage yields to be greatly increased by means of agricultural chemicals. Instead of supporting farmers' incomes, it supports prices-- thereby artificially holding consumer food prices at a high level while allowing farm income to decline and forcing farmers to over-plant.

The major part of our attention, however, has been focused on storage problems. What we have found, we hope, will encourage the Agriculture Department to take steps to tighten up its administration of their billion-dollar storage operations.

For example, we have found that it costs the Government \$1.75 to pay the warehousing, financing, transportation and other charges for every bushel of surplus corn, for which the Government pays farmers only \$1.12 in support price. In other words, the handling charges involved in supporting corn prices total 156 percent of the supports themselves.

Similarly, we have found instances where private warehouses were subsidized to store Government grain even though Government-owned facilities were available in the area. In other cases, warehouses owned by Federal agencies other than the Agriculture Department were leased to private operators who then contracted to store CCC surpluses at a considerable profit.

A variation of this situation involves the big fleet of Government-owned cargo ships now laid up in "mothballs" along the lower Hudson River. I have urged Secretary Benson

to consider utilizing these potentially huge storage facilities for surplus crops, since our subcommittee studies indicate that overall costs of doing so would be considerably less than the Government is now paying.

As I have indicated, we have already had some success in pointing the way toward economies. Secretary Benson, for instance, recently announced that he would attempt to cut storage costs, in writing new contracts with warehousemen, by three cents a bushel. If this reduction is made, savings will amount to about \$111 million a year-- a very worthwhile effort.

Progress has been made on another front with the completion of hearings last week before our Banking and Currency Committee on legislation to authorize U.S. participation in the newly-established International Development Association.

This agency-- which originated in a proposal by the U.S.-- inaugurates a new phase in our aid to less-developed countries. It would specialize in long-term loans under conditions which poorer countries could afford to meet-- conditions which would permit help for worthy projects which could be financed in no other way. Perhaps more important, the new IDA would represent a real sharing among the free-world nations of the responsibility for helping underdeveloped countries achieve economic stability and, consequently, political reliability.

Under the IDA plan, the U.S. would provide \$320 million of the Association's capital; other industrialized countries would contribute \$443 million; and underdeveloped countries, helping themselves and each other, would add an additional \$237 million of capital toward the revolving fund.

Among the more unusual aspects of the legislation, however, was the fact that everybody was for it! Bankers, businessmen and organized labor, Republicans and Democrats, the Administration and Congress-- all were united in support of the bill and its aims.

The reason for this is not hard to find. The IDA, in one sense, will be a dynamic expression of the success of U.S. foreign aid since the end of World War II. The countries which will now contribute more capital than the U.S. to IDA were little more than rubble 15 years ago. American assistance, and their own hard work, have lifted them to a level of economic prosperity which will permit them to carry their own fair share of foreign aid.

Their willingness to do so not only eases our own load but reflects an impressive understanding on their part of the principles underlying our own mutual assistance program-- the fact that the free world must triumph together or fall separately, and the fact that the largely neutralist underdeveloped world will yield to communist blandishments unless we succeed in proving that we are genuinely concerned with helping them out of the morass of traditional ignorance and poverty and making possible a better life for their people.

IMPORTANT NOTICE

REPUBLICANS and DEMOCRATS: your last chance to apply for an absentee ballot -- if you plan to be away on Primary Election Day, April 19 -- is eight days before the election. Since Easter Sunday this year falls on the 17th, many families may be planning brief vacation trips. If so, you can still exercise your right to vote -- if you act soon and apply for absentee ballots.
