Lakes-St. Lawrence project; to the Committee on Rivers and Harbors.

6916. By Mr. STRONG of Kansas: Petition of voters of Salina, Kans., urging enactment of Civil War pension bill; to the Committee on Invalid Pensions.

6917. By Mr. SWING: Petition of certain residents of Highland, Calif., protesting against the passage by Congress of House bill 10311, or any other bill enforcing the observance of the Sabbath, or upon the subject of religion; to the Committee on the District of Columbia.

6918. Also, petition of certain residents of San Diego, Calif., urging the passage by Congress of legislation granting increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

6919. By Mr. TEMPLE: Petition of members of the United Presbyterian Church of West Alexander, Washington County, Pa., in support of the Lankford Sunday rest bill; to the Committee on the District of Columbia.

6920. By Mr. TILLMAN: Petition of H. C. Jones and many other citizens of the third congressional district of Arkansas, praying for early and more liberal pension laws; to the Committee on Invalid Pensions.

6921. By Mr. TINCHER: Petition of sundry residents of Ford County, Kans., urging the passage of a Civil War pension bill for the relief of needy Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6922. By Mr. VESTAL: Petition of John O. Fisher et al., of Adams County, Ind., urging the passage of pension legislation; to the Committee on Invalid Pensions.

6923. By Mr. WOLVERTON: Petition of Velda Baker and other residents of Doddridge County, W. Va., urging that immediate action be taken on the bill now pending in Congress for the relief of Civil War widows; to the Committee on Invalid Pensions.

6924. Also, petition of Franklin Frame and other residents of Braxton County, W. Va., urging that immediate action be taken on the bill now pending in Congress for the relief of Civil War widows; to the Committee on Invalid Pensions.

6925. By Mr. WOOD: Petition signed by residents of Gary, Ind., asking that Civil War pension bill become a law at the present session of Congress; to the Committee on Invalid Pensions.

SENATE

THURSDAY, *February 17, 1927*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O Lord, our God, Thou knowest our ways; Thou understandest our thought afar off. There is nothing connected with our lives with which Thou are not fully acquainted. We humbly beseech of Thee that in our thoughts, in our words, and in our actions we may fulfill Thy good pleasure. Grant unto us increasing knowledge and guide us continually till the day is done and the record is complete. We ask in Jesus Christ's name. Amen.

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday last, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Frazier	McLean	Sheppard
Bayard	Gerry	McMaster	Shipstead
Bingham	Gillett	McNary	Shortridge
Blease	Glass	Mayfield	Smith
Borah	Goff	Means	Smoot
Bratton	Gooding	Metcalf	Steck
Broussard	Gould	Moses	Stephens
Bruce	Greene	Neely	Stewart
Cameron	Hale	Norris	Swanson
Capper	Harreld	Nye	Trammell
Caraway	Harris	Oddie	Tyson
Copeland	Harrison	Overman	Underwood
Couzens	Hawes	Phipps	Wadsworth
Curtis	Heflin	Pine	Walsh, Mass.
Dale	Howell	Pittman	Warren
Deneen	Johnson	Ransdell	Watson
Dill	Jones, Wash.	Reed, Mo.	Wheeler
Edge	Kendrick	Reed, Pa.	Willis
Ernst	Keyes	Robinson, Ark.	
Ferris	La Follette	Robinson, Ind.	
Fess	Lenroot	Sackett	
Fletcher	McKellar	Schall	

Mr. KENDRICK. I desire to announce the absence of the Senator from Oregon [Mr. STANFIELD] and the Senator from Montana [Mr. WALSH], both of whom are engaged in the work of the Committee on Public Lands and Surveys.

The VICE PRESIDENT. Eighty-four Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 68. An act authorizing Dominic I. Murphy, consul general of the United States of America, to accept a silver fruit bowl presented to him by the British Government;

S. 545. An act for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States;

S. 598. An act for the relief of Alexander McLaren;

S. 612. An act for the relief of Elizabeth Wooten;

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees;

S. 1304. An act for the relief of Hunter-Brown Co.;

S. 1456. An act authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson;

S. 1860. An act for the relief of F. G. Proudfoot;

S. 2302. An act for the relief of Elisha K. Henson;

S. 2618. An act for the relief of the National Surety Co.;

S. 3064. An act for the relief of the Capital Paper Co.;

S. 3462. An act for the relief of Homer H. Hacker;

S. 3918. An act for the relief of Robert R. Bradford;

S. 4268. An act for the relief of H. W. Krueger and H. J. Selmer, bondsmen for the Green Bay Dry Dock Co., in their contract for the construction of certain steel barges and a dredge for the Government of the United States;

S. 4669. An act for the relief of the Kentucky-Wyoming Oil Co. (Inc.);

S. 4756. An act for the relief of Capt. Ellis E. Haring and Edward F. Batchelor;

S. 4933. An act authorizing an appropriation for public highways in the Virgin Islands of the United States;

S. 4943. An act for the relief of George H. Cecil;

S. 5084. An act to provide for the payment of the amount of an adjusted-service certificate to Irving D'Forrest Parks, beneficiary designated by Corpl. Steve McNeil Parks, deceased; and

S. 5622. An act authorizing the acceptance by the Navy Department of a site for an aviation training field in the vicinity of Pensacola, Fla., and for other purposes.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 1155. An act for the relief of Margaret Richards;

S. 1515. An act to extend the benefits of the employees' compensation act of September 7, 1916, to Daniel S. Glover;

S. 1899. An act for the relief of the Delaware River Towing Line;

S. 2090. An act for the relief of Alfred F. Land;

S. 2353. An act to amend the military record of Leo J. Pourciau;

S. 2474. An act for the relief of the Riverside Contracting Co.;

S. 2619. An act for the relief of Oliver J. Larkin and Lona Larkin;

S. 2770. An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto; and

S. 2899. An act for the relief of the owner of the American steamship *Almirante* and owners of the cargo laden aboard thereof at the time of her collision with the U. S. S. *Hisko*.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 1339. An act for the relief of Katherine Southerland; and

S. 1517. An act authorizing and directing the Secretary of the Treasury to pay to W. Z. Swift, of Louisa County, Va., the insurance due on account of the policy held by Harold Rogis.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 724. An act for the relief of Capt. Norman D. Cota;

H. R. 780. An act for the relief of J. S. Corbett;

H. R. 1133. An act for the relief of John G. Pauley;

H. R. 1141. An act to correct the military record of John Dewitt Marvin;

H. R. 1595. An act for the relief of Fannie Kravitz;

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H. R. 1691. An act for the relief of Henry F. Downing;
H. R. 1842. An act for the relief of John Costigan;
H. R. 2589. An act for the relief of Archie O. Sprague;
H. R. 2718. An act for the relief of M. F. Snider;
H. R. 3295. An act for the relief of Sherman P. Browning;
H. R. 4321. An act authorizing the redemption by the United States Treasury of 20 war-savings stamps (series of 1918) now held by Dr. John Mack, of Omaha, Nebr.;
H. R. 5089. An act for the relief of Christine Mygatt;
H. R. 5449. An act for the relief of James E. Westcott;
H. R. 5548. An act to correct the military record of Clarence G. Stonestreet;
H. R. 5642. An act for the relief of David E. Goodwin;
H. R. 5921. An act for the refund of money erroneously collected from Thomas Griffith, of Peach Creek, W. Va.;
H. R. 6057. An act for the relief of George Boiko & Co. (Inc.);
H. R. 7153. An act authorizing the President to appoint J. H. S. Morison to the position and rank of major, Medical Corps, in the United States Army;
H. R. 7540. An act for the relief of Edward F. Weiskopf;
H. R. 8477. An act for the relief of Frank J. Dwyer;
H. R. 8739. An act for the relief of Lim Toy, of the city of Boston, Mass.;
H. R. 9063. An act for the relief of Marie Yvonne Gueguinou;
H. R. 9163. An act for the relief of Margaret T. Head;
H. R. 9211. An act to prescribe certain of the qualifications of voters in the Territory of Alaska, and for other purposes;
H. R. 9226. An act to reimburse Dr. Philip Suriani;
H. R. 9318. An act authorizing the President to appoint James B. Dickson a second lieutenant of the Air Service in the Regular Army of the United States;
H. R. 9427. An act for the relief of Gilbert B. Perkins;
H. R. 9515. An act for the relief of R. P. Biddle;
H. R. 9666. An act to correct the military record of Owen J. Owen;
H. R. 9738. An act to correct the military record of Richard Brannan;
H. R. 9804. An act for the relief of the Pacific Steamship Co., of Seattle, Wash.;
H. R. 10380. An act to remove the charge of desertion against Israel Brown and to grant him an honorable discharge;
H. R. 10422. An act for the relief of William J. O'Brien;
H. R. 10447. An act for the relief of First Lieut. Walter T. Wilsey;
H. R. 10496. An act for the relief of John A. Thornton;
H. R. 10953. An act for the relief of William Perkins;
H. R. 11064. An act for the relief of R. W. Hilderbrand;
H. R. 11110. An act for the relief of George Caldwell;
H. R. 11542. An act for the relief of James M. Winston;
H. R. 11852. An act for the relief of M. Tillery and Mrs. V. D. Tillery;
H. R. 11929. An act to authorize the Secretary of the Interior to sell to Sylvester Troth Smith, Horace Smith, Robert Hill Smith, Mary Smith De Jean, Mary Ellen Smith, and W. C. Scott, in possession under mesne conveyances from Leroy Stafford, section 48, township 1 south, range 2 east, and section 38, township 1 north, range 2 east, Louisiana meridian, Rapides Parish, La.;
H. R. 12038. An act to correct the military record of Edward Delaney;
H. R. 12334. An act for the relief of W. Randall Spurlock;
H. R. 12388. An act for the relief of K. I. Ward;
H. R. 12404. An act for the relief of Shadyside Bank;
H. R. 12569. An act for the relief of Thomas F. Nicholas;
H. R. 12818. An act for the relief of Charles Beretta, Isidore J. Proulx, and John J. West;
H. R. 12859. An act for the relief of Thomas Murphy;
H. R. 12903. An act for the relief of Abraham H. Tompkins;
H. R. 12936. An act for the relief of Bert H. Libbey, alias Burt H. Libbey;
H. R. 12963. An act for the relief of Adam B. Ackerman, alias Aunkerman;
H. R. 13004. An act for the relief of John G. Cassidy;
H. R. 13143. An act for the relief of the Charlotte Chamber of Commerce and Capt. Charles G. Dobbins, Army disbursing officer;
H. R. 13144. An act for the relief of the Sanitarium Co., of Portland, Oreg.;
H. R. 13971. An act for the relief of Ruth J. Walling;
H. R. 14071. An act for the relief of Garfield Hankins;
H. R. 14179. An act for the relief of Roland M. Baker;
H. R. 14591. An act authorizing the President to appoint William V. Pruett to the position and rank of major, Medical Corps, in the United States Army;
H. R. 14794. An act for the relief of Daniel Mangan;
H. R. 14895. An act to provide for the reinstatement of Warren M. Hendricksen in the United States Military Academy;
H. R. 15018. An act validating certain applications for, and entries of public lands;
H. R. 15252. An act to provide relief for certain natives of Borongan, Samar, Philippine Islands, for rental of houses occupied by the United States Army during the years 1900 to 1903;
H. R. 15253. An act for the relief of certain officers and former officers of the Army of the United States;
H. R. 15432. An act to correct the military record of Curtis P. Wise;
H. R. 15624. An act for the relief of Andrew McLaughlin;
H. R. 15863. An act for the relief of the widow of Warren V. Howard;
H. R. 16058. An act for the relief of certain officers of the Army of the United States;
H. R. 16155. An act for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon;
H. R. 16183. An act granting relief to Thomas M. Livingston;
H. R. 16442. An act for the relief of Ira E. King;
H. R. 16952. An act to ratify and confirm act No. 3243 of the Philippine Legislature, approved November 27, 1925; and
H. J. Res. 99. Joint resolution for the relief of a special disbursing agent of the Alaskan Engineering Commission (the Alaska Railroad).

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

S. 5259. An act granting permission to Maj. Charles Beatty Moore, United States Army, to accept the following decorations, namely, the Legion of Honor, tendered him by the Republic of France, and the officers' cross of the order Polonia Restituta, tendered him by the Republic of Poland; and
H. R. 11803. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a concurrent resolution of the Legislature of the State of North Carolina, favoring the passage of legislation safeguarding the interests of the people of North Carolina and of other States likewise situated by providing that all power at Muscle Shoals, beyond the requirements for national defense and fertilizer production, and also power to be developed by the United States at other power sites in the South, be made available for general distribution to the public in North Carolina and other States, under appropriate regulations by the States, which was referred to the Committee on Agriculture and Forestry. (See resolution printed in full when presented by Mr. SIMMONS on yesterday. p. 3933, CONGRESSIONAL RECORD.)

Mr. LA FOLLETTE presented petitions of sundry citizens in the State of Wisconsin, praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

Mr. BRUCE presented a petition of sundry citizens of the State of Maryland, praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

Mr. DILL presented memorials of sundry citizens of Spokane, Fruitland, and Davenport, all in the State of Washington, remonstrating against the passage of the bill (S. 4821) to provide for the closing of barber shops in the District of Columbia on Sunday, which were referred to the Committee on the District of Columbia.

Mr. BINGHAM presented a petition signed by 277 citizens of New Haven, Conn., praying for the prompt passage of legislation regulating radio broadcasting, which was ordered to lie on the table.

Mr. OVERMAN presented a concurrent resolution of the Legislature of the State of North Carolina, favoring the passage of legislation safeguarding the interests of the people of North Carolina and of other States likewise situated by providing that all power at Muscle Shoals, beyond the requirements for national defense and fertilizer production, and also power to be developed by the United States at other power sites in the South, be made available for general distribution to the public in North Carolina and other States, under appropriate regulations by the States, which was referred to the Committee on Agriculture and Forestry. (See resolution printed in full when presented by Mr. SIMMONS on yesterday, p. 3933, CONGRESSIONAL RECORD.)

Mr. COPELAND presented petitions numerously signed by sundry citizens of the State of New York, praying for the prompt passage of legislation granting increased pensions to Civil War veterans and their widows, which were referred to the Committee on Pensions.

Mr. GILLETT presented a petition of sundry citizens of the State of Massachusetts, praying such amendment of the Constitution as shall suitably acknowledge the authority of Christ and the law of God therein, which was referred to the Committee on the Judiciary.

LOANS ON ADJUSTED-COMPENSATION CERTIFICATES

Mr. REED of Pennsylvania. Mr. President, I send to the desk and ask to have referred to the Committee on Finance and embodied in the RECORD, without reading, a statement from the Veterans' Bureau showing the number of loans to veterans on their adjusted-compensation certificates during the month of January of this year.

There being no objection, the statement was ordered to be printed in the RECORD and referred to the Committee on Finance, as follows:

Statement showing by States (1) number of banks making loans on adjusted-compensation certificates, (2) number of loans made, and (3) total amount loaned during the month of January, 1927

State	Number of banks	Number of loans	Amount of loans
Alabama	48	3,616	$299,595.13
Arizona	7	781	78,745.68
Arkansas	92	4,179	342,828.04
California	224	13,385	1,381,719.47
Colorado	45	1,948	189,145.15
Connecticut	65	1,781	174,681.59
Delaware	22	615	60,572.55
District of Columbia	24	2,181	201,543.57
Florida	37	2,594	236,939.42
Georgia	40	1,616	153,991.97
Idaho	38	531	51,344.74
Illinois	378	14,259	1,289,042.99
Indiana	184	5,830	516,396.73
Iowa	186	2,233	205,030.65
Kansas	99	656	64,552.71
Kentucky	70	2,390	219,913.70
Louisiana	22	447	40,072.60
Maine	74	1,464	146,734.18
Maryland	60	6,412	609,576.27
Massachusetts	187	9,286	946,658.53
Michigan	153	10,434	939,312.27
Minnesota	199	5,984	594,169.72
Mississippi	30	1,055	90,518.54
Missouri	161	3,773	349,659.54
Montana	42	236	24,566.03
Nebraska	56	1,689	165,280.83
Nevada	3	84	7,638.00
New Hampshire	43	581	58,658.26
New Jersey	198	5,133	395,428.59
New Mexico	13	297	27,985.11
New York	316	9,694	1,003,711.60
North Carolina	43	597	62,159.86
North Dakota	58	321	32,360.68
Ohio	230	8,718	814,348.60
Oklahoma	103	2,984	276,257.78
Oregon	56	871	83,663.82
Pennsylvania	482	10,699	1,031,267.87
Rhode Island	28	1,943	195,986.26
South Carolina	29	1,472	125,545.97
South Dakota	44	524	49,036.73
Tennessee	37	736	65,374.98
Texas	183	5,850	602,634.50
Utah	10	278	29,916.14
Vermont	30	247	24,454.63
Virginia	52	1,086	101,707.32
Washington	91	1,513	140,709.07
West Virginia	45	621	58,024.43
Wisconsin	153	3,460	320,280.58
Wyoming	21	252	25,040.18
Canal Zone	1	1	125.00
Territory of Hawaii	1	1	119.00
Total	4,813	157,338	14,905,027.56

ORDER FOR SESSION ON MONDAY EVENING

Mr. SMOOT. Mr. President, I ask unanimous consent that the Senate shall meet at 8 o'clock on Monday evening next for the purpose of considering Calendar No. 135, the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury, and that that bill be the only business considered during the evening session.

The VICE PRESIDENT. Is there objection?

Mr. BRUCE. Mr. President, I regret very much that it is impossible for me to unite in the unanimous-consent proposal. I happen to know that the Senator from New Jersey [Mr. EDWARDS], if he were here, would not give his consent, because he so stated the other night. Therefore, I object.

Mr. MOSES. Mr. President, would the Senator from Maryland object if we divided the time between the bill to which the Senator from Utah refers and the Boulder Dam bill?

Mr. BRUCE. I am not objecting on my own account; so far as the bill is concerned I am perfectly willing that it should come up and be disposed of with the amendments to which the Senator from Utah [Mr. SMOOT] has agreed; but I know, of course, that the Senator from New Jersey said the other night that he would not enter into any agreement about it, and I feel that, as he is my desk mate, it is my duty to make the objection on his behalf.

Mr. SMOOT. Does the Senator know whether the Senator from New Jersey is in the city?

Mr. BRUCE. I do. He is.

Mr. SMOOT. The Senator from Maryland would not have any objection if I am able to get the consent of the Senator from New Jersey?

Mr. BRUCE. I have no objection to the consideration of the bill with the amendments agreed to, which the Senator from Utah promised to accept; but I am bound to object in the absence of the Senator from New Jersey. He will probably be here in a few minutes. I suggest that the Senator from Utah renew the request then.

Mr. SMOOT. Very well; I will withdraw the request and renew it when the Senator from New Jersey is here.

Mr. WALSH of Massachusetts. Mr. President, I suggest that we also take up on that occasion the bill authorizing loans by the Veterans' Bureau to the veterans of the World War.

Mr. SMOOT. I think it will take an evening for the bill to which I have referred, and I did not want to have anything else taken up the same evening.

Mr. WALSH of Massachusetts. I suggest to the Senator that if he had such a bill as the one I indicate to follow the one which he desires to have taken up, it would insure a full evening.

Mr. ROBINSON of Arkansas. Mr. President, I think the suggestion of the Senator from Massachusetts is a good one.

Mr. SMOOT. I shall be glad to accept it.

Mr. ROBINSON of Arkansas. Both bills are entitled to consideration. The bill relating to prohibition enforcement has been pending on the calendar for a long time, and the bill providing for loans to veterans on their certificates is likewise entitled to consideration, because the sentiment prevailing in the Senate is in favor of the enactment of such legislation.

Mr. BRUCE. So, too, has the French spoliation claims bill.

Mr. MOSES. Yes; that has been pending an equal length of time.

Mr. ROBINSON of Arkansas. I am in sympathy with the Senator from Maryland in his efforts to get consideration of that bill, but I will say to him that there is a wide diversity of sentiment respecting the French spoliation claims bill.

Mr. BRUCE. I know that is true, and I am afraid, so far as the Senator from Arkansas is concerned, that his sympathy with the bill is a case of faith without works.

Mr. SMOOT. I withdraw my request.

Mr. ROBINSON of Arkansas. Mr. President, I think I ought to be permitted to reply to the Senator from Maryland. I myself at one time reported the French spoliation claims bill from the Committee on Claims and made a persistent effort to get consideration of it, not on the theory that the bill necessarily should be passed, on the theory that the issue involved in the bill should be determined. The practice has prevailed for a long time of leaving undecided over a long period measures which are presented. I think the Senate should vote on the French spoliations claims bill.

Mr. BRUCE. I thank the Senator.

Mr. ROBINSON of Arkansas. I think, in view of the record in the matter to which I have just referred, the allusion of the Senator from Maryland is hardly justified.

Mr. BRATTON. Mr. President, I desire to supplement what has been said in regard to the bill to authorize the Veterans' Bureau to make loans to ex-service men by stating in this connection that on February 3 my colleague, the senior Senator from New Mexico [Mr. JONES], introduced a bill proposing to repeal the last clause of paragraph 7 of section 202 of the World War veterans' act of 1924, that being the provision which fixes the compensation due to an ex-service man at $40 per month during the time he is in a hospital. It becomes effective after June 30.

I intend to offer that bill as an amendment to the bill authorizing loans to veterans. In so doing I shall act on behalf of my colleague, who is ill, and supplement that with my personal views on the subject. My colleague gave notice some days ago—prior to his illness—that he intended to offer the bill as an amendment to the veterans' loan bill, and since he can not do so I shall do it for him. I give notice to the chairman of the committee and to Senators generally of my intention to propose the amendment.

Mr. SMOOT. Mr. President, I sent the bill down to the Veterans' Bureau of the Treasury Department in order to obtain a report from General Hines. Before I left my office this morning the report of General Hines on the bill was handed to me. From that report it appears that it will cost about $2,300,000 a year if we shall accept the amendment and put it into operation.

Mr. BRATTON. Mr. President, I can not agree with the Senator from Utah.

Mr. CURTIS. Mr. President, I do not like to interrupt, but can we not proceed with the morning business, and argue this matter out when morning business shall have been concluded and the subject is properly before the Senate? I ask for the regular order.

The VICE PRESIDENT The regular order is the presentation of petitions and memorials.

[At this point routine morning business was transacted, which appears under the proper heading.]

Mr. ASHURST. Mr. President, a parliamentary inquiry. The unanimous-consent agreement asked for was not entered into?

The VICE PRESIDENT. It was not entered into.

Mr. ASHURST. Then I renew the request that House bill 16886—that is, the veterans' loan bill—be considered on Monday evening commencing at 8 o'clock.

The VICE PRESIDENT. Is there objection to the request for unanimous consent of the Senator from Arizona?

Mr MOSES. That was not the suggestion of the Senator from Utah [Mr. SMOOT].

Mr. ASHURST. But it is my suggestion.

Mr. MOSES. The Senator from Arizona said he renewed the request.

Mr. ASHURST. But I can change the form of the request in renewing it.

Mr. BRATTON. Mr. President, I join the Senator from Utah in proposing the unanimous-consent request.

Mr. ASHURST. Let us buckle up one thing at a time; let us have the unanimous-consent agreement entered into before we take up anything else.

Mr. MOSES. What is the form of the request in which the Senator from Arizona presents it

Mr. ASHURST. I will defer to the Senator from Utah to prefer his own request for unanimous consent.

Mr. SMOOT. Mr. President, the Senator from New Jersey [Mr. EDWARDS] is now in the Chamber. Will the Senator from Arizona allow me to renew the request, as I stated I would present it when the Senator from New Jersey should return?

Mr. BLEASE. I should like to ask the Senator from Utah does the bill to which he refers place all prohibition officers into the civil service?

Mr. SMOOT. The bill as it came from the House, I will say to the Senator, places all of them under the civil service.

Mr. BLEASE. I object to that.

Mr. SMOOT. That matter can be thrashed out when the bill is up for consideration. The Senator from Maryland [Mr. BRUCE] has already given notice that he is going to ask to strike that provision out.

Mr. BLEASE. We have had enough of that situation down in my State with civil service and I do not want any more of it. I object.

Mr. BRATTON. In view of the objection made by the Senator from South Carolina, will not the Senator from Utah propose that we have an evening session on Monday to consider the veterans' loan bill?

Mr. SMOOT. I have no objection, Mr. President, to a night session on next Monday for that purpose; but I had hoped that we would get an agreement to consider both bills under one unanimous-consent request.

I will say to the Senator from South Carolina that as to the first amendment which was offered by the Senator from Maryland [Mr. BRUCE], I am perfectly willing that the Senate shall reconsider it, and, if it would be agreeable to the Senator from Maryland, not agree to it. I think that would be perfectly satisfactory, because the employees in question fall under the civil service, anyway, as I stated to the Senator from Maryland.

There was another amendment offered to the reorganization bill——

Mr. BORAH. Mr. President, I do not see why we should not dispose of morning business, and I am going to insist that we do so. Then we can take up requests for unanimous-consent agreements.

The VICE PRESIDENT. The Senator from Idaho asks for the regular order. Reports of committees are in order.

Mr. ASHURST. Mr. President, I ask unanimous consent that at 8 o'clock on Monday evening the Senate shall proceed to the consideration of House bill 16886.

SEVERAL SENATORS. Regular order!

Mr. ASHURST. Let me state my request, please. I ask unanimous consent that at 8 o'clock on Monday evening next the Senate shall proceed to the consideration of House bill 16886, to authorize the Director of the United States Veterans' Bureau to make loans to veterans upon the security of adjusted-service certificates.

Mr. BORAH. Mr. President, I call for the regular order.

The VICE PRESIDENT. The regular order is called for.

Mr. ASHURST. I wish to know who objected?

Mr. BORAH. If there is any necessity for stating it, I will say that I objected.

Mr. ASHURST. That is all I wish to know.

Mr. BORAH. Very well.

The VICE PRESIDENT. Reports of committees are in order.

After reports of committees, which appear following the agreement, had been received,

Mr. CURTIS. Mr. President, I ask unanimous consent that on Monday afternoon, at not later than 5 o'clock the Senate shall take a recess until 8 o'clock, at which time it shall reconvene, the evening session to continue not later than 11 o'clock p. m., and that at the evening session House bill 16886, to authorize the Director of the United States Veterans' Bureau to make loans to veterans upon the security of adjusted-service certificates shall be taken up, and if that shall be disposed of, then House bill 15009, the alien property bill, shall be taken up and proceeded with until 11 o'clock.

The VICE PRESIDENT. Is there objection?

Mr. BRUCE. Mr. President, before I give my consent I want to know what sort of provision is going to be made for measures on the calendar. Day by day the session is drawing rapidly to a close and no sort of chance is given to those of us interested in other measures. We do not know whether or not we are ever going to have an opportunity of obtaining a hearing for those measures.

Mr. CURTIS. After we complete the consideration of the pending appropriation bill, it is the intention to adjourn at the conclusion of business each day or as often as may be possible so as to give every Senator an opportunity in the morning hour the next day to call up measures on the calendar. When there is no unfinished business a bill which may be under consideration at 2 o'clock will become the unfinished business. We are going to try to give every Senator a chance as soon as the appropriation bill is out of the way.

Mr. BRUCE. We never have any opportunity during the morning hour. I have been watching what occurs during the morning hour, and I have discovered that always some motion or resolution or debate consumes the entire time and makes it impossible to call up any measure that requires any real degree of consideration. If it is the intention of the leaders on the other side to have night sessions at which we will have a chance to bring up measures in which we are interested, that is a different matter.

Mr. CURTIS. Mr. President, I was going to state that it was my intention to ask for other night sessions next week. I have been requested not to ask for night sessions this week by at least 20 Senators. That is the reason why I have not asked for such sessions.

Mr. BRUCE. That is because Senators are interested in pet measures of their own. They want to bring those measures up, but do not care what becomes of the others.

Mr. CURTIS. It is because they have engagements which make it impossible for them to be here at night during the present week.

Mr. President, I renew my request. I hope there will be no objection to it.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Kansas state the request again?

Mr. CURTIS. That on Monday night we have a session from 8 until 11 o'clock to take up the bill to authorize the making of loans on the certificates of veterans of the World War, and that we afterwards take up the alien property bill.

Mr. WALSH of Massachusetts. I hope the Senator's request will be agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I think I ought to say that the two bills which are embraced in this request are both measures that meet with the concurrence of a large number of Senators. They certainly ought to be considered and, if possible disposed of by the Senate prior to the adjournment.

There are a large number of measures on the calendar which will not be reached. So far as I am concerned, I wish some arrangement could be effected by which every bill that has substantial support here might be disposed of. It does seem to

me that the bill in which the Senator from Maryland [Mr. BRUCE] is primarily interested should be acted on.

Mr. BRUCE. I thank the Senator.

Mr. ROBINSON of Arkansas. It has been pending in the Senate for a great many years. There are a large number of Senators who think that it is a meritorious measure. There are some others who think it is without merit. The only way I know to reach a conclusion is to take a vote on the bill after reasonable opportunity for discussion; but I suggest to the Senator from Maryland, who has made many efforts to have the French spoliations claims bill voted upon, that we would not be justified in denying the veterans' loan bill and the alien property bill their opportunities because it has not been found possible or practicable to arrange for a vote on the spoliations claims bill.

Mr. BRUCE. I agree with the Senator about that.

Mr. ROBINSON of Arkansas. I hope, therefore, that the Senator will let this agreement be made; and, notwithstanding his apparent lack of confidence in my sincerity when I say that I should like to have the spoliations claims bill taken up and acted upon, I will say now that throughout many years I have advocated a final disposition of that bill, for the simple reason that it seems to me a manifestation of the inefficient conduct of business to have a measure favorably reported from committees over and over and never acted upon by the Senate. I am not trying to lecture anyone else as to what view he should take of these matters, but I am trying to make clear my own view regarding them.

The VICE PRESIDENT. Is there objection?

Mr. SMITH. Mr. President, before the question is put on the unanimous-consent request, I desire to ask the Senator from Kansas if it is his intention to restrict the meeting on Monday night to those two bills?

Mr. CURTIS. Yes; those two measures.

Mr. SMITH. And if they should be completed, then no other bills will be taken up that night?

Mr. CURTIS. No other business that night; but it is my intention early next week to ask for some night sessions for the consideration of bills on the calendar under Rule VIII.

Mr. SMITH. The reason why I rise now to make that inquiry is because, in justice to some of us who have bills on the calendar on which we think the Senate ought to take some action, I think we should be given a reasonable time, either during the morning hour or otherwise, for their consideration. I agree with the Senator from Maryland that the morning hour has too many possibilities of interruption to make it possible to accomplish work satisfactorily; but if we can be assured that we will have an opportunity at night sessions——

Mr. CURTIS. I will submit to-morrow an agreement for night sessions early next week for the consideration of bills on the calendar under Rule VIII.

Mr. SMITH. Very well.

Mr. BRUCE. Mr. President, allow me to say that I have not the slightest disposition to question the sincerity of the Senator from Arkansas. I do not know any Member of this body whose character is more strongly marked by perfect sincerity of motive and purpose than that of the Senator from Arkansas. Perhaps I did not say it in just the pleasant way that I should have done, but all I was disposed to say was that he was not quite as active and militant as I hoped he would be in pushing this measure. That suggestion may have led him to draw the inference he did; but my perfect faith in the sincerity of the Senator from Arkansas was demonstrated when I turned to him and asked him if he concurred with the Senator from Kansas in relation to the idea of holding night sessions to give some of these general measures on the calendar a chance; that is all.

Mr. HEFLIN. Mr. President, there are many important measures pending here that ought to be disposed of at this session, and the Muscle Shoals measure is one of them. It has been before the Senate for eight years or more. A bill on the subject is now before the Senate, favorably reported by the majority of the committee raised by a concurrent resolution; and at the time that bill went upon the calendar I gave notice that I should offer the American Cyanamid bid as a substitute for that measure when it was taken up by the Senate. We have been unable even to get consideration of that measure at this session of Congress. The subject matter of the bill has been here for eight long years. The Senator from Maryland now is trying to bring up here for consideration a measure that is over a hundred years old.

Mr. CURTIS. Mr. President——

Mr. HEFLIN. The whole Government, in its history for a hundred years, has opposed that measure. Presidents have denounced it with their vetoes, and Congress after Congress has refused to act favorably upon it. Why should we get in a hurry and be stampeded here in the closing hours of the session to consider one of the most colossal frauds ever attempted to be perpetrated upon a free people, a hundred years old, hoary with age, condemned by Presidents and Congresses? Yet we are now holding up a measure to permit the poor ex-service men who went off and offered their lives to this country to get a little money on the miserable certificates that were handed to them in lieu of a cash bonus by the Congress. The Senator from Maryland was against the bonus bill, and now, as I understand this proposition, he is undertaking to set aside a time to consider these two measures in conjunction.

Mr. President, that ought not to be. Why should this body of death be tied to this ex-service measure? We ought not to permit that.

Mr. CURTIS. Mr. President——

Mr. HEFLIN. If Senators want to prevent legislation for the good of the ex-service men, let them stand up and take the responsibility of saying so.

Mr. CURTIS. Mr. President, they are not tied together. The veterans' bill is to be taken up first.

Mr. HEFLIN. I know; but they are to be considered on the same night. You are agreeing that this measure shall be considered on the same night.

SEVERAL SENATORS. Oh no!

Mr. CURTIS. Oh, no; the veterans' bill is to be taken up first, and then the alien property bill. The veterans' bill is first.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SMITH. I desire to know whether the bill to which the Senator from Alabama refers is one of the two to be considered under the terms of the proposed unanimous-consent agreement.

Mr. ROBINSON of Arkansas. No; there is not even a request pending for its consideration.

Mr. HEFLIN. No; it is not to be considered with this bill, but the Senator from Maryland is demanding that his bill be considered at this session of Congress, and we are about to give consent to consider the ex-service men's claim; and I do not want any consent given to consider the bill of the Senator from Maryland that will tie itself up with the ex-service men's measure.

Mr. CURTIS. Nothing of that kind is proposed.

Mr. HEFLIN. I want that measure out of the way before any consideration is given to other matters.

Mr. ROBINSON of Arkansas. May I say to the Senator from Alabama that there is not even a proposal pending for the consideration of any bill, except the veterans' loan bill and the alien property bill.

The VICE PRESIDENT. Is there objection to the proposed unanimous-consent agreement?

Mr. BRUCE. Mr. President, allow me to say just one word. I simply want to say that the statements of the Senator from Alabama are characterized by the usual measure of loose and lavish inaccuracy which marks pretty much all his speeches. I did not ask that any special favor be shown to this bill of mine. I asked that after these two measures—the superior importance of which I fully realize—are considered, that then the measures generally on the calendar be taken up.

As to my revamping claims a hundred years old, who is it but the Senator from Alabama who has attempted recently to revive in this body religious prejudices five or six hundred years old?

Mr. HEFLIN. I am going to speak again to-day and pay my respects to the Senator from Maryland.

Mr. BRUCE. I know the Senator will, because he never knows when he has spoken enough.

Mr. OVERMAN. Mr. President, I should like to make an inquiry as to whether the proposed unanimous-consent agreement provides for taking up the Veterans' Bureau bill first?

The VICE PRESIDENT. It does.

Mr. HEFLIN. That is my understanding.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Kansas? The Chair hears none, and the agreement is entered into.

The agreement was reduced to writing, as follows:

Ordered, by unanimous consent, That on Monday, February 21, 1927, the Senate shall take a recess not later than 5 o'clock p. m. until 8 o'clock p. m. and that at the evening session, which shall not continue later than 11 o'clock p. m., the Senate shall proceed to the consideration of Calendar No. 1498 (H. R. 16886) "An act to authorize the Director of the United States Veterans' Bureau to make loans to veterans upon the security of adjusted service certificates."

It is further agreed that if the consideration of the foregoing bill is completed prior to 11 o'clock the Senate shall proceed to the consideration of the bill (H. R. 15009) to provide for the settlement of certain claims of American nationals against Germany and of Ger-

man nationals against the United States for the ultimate return of all property of German nationals held by the Alien Property Custodian, and for the equitable apportionment among all claimants of certain available funds.

REPORTS OF COMMITTEES

Mr. EDGE, from the Committee on Finance, to which was referred the bill (H. R. 16775) to limit the application of the internal revenue tax upon passage tickets, reported it without amendment and submitted a report (No. 1503) thereon.

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the bill (S. 5449) to authorize a permanent annual appropriation for the maintenance of the Gorgas Memorial Laboratory, reported it without amendment and submitted a report (No. 1504) thereon.

Mr. WILLIS, from the Committee on Territories and Insular Possessions, to which was referred the joint resolution (H. J. Res. 96) to authorize the President to pay to surgeons employed on the Alaska Railroad such sums as may be due them under agreement with the Alaskan Engineering Commission or the Alaska Railroad, reported it without amendment and submitted a report (No. 1505) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (H. R. 5082) for the relief of David Barker (Rept. No. 1506); and

A bill (H. R. 8852) for the relief of Thomas Maley (Rept. No. 1507).

Mr. FESS, from the Committee on Interstate Commerce, to which was referred the bill (H. R. 12065) to amend the interstate commerce act and the transportation act, 1920, and for other purposes, reported it without amendment and submitted a report (No. 1508) thereon.

Mr. STANFIELD, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 9916) to revise the boundary of the Grand Canyon National Park in the State of Arizona, and for other purposes, reported it without amendment and submitted a report (No. 1509) thereon.

ENROLLED BILL PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that on February 17, 1927, that committee presented to the President of the United States the enrolled bill (S. 5259) granting permission to Maj. Charles Beatty Moore, United States Army, to accept the following decorations, namely, the Legion of Honor tendered him by the Republic of France, and the officers' cross of the order Polonia Restituta tendered him by the Republic of Poland.

AMENDMENT OF INLAND WATERWAYS ACT

Mr. RANSDELL. From the Committee on Commerce I report back favorably with an amendment the bill (S. 5671) to amend paragraph (c) of section 4 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924.

I ask unanimous consent for the present consideration of the bill, which I think will take but one moment.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Commerce was, on page 2, line 5, after the word "detailed," to insert "at the date of the passage of this amendatory act," so as to make the bill read.

Be it enacted, etc., That paragraph (c) of section 4 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924, be, and the same is hereby, amended to read as follows:

"(c) In addition to the six members, the Secretary of War shall appoint an individual from civil life, or (notwithstanding section 1222 of the Revised Statutes or any other provision of law, or any rules and regulations issued thereunder) detail an officer from the Military Establishment of the United States, as chairman of the board. Any officer so detailed at the date of the passage of this amendatory act shall, during his term of office as chairman, have the rank, pay, and allowances of a major general, United States Army, and shall be exempt from the operation of any provision of law or any rules or regulations issued thereunder which limits the length of such detail or compels him to perform duty with troops. Any individual appointed from civil life shall, during his term of office as chairman, receive a salary not to exceed $10,000 a year, to be fixed by the Secretary of War. The Secretary of War may delegate to the chairman any of the functions vested in the Secretary by this act."

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. WATSON. Mr. President, I should like very much to examine the provisions of the measure. I do not know what it is proposed to accomplish.

Mr. BORAH. I call for the regular order.

The VICE PRESIDENT. The regular order is called for. Reports of committees are in order.

Mr. RANSDELL. I hope the Senator from Idaho will permit this bill to pass.

Mr. WATSON subsequently said: Mr. President, I have examined Senate bill 5671, which was reported a few moments ago by the Senator from Louisiana [Mr. RANSDELL], and I withdraw my objection to its immediate consideration and passage.

Mr. RANSDELL. Mr. President, I hope the bill will be immediately considered. I ask unanimous consent that that may be done. I will say that the bill has been unanimously reported by the committee.

Mr. NORRIS. Is that the bill to which the Senator from Idaho [Mr. BORAH] objected?

Mr. RANSDELL. No; he did not object to the bill.

Mr. WATSON. I objected to the bill, but I will say to the Senator that I have investigated the bill and withdraw my objection.

The VICE PRESIDENT. If there be no objection, the question is on agreeing to the amendment of the committee, which has been stated.

The amendment was agreed to.

The bill was reported to the Senate as amended and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPOINTMENTS TO FEDERAL OFFICE

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back with an amendment the resolution (S. Res. 338) to investigate the charges of barter and sale of political influence in connection with Federal appointments.

Mr. NORRIS. Mr. President, before the Senate takes up another matter, I ask unanimous consent for the present consideration of the resolution just reported by the Senator from New Hampshire [Mr. KEYES] from the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. MOSES. Mr. President, I shall be constrained to object to that. The junior Senator from Utah [Mr. KING] is not in the Chamber, and I understand he desires to be present when the resolution is considered.

Mr. NORRIS. The Senator from Kentucky——

Mr. MOSES. Then, following the example of the Senator from Idaho [Mr. BORAH], I shall object.

Mr. NORRIS. That is all right.

Mr. BORAH. All I wanted to do was to get through the morning business.

CLINCH RIVER BRIDGE, TENNESSEE

Mr. STEWART. From the Committee on Commerce I report back favorably four bridge bills, which are in the regular form, and I shall ask unanimous consent for their immediate consideration.

First I report back favorably without amendment the bill (S. 5603) granting the consent of Congress to the Department of Highways and Public Works of the State of Tennessee to construct a bridge across the Clinch River, approximately at Kyles Ford, on the Rogersville-Sneedville Road in Hancock County, Tenn., and I submit a report (No. 1499) thereon.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the department of highways and public works of the State of Tennessee, and its successors and assigns to construct, maintain, and operate a bridge and approaches thereto across the Clinch River at a point suitable to the interests of navigation and approximately at Kyles Ford on the Rogersville-Sneedville Road, in Hancock County, in the State of Tennessee, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

ELIZABETH RIVER BRIDGE, VIRGINIA

Mr. STEWART. From the Committee on Commerce I also report back favorably without amendment the bill (S. 5585) to extend the time for construction of a bridge across the southern branch of the Elizabeth River, near the cities of Norfolk and Portsmouth, in the county of Norfolk, State of Virginia, and I submit a report (No. 1500) thereon.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill, which was read as follows:

Be it enacted, etc., That the time for beginning and completing the construction of the bridge across the southern branch of the Elizabeth River, authorized by the act of Congress entitled "An act granting the consent of Congress to O. Emmerson Smith, F. F. Priest, W. P. Jordan, H. W. West, C. M. Jordan, and G. Hubard Massey to construct, maintain, and operate a bridge across the southern branch of the Elizabeth River, at or near the cities of Norfolk and Portsmouth, in the county of Norfolk, in the State of Virginia," approved May 22, 1926, be, and the same is hereby, extended to one and three years, respectively, from May 22, 1927.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE

Mr. STEWART. From the Committee on Commerce I report back favorably with amendments the bill (S. 5602) granting the consent of Congress to the city of Blair, in the State of Nebraska, or its assignees, to construct a bridge and approaches thereto across the Missouri River between the States of Nebraska and Iowa, and I submit a report (No. 1501) thereon.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill.

The amendments were, on page 2, line 9, after the word "in," to strike out "said" and insert "this"; and in section 2, page 2, line 12, before the word "lands," to strike out "the" and insert "upon," so as to make the bill read:

Be it enacted, etc., That the consent of Congress be, and hereby is, granted to the city of Blair, in the county of Washington, and State of Nebraska, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Nebraska, relative to cities of the second class, to construct, maintain, and operate a free highway bridge and approaches thereto across the Missouri River at a point suitable to the interests of navigation between a point in Washington County, State of Nebraska, and a point opposite in Harrison County, State of Iowa, south of the present railway bridge owned and operated by the Chicago & Northwestern Railway Co. as a part of its right of way between the city of Blair, Nebr., and the city of Missouri Valley, in the State of Iowa, in accordance with provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the said city of Blair, in Washington County, State of Nebraska, its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is located upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in condemnation and expropriation of property in such State.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OHIO RIVER BRIDGE

Mr. STEWART. Also from the Committee on Commerce I report back favorably without amendment the bill (H. R. 16888) granting the consent of Congress to the Paducah Board of Trade (Inc.), of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River, and I submit a report (No. 1502) thereon.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

CLAIMS COMMISSION BETWEEN THE UNITED STATES AND MEXICO

Mr. BORAH. From the Committee on Foreign Relations I report back favorably without amendment Senate Resolution 352, and ask unanimous consent for its immediate consideration. If it leads to debate, I will withdraw it.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read Senate Resolution 352, submitted by Mr. BORAH on the 15th instant, as follows:

Whereas it is provided by Article VI of the General Claims Convention, concluded between the United States and Mexico on September 8, 1923, that the commission created pursuant thereto to pass on claims to which the convention relates shall hear, examine, and decide within three years from the date of its first meeting all claims filed with it which arose prior to the signing of the convention, which period of time will expire on August 30, 1927; and

Whereas Article VIII of the convention provides that all such claims filed with the commission shall be considered and treated as fully settled, barred, and thenceforth inadmissible provided they have been heard and decided by the commission; and

Whereas it has been brought to the knowledge of the Senate that it will not be possible for the commission to hear, examine, and decide in the manner contemplated by the convention within the time specified by Article VI of the convention all the claims which have been filed with said commission in accordance with the terms of the convention; and

Whereas it is in the interest of both Governments fully to hear, judicially determine, and settle all such claims: Therefore be it

Resolved, That the President be, and is hereby, requested, in his discretion, to negotiate and conclude with the Mexican Government such agreement as may be necessary and appropriate for the extension of the life of the General Claims Commission between the United States and Mexico in order to permit of the hearing, examination, and the decision of all claims coming within the jurisdiction of the said commission under the terms of the said convention of September 8, 1923, and to make such further arrangement as in his judgment may be deemed appropriate for the expeditious adjudication of said claims.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none.

The resolution was considered and agreed to.

INVESTIGATION OF TARIFF COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, by direction of the Select Committee on Investigation of the Proceedings of the Tariff Commission, I desire to submit two resolutions, the purpose of which is to continue the authority of the select committee beyond the present session of the Congress and until the first regular session of the Seventieth Congress.

The committee has had many hearings, which are now being printed. It will not be possible during the remaining days of the present session to prepare and agree upon a report, which the committee regards as the most important part of its work. I therefore ask consideration of the two resolutions, one continuing the authority of the committee and the other having the effect of continuing the funds made available for the use of the committee. No additional funds are desired or required.

Mr. SMOOT. Let the resolutions be read.

The VICE PRESIDENT. The resolutions will be read.

The Chief Clerk read the first resolution (S. Res. 357), as follows:

Resolved, That the resolution (S. Res. 162) authorizing and directing an investigation of the manner in which the flexible provisions of the tariff act of 1922 has been or is being administered, agreed to March 11, 1926, be, and it is hereby, continued in full force and effect until the end of the first regular session of the Seventieth Congress.

Mr. REED of Pennsylvania. Mr. President, I hope the resolution will be agreed to, because, while the committee has completed its hearings, if it endeavored to make its report before the conclusion of this session of Congress, in all likelihood the legislation would lose most of its value because of the haste that would be required to get it together.

Mr. SMOOT. I agree with the statement made by the Senator from Pennsylvania.

Mr. LENROOT. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LENROOT. Did the Senator from Arkansas ask for the immediate consideration of the resolution?

Mr. ROBINSON of Arkansas. I did.

Mr. LENROOT. I have no objection, provided it does not lead to debate.

Mr. ROBINSON of Arkansas. I anticipate that it will not lead to prolonged debate. If it should, I will ask that the resolution go over.

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. NORRIS. Mr. President, I would like to make an inquiry. I have forgotten at this moment who are the members of the committee, and I assume that all the members of the select committee will be Members of the Seventieth Congress.

Mr. ROBINSON of Arkansas. The senior Senator from New York [Mr. WADSWORTH], who is a member of the select committee, will not be a member of the next Congress. If he serves on the committee, which I am advised he may be able to do, provided he desires to continue in the service, he will, of course, receive no compensation.

Mr. NORRIS. It rather seems to me that we ought to know about that. I have no objection, of course, to the Senator from New York continuing to serve on the committee, but if there is any question about it authority should be given to fill the place which would be made vacant by his retirement.

Mr. ROBINSON of Arkansas. I am informed that under the resolution which is presented continuing the authority of this committee the Senator from New York may serve on the committee if he chooses to do so. He has not yet determined whether he will desire to serve or not, and I assume that matter will be settled later at the convenience of the Senator from New York.

Mr. REED of Pennsylvania. I think I am justified in saying that the Senator from New York would readily resign if there were any doubt about his authority to stay on the committee. The rest of us who are on the committee have urged him to stay on if he legally can do so.

Mr. NORRIS. I am not making any objection to the Senator from New York remaining on the committee; I would be very glad if he would; but I had forgotten when I asked the question who are on the committee, and it occurred to me that we should not be left in the possible predicament of not having a full committee.

The VICE PRESIDENT. The question is on agreeing to the resolution.

The resolution was agreed to.

The VICE PRESIDENT. The Clerk will read the second resolution offered by the Senator from Arkansas.

The resolution (S. Res. 358) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the resolution (S. Res. 178) authorizing the holding of hearings and the employment of clerical assistance by the special committee to investigate the administration of the flexible provision of the tariff act of 1922, agreed to March 22, 1926, be, and it is hereby, continued in full force and effect until the end of the first regular session of the Seventieth Congress.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 5747) to standardize bales of cotton intended for use in interstate commerce; to the Committee on Agriculture and Forestry.

By Mr. ROBINSON of Indiana:

A bill (S. 5748) authorizing the President to reappoint E. C. Callahan, formerly a captain of Infantry, United States Army, a captain of Infantry, United States Army; to the Committee on Military Affairs.

By Mr. WADSWORTH:

A bill (S. 5749) for the relief of Samuel Gettinger and Harry Pomerantz; to the Committee on Claims.

By Mr. SHORTRIDGE:

A bill (S. 5750) granting an increase of pension to Max Blank; to the Committee on Pensions.

By Mr. JOHNSON:

A bill (S. 5751) for the relief of Ella S. Brown; to the Committee on Claims.

A bill (S. 5752) granting an increase of pension to Julia A. Hart; and

A bill (S. 5753) granting an increase of pension to Mary J. Taggart; to the Committee on Pensions.

By Mr. DALE:

A bill (S. 5754) granting an increase of pension to Eliza C. Lower; and

A bill (S. 5755) granting an increase of pension to Elva M. Averill; to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 5756) granting a pension to Elizabeth E. Wood (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 5757) authorizing the Secretary of War to grant permission to the Port of Portland Commission to close the east channel of Swan Island, Oreg.; to the Committee on Commerce.

By Mr. HAWES:

A bill (S. 5758) granting an increase of pension to Evaline Blair; and

A bill (S. 5759) granting an increase of pension to Ada M. Standish (with accompanying papers); to the Committee on Pensions.

By Mr. NORRIS:

A joint resolution (S. J. Res. 163) providing for the completion of Dam No. 2 and the Steam Plant at Nitrate Plant No. 2 in the vicinity of Muscle Shoals, Ala., and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. BINGHAM:

A joint resolution (S. J. Res. 164) to establish a Joint Commission on Insular Reorganization; to the Committee on Territories and Insular Possessions.

TITLE OF COURT OF CUSTOMS APPEALS

Mr. METCALF submitted an amendment intended to be proposed by him to the bill (H. R. 16222) to change the title of the United States Court of Customs Appeals, and for other purposes, which was referred to the Committee on the Judiciary and ordered to be printed.

PUBLIC BUILDINGS IN THE DISTRICT OF COLUMBIA

Mr. McKELLAR submitted an amendment intended to be proposed by him to the amendment of the House of Representatives No. 4 to the bill (S. 4663) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings, which was ordered to lie on the table and to be printed.

ALIEN PROPERTY ADJUSTMENT

Mr. WADSWORTH submitted an amendment intended to be proposed by him to the bill (H. R. 15009) to provide for the settlement of certain claims of American nationals against Germany and of German nationals against the United States for the ultimate return of all property of German nationals held by the Alien Property Custodian, and for the equitable apportionment among all claimants of certain available funds, which was ordered to lie on the table and to be printed.

EXPORTS OF FARM PRODUCTS

Mr. NYE. I submit a resolution which I ask may be read at the desk and go over under the rule.

The resolution (S. Res. 356) was read, as follows:

Whereas the United States Department of Agriculture in a recent report entitled "The 1927 Agricultural Outlook" said:

"Some improvements in the purchasing power of foreign countries for agricultural products of 1927 may be expected, but it is probable that larger foreign production of breadstuffs, fruits, and animal products will reduce foreign demand for our exportable surpluses of these products; and

"Cotton production must be curtailed drastically the coming season to restore the balance between consumption and supply at remunerative prices to growers. With average yields a reduction of about 30 per cent in acreage appears necessary to give growers the best gross returns for the 1927 crop"; and

Whereas the Department of Commerce reports that during the calendar year 1926 the value of crude foodstuffs and food animals and manufactured foodstuffs exported was $53,565,000 less than during the calendar year 1925, but the value of finished manufactures exported was $112,784,000 larger in 1926 than in 1925: Therefore be it

Resolved, That the Secretary of Agriculture be requested to inform the Senate at his earliest convenience the chief causes, in his mind, for the reduction in the value of exports of farm products in crude and finished form, what measures the Department of Agriculture is using to stimulate foreign consumption of American farm products, and what cooperation, if any, the department receives from other governmental agencies in doing this; and if, in his judgment, it is probable that in the next few years there will be a greater demand for American farm products at a price remunerative to the producers, or whether higher prices American farmers might receive for their staple products will encourage a larger production thereof.

The VICE PRESIDENT. The resolution will go over under the rule.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated below:

H. R. 1691. An act for the relief of Henry F. Downing; to the Committee on Naval Affairs.

H. R. 16183. An act granting relief to Thomas M. Livingston; to the calendar.

H. R. 11929. An act to authorize the Secretary of the Interior to sell to Sylvester Troth Smith, Horace Smith, Robert Hill Smith, Mary Smith De Jean, Mary Ellen Smith, and W. C. Scott, in possession under mesne conveyances from Leroy Stafford, section 48, township 1 south, range 2 east, and section 33, township 2 north, range 2 east, Louisiana meridian, Rapides Parish, La.; and

H. R. 15018. An act validating certain applications for and entries of public lands; to the Committee on Public Lands and Surveys.

H. R. 9211. An act to prescribe certain of the qualifications of voters in the Territory of Alaska, and for other purposes;

H. R. 16952. An act to ratify and confirm Act No. 3243 of the Philippine Legislature, approved November 27, 1925; and

H. J. Res. 99. Joint resolution for the relief of a special disbursing agent of the Alaskan Engineering Commission (the Alaska Railroad); to the Committee on Territories and Insular Possessions.

H. R. 1133. An act for the relief of John G. Pauley;

H. R. 1141. An act to correct the military record of John Dewitt Marvin;

H. R. 1842. An act for the relief of John Costigan;

H. R. 5449. An act for the relief of James E. Westcott;

H. R. 5548. An act to correct the military record of Clarence G. Stonestreet;

H. R. 5642. An act for the relief of David E. Goodwin;

H. R. 7153. An act authorizing the President to appoint J. H. S. Morison to the position and rank of major, Medical Corps, in the United States Army;

H. R. 7540. An act for the relief of Edward F. Weiskopf;

H. R. 9318. An act authorizing the President to appoint James B. Dickson a second lieutenant of the Air Service in the Regular Army of the United States;

H. R. 9666. An act to correct the military record of Owen J. Owen;

H. R. 9738. An act to correct the military record of Richard Brannan;

H. R. 10380. An act to remove the charge of desertion against Israel Brown and to grant him an honorable discharge;

H. R. 10953. An act for the relief of William Perkins;

H. R. 11110. An act for the relief of George Caldwell;

H. R. 11542. An act for the relief of James M. Winston;

H. R. 12038. An act to correct the military record of Edward Delaney;

H. R. 12569. An act for the relief of Thomas F. Nicholas;

H. R. 12859. An act for the relief of Thomas Murphy;

H. R. 12903. An act for the relief of Abraham H. Tompkins;

H. R. 12936. An act for the relief of Bert H. Libbey, alias Burt H. Libbey;

H. R. 12963. An act for the relief of Adam B. Ackerman, alias Aunkerman;

H. R. 13004. An act for the relief of John G. Cassidy;

H. R. 14591. An act authorizing the President to appoint William V. Pruett to the position and rank of major, Medical Corps, in the United States Army;

H. R. 14794. An act for the relief of Daniel Mangan;

H. R. 14895. An act to provide for the reinstatement of Warren M. Hendricksen in the United States Military Academy;

H. R. 15253. An act for the relief of certain officers and former officers of the Army of the United States;

H. R. 15432. An act to correct the military record of Curtis P. Wise;

H. R. 15624. An act for the relief of Andrew McLaughlin;

H. R. 15863. An act for the relief of the widow of Warren V. Howard; and

H. R. 16155. An act for the validation of the acquisition of Canadian properties by the War Department and for the relief of certain disbursing officers for payments made thereon; to the Committee on Military Affairs.

H. R. 724. An act for the relief of Capt. Norman D. Cota;

H. R. 780. An act for the relief of J. S. Corbett;

H. R. 1595. An act for the relief of Fannie Kravitz;

H. R. 2589. An act for the relief of Archie O. Sprague;

H. R. 2718. An act for the relief of M. F. Snider;

H. R. 3295. An act for the relief of Sherman P. Browning;

H. R. 4321. An act authorizing the redemption by the United States Treasury of 20 war-savings stamps (series of 1918) now held by Dr. John Mack, of Omaha, Nebr.;

H. R. 5089. An act for the relief of Christine Mygatt;

H. R. 5921. An act for the refund of money erroneously collected from Thomas Griffith, of Peach Creek, W. Va.;

H. R. 6057. An act for the relief of George Boiko & Co. (Inc.);

H. R. 8477. An act for the relief of Frank J. Dwyer;

H. R. 8739. An act for the relief of Lim Toy, of the city of Boston, Mass.;

H. R. 9063. An act for the relief of Marie Yvonne Gueguinou;

H. R. 9163. An act for the relief of Margaret T. Head;

H. R. 9226. An act to reimburse Dr. Philip Suriani;

H. R. 9427. An act for the relief of Gilbert B. Perkins;

H. R. 9515. An act for the relief of R. P. Biddle;

H. R. 9804. An act for the relief of the Pacific Steamship Co., of Seattle, Wash.;

H. R. 10422. An act for the relief of William J. O'Brien;

H. R. 10447. An act for the relief of First Lieut. Walter T. Wilsey;

H. R. 10496. An act for the relief of John A. Thornton;

H. R. 11064. An act for the relief of R. W. Hilderbrand;

H. R. 11852. An act for the relief of M. Tillery and Mrs. V. D. Tillery;

H. R. 12334. An act for the relief of W. Randall Spurlock;

H. R. 12388. An act for the relief of K. I. Ward;

H. R. 12404. An act for the relief of Shadyside Bank;

H. R. 12818. An act for the relief of Charles Beretta, Isidore J. Proulx, and John J. West;

H. R. 13143. An act for the relief of the Charlotte Chamber of Commerce and Capt. Charles G. Dobbins, Army disbursing officer;

H. R. 13144. An act for the relief of the Sanitarium Co., of Portland, Oreg.;

H. R. 13971. An act for the relief of Ruth J. Walling;

H. R. 14071. An act for the relief of Garfield Hankins;

H. R. 14179. An act for the relief of Roland M. Baker;

H. R. 15252. An act to provide relief for certain natives of Borongan, Samar, P. I., for rental of houses occupied by the United States Army during the years 1900 to 1903;

H. R. 16058. An act for the relief of certain officers of the Army of the United States; and

H. R. 16442. An act for the relief of Ira E. King; to the Committee on Claims.

RETIREMENT OF DISABLED ARMY OFFICERS

Mr. TYSON. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the Disabled American Veterans' Semi-Monthly, of the issue of January 22, 1927, entitled "Disabled Army officers."

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

DISABLED ARMY OFFICERS

It was never the wish or intention of either the American people or its representatives in Congress to overlook the just claims of any of its fighting men who suffered for their country in the World War. If there be some deserving of relief who have failed to receive it the failure has sprung from want of thought and not from want of heart.

Apparently a number of disabled emergency Army officers, either through the snarls of official red tape or because their claims have not been dramatically presented, have failed to receive justice at the hands of Congress. Eight classes of disabled veterans have been retired on pensions, but the ninth class, the disabled Army officers, are still waiting for relief.

Bills have been introduced from time to time to provide retirement privileges for these neglected heroes of the World War. Twice such bills have passed the Senate to fail of passage in the House.

Senator TYSON and Representative FITZGERALD have bills now pending in Congress to remove this doubtless unintentional discrimination against one of the bravest bands of patriots that ever worthily upheld the traditions of the American Army. There should be no difficulty in persuading the present House to redress this wrong if the claims of these neglected veterans are presented with the indorsement of a Nation grateful for, and not unmindful of, their consummate sacrifice.

In convention assembled the Disabled American Veterans has repeatedly indorsed and approved this just legislation. Never before has our support been needed greater. Every chapter, every member, and every department must get busy.

Your active assistance will mean a great deal to the disabled emergency officers.

PUBLIC BUILDINGS IN THE DISTRICT OF COLUMBIA

The VICE PRESIDENT. The morning business is closed.

Mr. LENROOT. Mr. President, I move that the Senate proceed to the consideration of the House amendments to Senate bill 4663, known as the public buildings bill.

The VICE PRESIDENT. The question is on the motion of the Senator from Wisconsin.

Mr. McKELLAR. Mr. President, do I understand that the Senator moves that that be done?

Mr. LENROOT. I do.

The VICE PRESIDENT. The motion is not debatable. The question is on the motion of the Senator from Wisconsin.

The motion was agreed to; and the Vice President laid before the Senate the amendments of the House of Representatives to the bill (S. 4663) authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings, which were, on page 1, line 10, after "1926," to insert "as amended"; on page 2, line 11, after "1926," to insert "as amended"; on page 2, line 12, after "act," to insert "as amended"; on page 2, after line 14, to insert the following:

SEC. 3. (a) The first paragraph of section 5 of the act entitled "An act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926, is amended to read as follows:

"SEC. 5. For the purpose of carrying out the provisions of this act the sum of $250,000,000, in addition to the amount authorized in section 3 hereof, is hereby authorized to be appropriated, but under this authorization, and from appropriations (exclusive of appropriations made for 'remodeling and enlarging public buildings'), heretofore made for the acquisition of sites for, or the construction, enlarging, remodeling, or extension of public buildings under the control of the Treasury Department, not more than $35,000,000, in the aggregate, shall be expended annually (except that any part of the balance of such sum of $35,000,000 remaining unexpended at the end of any year may be expended in any subsequent year without reference to this limitation): *Provided*, That such amount as is necessary, not to exceed $50,000,000 of the total amount authorized to be expended under the provisions of this act, shall be available for projects in the District of Columbia, and not more than $10,000,000 thereof shall be expended annually (except that any part of the balance of such sum of $10,000,000 remaining unexpended at the end of any year may be expended in any subsequent year without reference to this limitation): *Provided*, That at least one-fifth of the expenditures outside of the District of Columbia during the fiscal year 1927 shall be for the buildings heretofore authorized and at least one-fifth of the expenditures for the fiscal year 1928, and at least one-fifth of the expenditures for the fiscal year 1929, shall be for a like purpose unless a less amount shall be necessary to complete all of such buildings: *Provided further*, That expenditures outside the District of Columbia under the provisions of this section shall not exceed the sum of $5,000,000 annually in any one of the States, Territories, or possessions of the United States."

(b) The last paragraph of such section 5 is amended by striking out "$150,000,000" and inserting in lieu thereof "$250,000,000."

And to amend the title so as to read: "Authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings, and for other purposes."

Mr. McKELLAR. Mr. President, on May 25, 1926, Congress passed a bill for public buildings, section 4 of which provides as follows:

The Secretary of the Treasury shall submit annually and from time to time as may be required estimates to the Bureau of the Budget, in accordance with the provisions of the Budget and accounting act, 1921, showing in complete detail the various amounts it is proposed to expend under the authority of this act during the fiscal year for which said estimates are submitted, which shall include a statement of the location of the buildings proposed to be erected, together with a limit of cost for the same.

I ask Senators to listen to this proviso:

Provided, That in submitting such estimates the Secretary of the Treasury shall allocate the amounts proposed to be expended to the different States where buildings are found by him to be necessary, in such a manner as to distribute the same fairly on the basis of area, population, and postal receipts.

The Secretary of the Treasury, instead of proceeding in accordance with the mandate of the Congress, sought legal advice from an Assistant Attorney General, who apparently has advised him that this provision of the law is nugatory, and that he does not have to follow it.

I call the attention of Senators to the opinion delivered to the Hon. Carl T. Schuneman on January 19 of this year, as found on page 3942 of the RECORD of yesterday. I want to read that opinion. It is a very significant document. The Assistant Attorney General not only strikes out the three important provisions of the act I have read, but he adds to the provisions of Congress. He substitutes another provision of his own. Before I read the opinion, I want to say that the result is that instead of allocating the money in accordance with the law passed by Congress, the Secretary allocates the money in accordance with his own views, without let or hindrance, or regard to the law, with the result that it is not distributed in accordance with area, population, and postal receipts at all, but it is allocated just as the Secretary of the Treasury desires to allocate it. For instance, the method of distribution provided by Congress is disregarded entirely in my own State, and the pitiful sum of $605,000 is allocated to Tennessee.

Mr. LENROOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. In just a moment I will yield. Even the sum I have mentioned was not allocated according to the first report, but an amendment was made which included the two post-office buildings that were provided for in the act, which he could not exclude.

I now yield to the Senator from Wisconsin.

Mr. LENROOT. I would like to ask the Senator if it is not a fact that the State of Tennessee has 25 post offices with receipts in excess of $20,000 per year, and already has 23 public buildings for those 25 post offices?

Mr. McKELLAR. I have not examined into the matter. The Senator may be correct about that; but that does not affect this question. There is a report on Memphis showing an urgent need for a new Federal building. What I am maintaining is this, that the Congress has directed a plan by which this money shall be allocated. The Secretary of the Treasury is disregarding that plan, and my own idea is that the Congress should in no uncertain terms dispose of this opinion of the Attorney General, in which he disregards entirely the provisions of the act of Congress. I now read:

DEPARTMENT OF JUSTICE,
Washington, D. C., January 19, 1927.

To the Hon. CARL T. SCHUNEMAN,
Assistant Secretary of the Treasury, Washington, D. C.

DEAR MR. SCHUNEMAN: In accordance with the suggestion made to me at the conference this morning at your office, which I attended on behalf of the Attorney General, I am submitting herewith an informal memorandum—

I do not know the difference between a "formal" and an "informal" opinion, but evidently there must be some difference. Perhaps it will appear from the opinion itself.

I am submitting herewith an informal memorandum incorporating the substance of the oral opinion which I gave at some length as to the construction of certain provisions of the act of Congress approved May 25, 1926, and entitled "An act to provide for construction of certain public buildings, and for other purposes."

The provisions involved deal with the question of the submission of estimates by the Secretary of the Treasury to the Bureau of the Budget, as provided in section 4 of the act, and constitutes the first proviso, which, with the preceding part of the section, reads as follows:

"The Secretary of the Treasury shall submit annually, and from time to time as may be required, estimates to the Bureau of the Budget, in accordance with the provisions of the Budget and Accounting Act, 1921, showing in complete detail the various amounts it is proposed to expend under the authority of this act during the fiscal year for which said estimates are submitted, which shall include a statement of the location of the buildings proposed to be erected, together with a limit of cost for the same: *Provided*, That in submitting such estimates the Secretary of the Treasury shall allocate the amounts proposed to be expended to the different States where buildings are found by him to be necessary, in such a manner as to distribute the same fairly on the basis of area, population, and postal receipts."

The conference developed some differences of opinion as to the scope and meaning of these words.

From a consideration of the entire act it seems to me that the legislative intent is apparent and that the problem can be solved by a study of the bill alone and without the necessity of resort to congressional debates or other outside help.

I digress here long enough to say, or without resort to any other help than that of an Assistant Attorney General, this proviso in the public buildings act is cut out of the act by the Assistant Attorney General, and the board thereafter makes its allocations without regard to that act.

I continue to read:

In dealing with the manner of the expenditure of moneys appropriated for use without the District of Columbia and excluding the provisions of section 3, it is apparent that Congress approached the question from two points of view. The first approach involved a determination by Congress itself of minimum requirements for public buildings, and in this connection it was provided that each State should be allotted two such buildings, regardless of any question of the relative needs of the individual States. This constituted an assurance that at all events each would start on more or less of an equal footing with every other State in participation in the benefits of the measure.

It was very kind of him to permit the two buildings to each State. He did not overrule Congress in reference to that pro-

vision. He is still willing to abide by the will of Congress in regard to that, and therefore in his allotment to Tennessee he gave Kingsport $85,000 and McMinnville $75,000 out of the $100,000,000 appropriation.

In the second approach, and over and above the minimum needs legislatively determined and provided for as explained, Congress has deferred to the judgment and decision of the Secretary of the Treasury as to the manner of disbursing the balance of the appropriation and in that connection has vested him with wide discretionary powers. Congress, however, has not left the matter entirely to a judgment uncontrolled by any legislative standards or suggestions as to congressional purpose. While the power is unquestionably conferred on the Secretary of the Treasury, the discretion involved is nevertheless controlled by the provisions of section 4, appearing in the first proviso, and appears in the following words:

"That in submitting such estimates the Secretary of the Treasury shall allocate the amounts proposed to be expended to the different States, where buildings are found by him to be necessary, in such a manner as to distribute the same fairly on the basis of area, population, and postal receipts."

In the first place, the allocation is to be by States and is to be in accordance with their respective necessities to be "found by him." Congress has refrained from defining the precise connotation of this term as used in the statute and has expressly left to the Secretary of the Treasury, not only a determination of the existence of the necessity, but likewise of the extent and scope thereof, thereby making him the sole judge in respect thereto. While the discretion thus conferred is a wide one, doubtless it is subject, in its exercise, to rational judgments and reasonable decision.

Having determined the respective necessities of the several States in respect to the need for the type of public buildings for which the appropriation was provided, the next question for the Secretary to consider is the satisfaction of these necessities. Congress contemplated, of course, a situation in which the necessities as existing and determined would exceed in their monetary requirements the amount appropriated and that after the allocation of the entire amount available there would doubtless remain a large residuum of unsatisfied necessities. In other words, Congress contemplated the fact that the Secretary of the Treasury would be required to make a determination as to how money, insufficient to satisfy the whole, would be apportioned between the competing necessities.

Here, again, the determination is to be in the judgment of the Secretary, but he has been afforded by Congress certain standards by which his discretion is to be exercised, and it is provided that the distribution in the latter contingency be "in such a manner as to distribute the same fairly on the basis of area, population, and postal receipts."

I want to call especial attention to this statement:

Doubtless there can be read into this provision the words "so far as applicable" in deciding this question of fairness.

In other words, they are to be fair so far as fairness, in the opinion of the Secretary, is applicable. They are going to construe the rule of area so far as "it may be applicable," with the Secretary doing as he pleases about it. He holds that they are only to consider postal receipts so far as they may be applicable. If the Secretary wants to distribute them in another way, all right, let him go ahead.

The Secretary is, moreover, directed, in determining what shall be "fair"—a word which affords some latitude for decision—to consider each of the three elements referred to.

The first consideration is that of area. In view of the divergent size of the States, one from the other, and the convenience and expense involved in traveling to points where Government facilities are afforded, it was not deemed unreasonable that this element should be considered. Secondly, the question of population to be served is an important item, as necessities of large centers of population much exceed those of communities sparsely inhabited. Doubtless there is conflict between the demands of area and population.

Now, listen to this, Senators:

Doubtless there is conflict between the demands of area and population so that the two are set off, one against the other, out of which a compromise is intended to be effected in the matter of decision which can be fairly characterized as "fair."

He sets off population as against area, and that removes both of them from the consideration of the Secretary, as shown by the report itself, which I shall read in a moment.

The third element is postal receipts. Probably its application is to be wholly or largely confined to the furnishing of buildings designed to serve the Postal Department.

So he does away with that element. He does away with all three of the elements.

Congress has not furnished any artificial measure by which to weigh the cogency that each of these considerations is to have with the Secretary of the Treasury. He is to take them all into consideration so far as applicable, and having given them the due weight which, in his judgment, their prominence in the statute entitles them to receive, he is to make his decision as to what is fair and his allocation accordingly.

In other words, having thus disposed of all the limitations upon the Secretary of the Treasury as created by Congress, he says to him, "Go ahead and allocate to suit yourself."

The foregoing construction is deemed to be a "rational and reasonable" one—

Well, it is "rational and reasonable" so far as it permits the Secretary of the Treasury to allocate these moneys just as he pleases, without regard to the Congress or anybody else, with the exception solely that two post-office buildings, however small or however large, must be built in each of the several States.

The foregoing construction is deemed to be a rational and reasonable one, and to place the subject matter on a common-sense basis and to lend itself to a practical and efficient carrying out of the statute. It vests, of course, in the Secretary of the Treasury the sole determination of important questions, but in so doing it very properly leaves these decisions to a department which can look at the matter in a broad and impartial fashion.

I will call attention in a moment to the broad and impartial fashion in which the committee of the Secretary of the Treasury had looked into these matters—

and which has the facilities for collecting and weighing the material and relevant facts which are involved in the determination of the question, first of what is necessary, and then what is fair, guided by the tests suggested. The foregoing is furnished as a matter of courtesy only.

Listen to this!

The foregoing is furnished as a matter of courtesy only and because desired by the entire conference, and is not, of course, to be regarded as a formal legal opinion of the Attorney General furnished in accordance with departmental practice.

Respectfully,

For the Attorney General:

GEORGE R. FARNUM,
Assistant Attorney General.

In other words, here is an opinion which the Secretary of the Treasury and the committee under him accept and act upon, but it must not be regarded as the opinion of the Attorney General! Since when has the Attorney General's office been issuing opinions of that sort? I do not believe the matter has ever come to the attention of the Attorney General himself, and I do not believe he ever would have given such an opinion if it had been submitted to him. I do not believe the Attorney General has the right to make nugatory certain parts of an act of Congress and insert other provisions, as is attempted to be done in this alleged opinion of the Assistant Attorney General.

Now let us see how far the committee or the Secretary of the Treasury have carried out the provisions of Congress that these moneys must be allocated in accordance with area, population, and postal receipts.

Alabama. I notice that the Senator from Alabama [Mr. HEFLIN] stands up when I mention that name. Alabama gets $570,000 under the appropriation.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I yield.

Mr. LENROOT. If the bill goes through, Alabama will get $820,000 more.

Mr. McKELLAR. Eight hundred and twenty thousand dollars more, and on the basis of area, population, and postal receipts combined she should get two or three times that much. She certainly would be entitled to not less than $2,000,000. She is getting less than half of what she is entitled to on the basis fixed by the Congress itself.

Mr. LENROOT. Mr. President, will the Senator yield again?

Mr. McKELLAR. Certainly.

Mr. LENROOT. Under the area basis of 1-1-1-1, which means area being given the same consideration as population and postal receipts, I find that Alabama would get $1,226,000, which is less than she gets under the bill, and under the basis of 1-2-5-3 Alabama would only get $914,000.

Mr. McKELLAR. Out of the $100,000,000 of last year she gets only $570,000, and that is less than half what she is entitled to under the law. I am using that as an illustration.

I will now take Arizona and I shall be glad to have the Senator from Wisconsin figure out about Arizona. Arizona apparently gets a good deal more than she is entitled to with her small population and big area. Arizona gets $1,025,000. Just to show how it works out, Arizona, with one Congressman, a sparsely settled State, gets almost twice as much as Tennessee with all her urgent needs.

Mr. LENROOT. On the area basis Arizona would be entitled to $1,178,000, which is more than she is getting.

Mr. McKELLAR. She is getting $1,025,000, and she ought to be entitled to what the law gives her. She is not getting this as a matter of favor or anything of that sort. She is entitled to it under the law.

Arkansas gets $1,570,000. California is a little larger in area and population than Tennessee, and yet California gets $8,115,000 out of the bill, while Tennessee gets $605,000. It is not divided in any case according to the law, but it is allocated in accordance with the will of the Secretary of the Treasury without regard to the law. He comes here with an informal opinion of an Assistant Attorney General giving him the power to set aside the act of Congress. Why an "informal" opinion? Why an Assistant Attorney General?

I come next to Colorado, which gets $1,790,000. Then comes Connecticut. Connecticut is not quite half the size of either North Carolina or Tennessee. What does Connecticut get under the bill? Connecticut gets $4,515,000.

Mr. BLEASE. What does South Carolina get?

Mr. McKELLAR. As I remember it, South Carolina is larger in area, population, and postal receipts, perhaps, than the State of Connecticut, and we will see what South Carolina gets. South Carolina gets $710,000.

Mr. FLETCHER. That is on the basis of the $100,000,000. If the Senator would add the $100,000,000 as proposed by the later bill, he would find that South Carolina would get more.

Mr. McKELLAR. I do not know what we are going to get under the bill as it is proposed to be handled by the committee, because we have no facts about how it is going to be done. We have a report here that there is $167,000,000 necessary, and in that report I find no reference to Tennessee at all. I suppose it was left out entirely.

Mr. OVERMAN. How does North Carolina fare?

Mr. McKELLAR. I shall be glad to compare North Carolina with Connecticut. Connecticut, I believe, has four Congressmen and therefore is about two-fifths as large as the State of North Carolina in population. Let us see how North Carolina fares. North Carolina gets $2,550,000 under the bill. She gets nearly half as much as Connecticut and is better treated than any other Southern State except the State of Virginia and the State of Florida. Florida gets $2,275,000. My recollection is that Florida is about two-fifths the size of Tennessee, and she gets four times as much of the appropriation.

Somebody has said that the matter is decided upon needs. There are before the department to-day reports from the Treasury Department and from the Post Office Department showing the dire needs of Memphis, the city from which I come. One of the members of the commission said that the needs of that city were not even brought before the commission to be determined. Is it proposed to make this one of the most infamous pork-barrel schemes ever put over? Is it to be handled in this way solely and alone because of the ipse dixit of the Secretary of the Treasury?

Mr. BLEASE. If the Senator will permit me, I would suggest that possibly they are looking for North Carolina and Florida to go Republican.

Mr. McKELLAR. That may be so. I do not know what reason they had; but that is just as good a reason as any other, to deal out these millions from a political standpoint.

I digress here long enough to show what other States are getting. Here is Massachusetts. It is half as large again in population as Tennessee. It has 16 Congressmen to Tennessee's 10. Let us see what she gets. She gets $7,060,000; and out of the appropriation of $100,000,000 that we are going to make, if we do make it, she will get $15,000,000. Under the proposal New York will get $40,000,000, Pennsylvania will get $20,000,000; Massachusetts, $15,000,000—these are all round sums—Illinois, $15,000,000; California, about the same, $10,000,000. Is this a pork barrel simply for those in power? Connecticut is to get another large slice out of this appropriation, if it shall go through.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. I yield.

Mr. LENROOT. Where does the Senator from Tennessee get his figures?

Mr. McKELLAR. If I have made a mistake in my figures, I ask the Senator from Wisconsin to correct me. He has them before him. I have them only in mind; I have not the exact figures before me.

Mr. LENROOT. I think the Senator has stated that Massachusetts would get $15,000,000 out of the $100,000,000?

Mr. McKELLAR. No; I said——

Mr. LENROOT. Out of the next $100,000,000?

Mr. McKELLAR. If there is any doubt about it, I will turn to page 2 of Document 651, where are given the minimum needs as follows for the States I have mentioned. I want to be absolutely accurate. These figures are:

New York, $39,040,000; Pennsylvania, $20,547,000; Massachusetts, $15,215,000; Illinois, $16,000,000, even; California, $10,100,000. These are the minimum needs. But Tennessee is put down at $600,000.

Mr. FLETCHER. May I interrupt the Senator?

Mr. LENROOT. Will the Senator from Tennessee yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I desire to yield to both Senators. I will yield first, however, to the Senator from Wisconsin, and shall afterwards yield to the Senator from Florida.

Mr. LENROOT. The Senator from Tennessee, I suppose, knows that Massachusetts has 74 cities with postal receipts exceeding $20,000 and only three public buildings, whereas his own State of Tennessee has only 25 cities in that category, and yet has 23 public buildings. Under those circumstances, is the apportionment fair?

Mr. McKELLAR. I am not familiar with what the Senator from Wisconsin states; but I know under the law which directs the Secretary of the Treasury to consider area, population, and postal receipts that that divergence between the $15,000,000 apportioned to Massachusetts and the $600,000 apportioned to Tennessee does not exist. The law warrants no such divergence of allocation. It makes no such discrimination. It provides for no such right in the Secretary to give out this money as he sees fit.

The Secretary of the Treasury has taken it upon himself to disregard the law, to be a law upon himself, to arrogate to himself the right to allocate to Massachusetts, which is not so large as Tennessee in area, the sum of $15,000,000, and to give to Tennessee only $605,000.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from California?

Mr. McKELLAR. I do.

Mr. SHORTRIDGE. According to the estimate of the Senator from Tennessee, how much does he contend should be allowed to Tennessee?

Mr. McKELLAR. I contend that Tennessee, if I can secure it for her, shall have just what the law allows. I contend that the allowance should be made to her according to area, population, and postal receipts. That is the plan which has been adopted in the allocation of Federal funds to road building, and it ought not to be departed from here. It has worked splendidly so far as roads are concerned. Why should a different principle be adopted in the allocation of money for the erection of public buildings? Congress, in road building, thought it was a good policy. Why should it now be departed from in this law? The Secretary of the Treasury goes to an Assistant Attorney General whom nobody has ever heard of before. I digress long enough to ask here is there a man in the Senate who ever heard of Mr. Farnum—I want to be sure about this—whose informal opinion the Secretary of the Treasury takes? I take it that no Senator has heard of Mr. Farnum or he would have responded to my inquiry. Here was an informal opinion—not an opinion of the Attorney General's office but a memorandum of opinion—an informal opinion which set aside the law of Congress and enables the Secretary to make a law of his own. He might as well——

Mr. SHORTRIDGE. Mr. President——

Mr. McKELLAR. Just one moment. The Senate will remember that last year we had a fight over this very matter when the bill was before the Senate, and the Senator on the other side in charge of the bill—Senator Fernald, who, unfortunately, has since died—agreed to this allocation. It was understood by the Congress that the allocation was to be made according to these three rules.

Mr. LENROOT. Mr. President, will the Senator yield to me?

Mr. McKELLAR. But they have been disregarded. We might just as well have left the matter in the hands of the

Secretary of the Treasury without let or hindrance to distribute the money just where he pleased.

I now yield to the Senator from California [Mr. SHORTRIDGE], and I shall afterwards yield to the Senator from Wisconsin.

Mr SHORTRIDGE. Will the Senator from Tennessee be good enough to indicate how much he thinks should have been allocated or set apart for his State of Tennessee?

Mr. McKELLAR. My recollection is—I have not the figures before me—that the amount should have been something like $2,000,000.

Mr. LENROOT. The amount was $1,349,000.

Mr. McKELLAR. That was for last year. How much should it be for this year?

Mr. LENROOT. Based upon area——

Mr. McKELLAR I know; but what would it be if based upon all three—area, population, and postal receipts?

Mr. LENROOT. I say based upon area, giving equal weight to area, Tennessee would have $1,349,000.

Mr. McKELLAR. It is more than that when the rule laid down in the law as to area, population, and postal receipts is applied. When that rule is applied, my recollection is that it is a little less than $2,000,000.

I wish to be perfectly frank about it. I do not propose to have my State to be thus deprived of what the law gives her. If I can help it, I am not going to have any such discrimination, and I think I can help it.

Mr. FLETCHER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. McKELLAR. I yield.

Mr. FLETCHER. Not that it is very material, but so that the RECORD may be kept straight, the Senator has alluded to the amount allocated to Florida as $2,775,000 according to Document 710. I will call attention to the fact that Florida, so far as area is concerned, is the largest State east of the Mississippi River except Georgia. There is only one State east of the Mississippi River which is larger than Florida. I call attention to the further fact that, whereas itemized in the amount is Miami with $1,850,000, if the Senator will turn to the last page of that document it will be seen that Miami already has a post-office site and building which the Government proposes to sell, the proceeds of which sale are estimated at $1,200,000; so that the Government would have to expend in the case of Miami only about $600,000 instead of $1,800,000.

Mr. McKELLAR. Mr. President, whether the Senators from Florida have obtained a fair deal for Florida and the two Senators from Virginia have obtained, as they apparently have, a fair deal and a little better for Virginia, or whether some other States, through influences concerning which I do not know, have obtained more than a fair deal, I am not complaining of what other States are getting or what they will receive except in the case of my own State; but I wish to say that we passed a law on this subject, and I intend for that law to be lived up to if it is possible for me to have it lived up to.

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from North Carolina?

Mr. McKELLAR. I yield.

Mr. OVERMAN. The item of postal receipts enters into the calculation, does it not?

Mr. McKELLAR. It does, of course, or should; but the Secretary has overruled the law.

Mr. OVERMAN. Are there enough cities in the Senator's State whose postal receipts are above $20,000 to warrant the erection of public buildings in Tennessee to the extent the Senator indicates?

Mr. McKELLAR. Of course there are.

Mr. OVERMAN. There are, as I understand, 25 cities in the State of Tennessee which have been provided for. How many cities outside of those 25 have postal receipts in excess of the amount which has been fixed to entitle them to public buildings?

Mr. McKELLAR. I wish to call attention to the fact that in my State we have a city—Memphis—of over 200,000 people. There is a post-office building there which is an eyesore to the city. It is built on a lot that the city gave to the Government. It does not contain enough space for one-fourth of the governmental activities in that city, and the Government is paying enormous amounts in rents to provide additional facilities. If the Government should expend the money to erect a real building there sufficient to house all of the Federal activities, it would be saved an enormous sum. There is a report from the Government agent showing the necessity of a new building there, and such a building should be erected there, to cost not less than $2,000,000. It is an absolute necessity to the Federal service to have such a building there, and that has been the finding virtually of every inspector who has examined into the situation. Yet I went down to see the members of the commission—none of them, as I believe, had ever looked into the matter, except Mr. Wetmore, and he had nothing to say about it except that they were not going to do anything for that city.

Although there was a report of the Treasury Department and a report of the Post Office Department I doubt if some of the members of the commission had ever heard of the proposition being submitted, and, although we have been fighting for it for years, and it is absolutely necessary, the Secretary of the Treasury, or his committee, absolutely disregarded it. While I dislike to fight bills that some Senators may want, in all frankness I do not believe the Senate will take the position that my State ought to be discriminated against. I would not take the position that other States ought to be discriminated against. It is a question of right; it is a question of legal duty; it is a question of the Secretary of the Treasury violating his duty in undertaking to set aside, upon the opinion of an Assistant Attorney General, an act of Congress and interpolating into the act words that it does not contain.

Now, Mr. President, I ask the Senator from Wisconsin if he expects to get a vote on this bill to-day?

Mr. LENROOT. I hope so.

Mr. McKELLAR. I will say to the Senator he can not get a vote to-day, because there are amendments that ought to go into this bill. I have not the amendments before me, have not yet prepared them, but if the Senator will be willing to accept them I should be very glad.

Mr. LENROOT. May I ask the nature and substance of the amendments?

Mr. McKELLAR. One amendment is to make absolutely certain that the $100,000,000 that we are now going to authorize to be appropriated shall be allocated in accordance with the express will of Congress, namely, that he must consider area, population, and postal receipts.

Mr. LENROOT. Mr. President, does the Senator insist that he must consider those items upon some mathematical basis?

Mr. McKELLAR. Of course.

Mr. LENROOT. Does the Senator know that if he did that it would absolutely violate and render nugatory other provisions of the bill?

Mr. McKELLAR. If that be the case, we ought to change the other provisions of the bill. We want to establish the same rule in the case of the authorization for construction of public buildings that we have established in the legislation which has to do with Federal aid to roads.

Mr. LENROOT. But does the Senator believe that we should construct public buildings where public buildings are not needed simply because of the area of some States?

Mr. McKELLAR. Indeed, I do not; but I want to say to the Senator that I think when the Secretary of the Treasury is directed to consider the interest of all the States but refuses to consider the interests of one of the States, Congress ought to see to it that justice is done to the State or States discriminated against, and, so far as I am able to have it do so, I am going to see that justice is done my State. I am not here complaining of any other State or speaking for or against any other State, but I am here fighting for the rights of Tennessee, and I am going to say to the Senator unless some such amendment as I have to suggest is agreed to I shall continue my opposition to this bill, using every legitimate and proper method to secure for Tennessee her rights under the law.

Mr. HEFLIN addressed the Senate. After having spoken for 15 minutes,

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is the report of the committee of conference on the bill (H. R. 9971) for the regulation of radio communications, and for other purposes.

Mr. HEFLIN resumed his speech. After having spoken, in all, for over three hours and a half, he said:

Now, Mr. President, if the Senator from Kansas [Mr. CURTIS] wishes to adjourn until to-morrow, I am willing to yield the floor.

Mr. CURTIS. We desire to have an executive session; but I would not like to say that the Senator from Alabama could have the floor to-morrow.

Mr. HEFLIN. I do not ask to have the floor to-morrow. I will get it if I want it.

[Mr. HEFLIN's speech will be published entire when completed.]

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 17 minutes p. m.) the Senate took a recess until to-morrow, Friday, February 18, 1927, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 17, 1927

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY

Robert Woods Bliss to be ambassador extraordinary and plenipotentiary to Argentina.

Hugh S. Gibson to be ambassador extraordinary and plenipotentiary to Belgium; also envoy extraordinary and minister plenipotentiary to Luxemburg.

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

William Phillips to be envoy extraordinary and minister plenipotentiary to the Dominion of Canada.

To be secretaries

Joseph F. McGurk.
Clayson W. Aldridge.
Harvey S. Gerry.
Edwin Schoenrich.
David Williamson.
Allan Dawson.

MEMBER OF INTERSTATE COMMERCE COMMISSION

Ezra Brainerd, jr., to be a member of the Interstate Commerce Commission.

COLLECTOR OF CUSTOMS

John W. Robbins to be collector, customs collection district No. 46, Omaha, Nebr.

UNITED STATES COAST GUARD

To be ensigns

Henry T. Jewell.
Frank E. Pollio.
Donald F. de Otte.
John H. Martin.
Irving E. Baker.
Gordon A. Littlefield.
Frank Tomkiel.
Kenneth A. Coler.
Henry J. Betzmer.
George C. Whittlesey.
Beverly E. Moodey.
John A. Fletcher.

POSTMASTERS

CALIFORNIA

James C. Tyrrell, Glass Valley.
Charles G. Brainerd, Loomis.
Charles S. Graham, Pleasanton.
William Junkans, Redding.
Leonard G. Hardy, jr., South San Francisco.
Nana M. Halferty, Tujunga.
Anna R. Armstrong, Woodland.

GEORGIA

Ralph A. Waters, Alpharetta.
Samuel J. Padgett, Coffee.
John L. Callaway, Covington.
Huram R. Hancock, Maysville.
George H. Ray, Norwood.
Marie E. Harrell, Pearson.
William B. Smith, Tennille.
Will C. Woodall, Woodland.

HAWAII

William I. Wells, Haiku.
Douglas E. Baldwin, Kahuku.
Kenichi Masunaga, Kealia.
Paul Kaelemakule, Kohala.
Carl H. F. Spillner, Makaweli.
Lee Loon, Pahala.
Alexander Moir, Papaikou.

ILLINOIS

Robert B. Marshall, Capron.
William S. Brownlow, Chapin.
Levi H. Perryman, Cowden.
Samuel H. Lawton, Delavan.
William M. Karr, Flora.
Edward S. Breithaupt, Gifford.
John E. Nelson, Hamburg.
Fannie Hicks, Ivesdale.
Fred L. McCraken, Lake Forest.
Edward F. Davis, New Berlin.
Herman Meyer, Niles Center.
Davis S. Cossairt, Potomac.
Mary A. Barkmeier, San Jose.
William A. Bussert, Sheldon.
George A. Roberts, Staunton.
George J. Duncan, Villa Grove.
Emery S. Waid, Winchester.
Sylvester H. DePew, Zion.

INDIANA

Andrew G. Kauffman, Atlanta.
Lewis A. Graham, Decatur.
John M. Sweeney, Dugger.
John Stahl, Lawrenceburg.
William G. Hays, Terre Haute.
Addison N. Worstell, Valparaiso.
Dehn P. Keller, Warren.

KENTUCKY

Mabel K. Kipping, Carrollton.
Jewell S. Webb, Earlington.
Allie H. Gibson, Ghent.
Samuel W. Crump, Glasgow Junction.
Addie Elliott, Glencoe.
Lucille C. Yates, Grayson.
Carl B. Marshall, Lewisburg.
Walter W. Crick, Madisonville.
Elzie T. Wilson, Sparta.
Eugene C. Stockwell, Trenton.
Henry Hall, Waynesburg.
Harvey B. Ogden, Worthville.

LOUISIANA

Charles E. Burch, Roseland.

MARYLAND

Irving S. Biser, Frederick.

MASSACHUSETTS

Joseph V. Curran, Attleboro.
Nathaniel P. Coleman, Hyannis.
Henry T. Maxwell, Millbury.
Elizabeth B. Flint, North Attleboro.
Howard M. Douglas, Plymouth.
Josephine E. Dempsey, South Ashburnham.

MINNESOTA

Mary E. Stark, Buffalo.
Claus H. Lepler, Clara City.
Lottie A. Samuelson, Grasston.
Edwin H. Anderson, Monticello.

MISSOURI

J. Orville Gochnauer, Belton.
I. Scott Jones, Bonne Terre.
Abraham B. Peters, Bonnots Mill.
William R. Lytle, Fredericktown.
Owen S. Randolph, Gideon.
Thomas J. Richardson, Koshkonong.
Albert R. Lebold, Lawson.
Melvin Lutes, Lutesville.
Lewis M. Gamble, Mexico.
Fred A. Grebe, New Florence.
Charles Litsch, Perryville.
Joseph V. Forst, Silex.
Alpha De Berry, Stoutland.
William F. Meier, Wentzville.

MONTANA

George R. Moshier, Baker.
Jennie W. Chowning, Ennis.
John W. Calfee, Frazer.
Andrew Kolnitchar, Geraldine.
Harvey St. J. Cannon, Kalispell.
Wilfred J. Hazelton, Townsend.
Samuel P. Eagle, West Yellowstone.

NORTH CAROLINA

Theophilus H. McLeod, Buies Creek.
Robert D. Herndon, Chapel Hill.
Walter G. Gay, Farmville.
Samuel W. Watts, Southport.
Lunda V. Owen, Winton.

OHIO

T. Howard Sapp, Bainbridge.
Herbert O. Tinlin, Carrollton.
Alexander M. Renick, Chillicothe.
Harry A. McConnell, Dorset.
James W. McHenry, Elyria.
John P. Cramer, Fredericksburg.
Paul H. Clark, Junction City.
Henry W. Gruver, Miamisburg.
Hylas L. Vesey, Perry.
John M. Washington, Sabina.
Pearl H. Cheney, South Charleston.

Clyde S. Perfect, Sunbury.
William S. Kindle, Thornville.

PENNSYLVANIA

Whitfield Pritchard, Bangor.
Charles E. Taylor, Columbia.
Walter V. Dingman, Milford.
Jennie A. App, Schaefferstown.
John D. Williams, Shoemakersville.
Wallace C. Dobson, Southampton.
Anthen C. Messinger, Tatamy.
Hugh T. Williams, Union Dale.
Russell C. Parry, Walnutport.

WASHINGTON

Mary G. Wilkinson, Auburn.
Alonzo E. Emerson, Ellensburg.
Egbert K. Field, Ferndale.
Cecil E. Haasze, Grandview.
Charles R. Bockmier, Granite Falls.
John H. Gibson, Issaquah.
Arthur Bailey, Monroe.
Jessie A. Knight, Shelton.
Clyde J. Backus, Tacoma.
Augustus B. Eastham, Vancouver.

WEST VIRGINIA

Ruth Lewis, Buffalo.
John B. Hilleary, Buckhannon.

WISCONSIN

Harry T. Ketcham, Abbotsford.
Elizabeth Croake, Albany.
Nicholas Hubing, Belgium.
Leon F. Pallister, Brandon.
Ambrose M. Steinwand, Colby.
Albert L. Marsh, Elroy.
Edward Schroeder, Granton.
Stephen S. Summers, Milton.
George B. Keith, Milton Junction.
Carl V. Dahlstedt, Port Wing.
Wilbur H. Bridgman, Stanley.
Joseph E. Kuzenski, Stetsonville.
Adolph C. Sveen, Westby.

HOUSE OF REPRESENTATIVES

THURSDAY, *February 17, 1927*

The House met at 12 o'clock noon, and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, come Thou to our waiting hearts and minds. Forgive us everything that is unworthy of the holy name we have taken upon our lips. As Thou has set before us high, patriotic tasks may we fulfill them wisely. Bless and direct our whole family of citizens and may they not be led along false ways. O, do Thou help our country in its questions, in the solution of its problems, and even in its fears. Dispel all earth-born clouds and be gracious to every State under the folds of our flag. Show us this day the treasures of Thy wisdom that our directive purpose may be for God and the Republic. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment (H. J. Res. 359) of the following title: Joint resolution making an appropriation for the eradication or control of the European corn borer.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House was requested:

S. 5622. An act authorizing the acceptance by the Navy Department of a site for an aviation training field in the vicinity of Pensacola, Fla., and for other purposes; and

S. 5722. An act to authorize the construction of new conservatories and other necessary buildings for the United States Botanic Garden.

The message also announced February 15 (calendar day February 16), 1927, the Vice President appointed Mr. JONES of Washington and Mr. FLETCHER members of the joint select committee on the part of the Senate as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Department of Commerce.

The message also announced that the Senate had agreed to the report of the Committee of Conference on the disagreeing votes of the two Houses to the amendments to the amendments of the Senate of the following titles:

H. R. 11615. An act providing for the cession of the State of Virginia of sovereignty over a tract of land located at Battery Cove, near Alexandria, Va.;

H. R. 10728. An act authorizing the Secretary of War to convey to the Association Siervas de Maria, San Juan, P. R., certain property in the city of San Juan, P. R.;

H. R. 16576. An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1928, and for other purposes;

H. R. 16249. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1928, and for other purposes; and

H. R. 16863. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1928, and for other purposes.

The message also announced:

Resolved, That the Senate recede from its amendments numbered 1, 13, 14, 15, 16, and 35 to the bill (H. R. 2) entitled "An act to amend an act entitled 'An act to provide for the consolidation of national banking associations,' approved November 7, 1918; to amend section 5136 as amended; section 5137, section 5138 as amended; section 5142, section 5150, section 5155, section 5190, section 5200 as amended; section 5202 as amended; section 5208 as amended; section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes,";

That the Senate agree to the amendments of the House of Representatives to the amendments of the Senate Nos. 11, 26, 30, 36, 37, 38, and 39 to said bill:

That the Senate agree to the amendment of the House of Representatives to the amendment of the Senate to the title of said bill.

ENROLLED BILL

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House with the following title, which was thereupon signed by the Speaker:

H. R. 11803. An act to authorize the incorporated town of Juneau, Alaska, to issue bonds for the construction and equipment of schools therein, and for other purposes.

WORLD WAR VETERANS' ACT

Mr. EVANS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter written by myself to the Veterans' Bureau concerning some compensation cases.

The SPEAKER. The gentleman from Montana asks unanimous consent to extend his remarks in the RECORD by printing a letter written by himself to the Veterans' Bureau. Is there objection?

There was no objection.

Mr. EVANS. Mr. Speaker, I desire to read into the RECORD a letter recently addressed by myself to the Director of the Veterans' Bureau pertaining to a group of young men who are now denied compensation under the World War veterans' act. This letter is not published in a spirit of criticism of the Veterans' Bureau or anyone else, but it is given to Congress for the information of its Members and to the end that a great injustice to a group of young men may be corrected. I have been unable to ascertain whether this injustice flows from the provisions of the law or from an interpretation of the law by those who execute it, but in any event I feel that an injustice is being done, and for that reason am calling attention to the matter in the hopes that the ruling may be changed or the law itself on the subject modified.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 3, 1927.

Re: Joseph J. Ball.
Serial No. 12473. Case No. 156443.

The DIRECTOR, VETERANS' BUREAU,
Washington, D. C.

DEAR SIR: Referring to the case of Veteran Joseph J. Ball, of Avon, Mont., now confined in a hospital for the insane at Sheridan, Wyo., where he has been for the past 18 months, I beg to ask for a review of this man's case.

I have inspected the record in the case and made some other investigation of the facts.

My information is that this man was drafted on the 23d of August, 1917, was sent to France, and served in the Rainbow Division, and was honorably discharged in March, 1919, having served 18 months. The records show that when he was discharged he was a mental wreck, and has for the last 18 months been confined in a hospital for the insane. I understand that it is maintained the boy was mentally deficient when he was taken into the service, but I think the record does not show any such deficiency when he was drafted and entered the service, but it does show that he was a complete wreck when discharged. It appears to me the boy has been taken and utilized by the Government for a period of 18 months and then thrown aside like a piece of worn-out machinery and denied compensation intended for him and others under the laws passed by Congress.

I can not agree with the rulings of your bureau that because this boy was mentally deficient when taken into the service he should now be denied compensation. Granting for the sake of argument that he was weak-minded when drafted, that to me is all the more reason why he should be cared for now. Many strong-minded men came out of the service mentally a wreck and are now cared for, and I am sure it was not the intention of Congress to deny any young man who went to France and served his country 18 months a just compensation because he was not mentally as strong as some other young man in the service.

If the present ruling in this and similar cases is based on some defect in the law that denies these men compensation, then the matter should be reported to Congress that such defect might be cured, as I am sure it was never the intention of Congress to deny compensation in such cases. I'll be pleased, therefore, if you will order a review of this case and advise me of the result of the findings of the board of review. If compensation can not be granted in this and similar cases, I desire to lay before Congress this matter, with a view to securing the necessary legislation to cover this and similar cases. I will be pleased if you will have reasonably speedy action in the matter.

Very respectfully,

JOHN M. EVANS.

THE M'NARY-HAUGEN BILL

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD by having printed in the RECORD an editorial appearing in the Chicago Tribune under date of February 16, entitled "Costs of the McNary-Haugen bill."

The SPEAKER. The gentleman from Illinois asks unanimous consent to revise and extend his remarks by printing in the RECORD an editorial appearing in the Chicago Tribune. Is there objection?

There was no objection.

Mr. ALLEN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following newspaper article:

COSTS OF THE M'NARY-HAUGEN BILL

Secretary Mellon has approved and made public a memorandum from the Internal Revenue Bureau on the McNary-Haugen bill for farm relief. The bill has passed the Senate and is awaiting action in the House, which is expected to pass it, too. The Internal Revenue Bureau says the problem of collecting the equalization fees, which are the essence of the McNary bill, will be staggering. It will cost close to $800,000 a year to do the work.

The opinion of the bureau is important, but we do not believe it will alienate any of the supporters of the bill. A job which can be handled for $800,000 may be complicated, but it is not too expensive for this country to undertake. The cost disappears in comparison with the values of our farm crops. In 1925, the last year for which figures are available, the corn crop of the country was worth just short of $2,000,000,000. The wheat crop was valued at more than $900,000,000. The Nation's cotton crop was sold for more than $1,400,000,000. All the farm crops of the Nation together were valued at close to nine and a half billions of dollars. The McNary bill proposes to make substantial increases in the income of the farmers. Only 1 per cent of the value of the Nation's crops is over a hundred times as much as the $800,000 which the administration of the McNary bill is expected to cost.

The bill permits the farm board to determine at what stage in the movement of the crops to market the fee is to be assessed, but Mr. Mellon's advisers say that at best the task will be extremely difficult. We should be more thoroughly convinced of the validity of the criticism if the bureau had not carried it to the point of absurdity.

The officials solemnly announce that 12,000,000,000 pounds of swine moved to market in 1925, to make no mention of some 3,000,000,000 bushels of corn, other hundreds of millions of bushels of wheat and rice, and 16,000,000 bales of cotton. We are then advised that "if all these commodities were under operation of the Federal farm board at the same time collection would be required from an aggregate of 16,034,466,679 units." The criticism suggests that the opponents of the McNary bill are hard put to it to find arguments against it. We are asked to believe that the farmer will bring his pigs to market, pound by pound, and his grain, bushel by bushel, and that this kind of selling by units continues throughout the movement of the crops to the consumer, with no concentration at any point where the fee may be readily collected. Without departing any further from the truth, the bureau might have made much more of the argument. If the number of individual grains had been counted the total would have made the figure 16,000,000,000 look tiny.

We do not wish to minimize the difficulties of administering the McNary plan, but it is reasonable to assume that the experts who devised it were not wholly ignorant of marketing conditions. A substantial majority of Senators have approved the bill. Senators may not have the intimate knowledge of financial operations possessed by the officials of the revenue bureau, but at any rate they are not babes in the woods. We find nothing in the statement published by Mr. Mellon to shake our judgment that the McNary bill fixes the terms of an experiment which the Nation can safely undertake and which it ought to undertake.

THE ST. LAWRENCE SHIP CANAL

Mr. CHALMERS. Mr. Speaker, I ask unanimous consent to extend my remarks by printing a resolution passed unanimously by the State Legislature of Ohio favoring the building of the St. Lawrence waterway.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by printing a resolution of the Ohio Legislature favoring the building of the St. Lawrence waterway. Is there objection?

There was no objection.

Mr. CHALMERS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following senate joint resolution of the Legislature of Ohio, relating to a ship-channel connection between the Great Lakes and the Atlantic by way of the St. Lawrence:

Senate Joint Resolution 16

Whereas a joint board of engineers representing the United States and Canada have officially and unanimously declared ship-channel connection between the Great Lakes and the Atlantic by way of the St. Lawrence to be practical; and

Whereas the St. Lawrence commission of the United States appointed to determine the need of such a seaway has unanimously declared, in its report to the President, made December 27, 1926, that—

"The construction of the shipway from the Great Lakes to the sea is imperative both for the relief and for the future development of a vast area in the interior of the continent.

"It has been estimated that the values in a single year to the farmers alone would equal the capital cost of the waterway.

"The economic importance of the improvement would be far greater than the savings made upon the actual tonnage transported, important though that would be"; and

Whereas the extension of the commerce of the State of Ohio, the development of her resources, her present prosperity, and her future welfare all demand world trade contacts by way of direct low-cost ocean transportation to and from the markets of the world; and

Whereas the St. Lawrence seaway would give to the State of Ohio ocean ports, direct ocean transportation, wider and lower cost market outlets, and would increase the demand for her products, thereby assuring to her citizens an enlarged and abiding prosperity: Be it

Resolved, That the State of Ohio in legislature assembled, does most earnestly urge upon the President of the United States the imperative national need of such seaway, and that it does further express to him the official desire of this State that immediate steps be taken for the negotiation of a treaty with Canada to that end.

AVIATION FIELD NEAR PENSACOLA, FLA.

Mr. VINSON of Georgia. Mr. Speaker, I am requested by the chairman of the Committee on Naval Affairs to ask unanimous consent to call up from the Speaker's table the bill S. 5622.

The SPEAKER. The gentleman from Georgia asks unanimous consent, by direction of the Committee on Naval Affairs, to call up the bill S. 5622. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (S. 5622) authorizing the acceptance by the Navy Department of a site for an aviation training field in the vicinity of Pensacola, Fla., and for other purposes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States, free from encum-

brances and without cost to the United States, the title in fee simple to such land as he may deem necessary or desirable, in the vicinity of Pensacola, Fla., approximately 500 acres, as a site for an aviation training field to continue land-plane training from the United States naval air station, Pensacola, Fla.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the bill was passed was ordered to be laid on the table.

A similar House bill (H. R. 16994) was ordered to be laid on the table.

CHARLES B. BREWER *v.* A. S. ABELL CO.

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House, which the Clerk will read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
CLERK'S OFFICE,
Washington, D. C., February 16, 1927.

Hon. NICHOLAS LONGWORTH,
House of Representatives.

MY DEAR MR. SPEAKER: I beg to inform you that I have received from the Supreme Court of the District of Columbia subpœnas duces tecum directed to me as Clerk of the House of Representatives commanding me to appear before circuit court, division No. 1, on the 15th and 16th days of February, 1927, at 10 o'clock a. m., as a witness in the case of Charles B. Brewer *v.* A. S. Abell Co. (No. 70158 at law), and to bring with me certain and sundry papers, documents, books, and testimony, therein described, in the files of the House of Representatives.

The papers, documents, books, and testimony in question were adduced in evidence before the select committee appointed under House Resolution 231, Sixty-eighth Congress, to investigate the preparation, distribution, sale, payment, retirement, surrender, cancellation, and destruction of Government bonds and other securities, and are now in possession of the House of Representatives in the custody of the Clerk.

Your attention and that of the House is respectfully invited to a resolution of the House adopted in the Forty-sixth Congress, first session (CONGRESSIONAL RECORD, p. 680), upon the recommendation of the Committee on the Judiciary, as follows:

"*Resolved*, That no officer or employee of the House of Representatives has the right, either voluntarily or in obedience to a subpœna duces tecum, to produce any document, paper, or book belonging to the files of the House before any court or officer, nor to furnish any copy of any testimony given or paper filed in any investigation before the House or any of its committees, or of any other paper belonging to the files of the House except such as may be authorized by statute to be copied, and such as the House itself may have made public, to be taken without the consent of the House first obtained."

And a resolution adopted by the House in the Forty-ninth Congress, first session (CONGRESSIONAL RECORD, p. 1295), from which the following is quoted:

"*Resolved*, That by the privilege of this House no evidence of a documentary character under the control and in possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

"That when it appears by the order of a court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House."

These resolutions resulted from the issuance of subpœnas duces tecum upon the Clerk of the House to produce certain original papers in the files of the House.

Permission to remove from their place of file or custody any documents or papers was denied by the House, but the court was afforded facilities for making certified copies. This seems to have been the uniform practice in respect to subpœnas duces tecum issued by a court upon the Clerk of the House to produce in court original papers from the files of the House.

The subpœnas in question are herewith attached and the matter is presented for such action as the House in its wisdom may see fit to take.

Very respectfully,

WM. TYLER PAGE,
Clerk of the House of Representatives.

SUPREME COURT OF THE DISTRICT OF COLUMBIA

Chas. B. Brewer against A. S. Abell Co. No. 70158 at law

The President of the United States to Tyler Page, Clerk of United States House of Representatives:

You are hereby commanded to appear as witness for the plaintiff before circuit court, division No. 1 (forthwith), on the 15th day of February, 1927, at 10 o'clock a. m. (and bring with you)—

Five certificates of indebtedness of the United States, each $100,000 denomination, Nos. * * *.

Five certificates of indebtedness of the United States, each $10,000 denomination, Nos. 13997, 14997, and three 11997.

The following securities in your custody believed to be in safe-deposit vaults of Rigg's National Bank, where they were originally deposited February 21, 1924; by order of court; all concerning United States Liberty loans:

Five certificates of indebtedness, each $100,000 denomination, Nos. 1597, 1797, 1997, 2497, and 2997.

Five certificates of indebtedness, each $10,000 denomination, variously numbered ending in 97.

Five certificates of indebtedness, each $5,000 denomination, variously numbered ending in 97.

Four certificates of indebtedness, each $1,000 denomination, variously numbered ending in 97.

Together with the photograph of Treasury certificate certifying they were destroyed in the month of May, 1918; and

$10,000 bond, No. 27442, 4¼ per cent second Liberty loan, temporary, and $10,000 bond, No. 27442, 4¼ per cent second Liberty loan, temporary.

$10,000 note, No. F 61092, 4¾ per cent Victory loan, and $10,000 note, No. F 61092, 4¾ per cent Victory loan.

$10,000 note, No. 85543, 3¾ per cent Victory loan, and $10,000 note, No. 85543, 3¾ per cent Victory loan. (The numeral of the notes intended may be preceded "H.")

$10,000 note, No. 85544, 3¾ per cent Victory loan, and $10,000 note, No. 85544, 3¾ per cent Victory loan. (The numeral of the notes intended may be preceded by "H.")

Coupon No. 2 of $10,000 bond 27442 of 4¼ per cent second Liberty loan, temporary, and coupon No. 2 of $10,000 bond 27442 of 4¼ per cent second Liberty loan, temporary.

Coupon No. 4 of $10,000 bond 27442 of 4¼ per cent second Liberty loan, temporary, and coupon No. 4 of $10,000 bond 27442 of 4¼ per cent second Liberty loan, temporary.

Coupon No. 1 of $10,000 note 61092 of 4¾ per cent Victory loan, and coupon No. 1 of $10,000 note 61092 of 4¾ per cent Victory loan. (Numeral of each preceded by "F.")

Coupon No. 2 of $10,000 note 61092 of 4¾ per cent Victory loan, and coupon No. 2 of $10,000 note 61092 of 4¾ per cent Victory loan. (Numeral of each preceded by "F.")

Coupon No. 1 of $10,000 note 61081 of 4¾ per cent Victory loan, and coupon No. 1 of $10,000 note 61081 of 4¾ per cent Victory loan. (Numeral of each preceded by "F.")

$5,000 bond, No. 15437, fourth 4¼ per cent Liberty loan, temporary, and $5,000 bond, No. 15437, fourth 4¼ per cent Liberty loan, temporary.

$1,000 bond, No. 598660, fourth 4¼ per cent Liberty loan, temporary, and $1,000 bond, No. 598660, fourth 4¼ per cent Liberty loan, temporary.

$1,000 bond, No. 1689990, fourth 4¼ per cent Liberty loan, temporary, and $1,000 bond, No. 1689990, fourth 4¼ per cent Liberty loan, temporary.

$1,000 bond, No. 1689995, fourth 4¼ per cent Liberty loan, temporary, and $1,000 bond, No. 1689995, fourth 4¼ per cent Liberty loan, temporary.

* * * * * * *

Seven $1,000 bonds, Nos. 2523006, 2523007, 2523008, 2523008, 2523009, 2523010 (and 2591285, of fourth 4¼ per cent Liberty loan, temporary.

SUPREME COURT OF THE DISTRICT OF COLUMBIA

Charles B. Brewer against A. S. Abell Co. No. 70158 at law

The President of the United States to Tyler Page, Clerk of the United States House of Representatives:

You are hereby commanded to appear as witness for the plaintiff before circuit court, division No. 1 (forthwith), on the 16th day of February, 1927, at 10 o'clock a. m. (and bring with you)—

$1,000 bond No. 5877, 4¼ per cent, second Liberty loan, temporary, and $1,000 bond No. 5877, 4¼ per cent, second Liberty loan, temporary.

$1,000 bond No. 5878, 4¼ per cent, second Liberty loan, temporary, and $1,000 bond No. 5878, 4¼ per cent, second Liberty loan, temporary.

$1,000 bond No. 5879, 4¼ per cent, second Liberty loan, temporary, and $1,000 bond No. 5879, 4¼ per cent, second Liberty loan, temporary.

$1,000 bond No. 5780, 4¼ per cent, second Liberty loan, temporary, and $1,000 bond No. 5780, 4¼ per cent, second Liberty loan, temporary.

$50 bond No. 826144, 4¼ per cent, second Liberty loan, temporary, and $50 bond No. 826144, 4¼ per cent, second Liberty loan, temporary.

$50 bond No. 826817, 4¼ per cent, second Liberty loan, temporary, and $50 bond No. 826817, 4¼ per cent, second Liberty loan, temporary.

$50 bond No. 1461500, 4¼ per cent, second Liberty loan, temporary, and $50 bond No. 1461500, 4¼ per cent, second Liberty loan, temporary.

$50 bonds Nos. 1206029, 1206915, 2578897, 2579896, 2806085, 2806360, second 4 per cent Liberty loan, temporary.

$100 bonds Nos. 196312, 3108893, 3274814, second 4 per cent Liberty.

$50 bond, bond No. 14210 (really 1142104 with first and last digits * * * third 4¼ per cent Liberty loan, temporary.

$50 third 4¼ per cent bonds, temporary (Liberty loan bonds), as follows:

No. 150505, which is really 11505058 with first and last * * *.

No. 202468, which is really 3202468 with first digit removed.

No. 306274, which is really 8306274 with first digit removed.

No. 587632, which is really 7587632 with first digit removed.

$50 fourth 4¼ per cent bonds, temporary (Liberty loan bonds), as follows:

No. 18154, which is really 3181549 * * *.

No. 32710, which is really 6432710 * * *.

No. 4840877, which is really 1484087 * * *.

Nos. 4840881 to 4840886, really 14840881 to 14840886, with first digit off.

$50 third Liberty loan bonds Nos. 11826449 and 2898013 and 3691571, temporary.

All above are coupon bonds.

File of letters between Charles B. Brewer and the following banks: First National Bank of Valdosta, Ga.; Illinois Merchants Trust, Chicago, Ill.; Wheeling Bank & Trust Co., First National Bank, Cairnbrook, Pa.; First National Bank, Pittsburgh, Pa.

Manila-covered books of duplicate bonds compiled by Register of Treasury, three in number.

Record of bonds stolen from Treasury compiled by register.

Two sets of records and one voluminous file compiled by and received by and written by Register of Treasury relating to bonds received by him in uncanceled condition.

Lists of duplicate coupons covering some 7,000 compiled by Register of Treasury.

Stitched manila-covered volumes listing imperfect bonds compiled by Bureau of Engraving covering about 300,000 such bonds, and similar compilation by Division of Loans and Currency of Treasury.

Memorandum of William S. Broughton to Mr. McCourtry urging resumption of destruction of a million pieces of $50 bonds dated October 26, 1920.

Various parts of the evidence relating to purchase and sale of bonds covered by 28 paragraphs on pages 20 and 21 of inventory signed by you as receipt.

Mr. GARNER of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER of Texas. Will the documents accompanying the Clerk's letter be printed in the RECORD?

The SPEAKER. The Chair thinks they should be printed in the RECORD.

Mr. TILSON. Mr. Speaker, the communication from the Clerk of the House just read raises a question of the privileges of the House, and I therefore submit a privileged resolution.

The SPEAKER. The gentleman from Connecticut offers a resolution, which the Clerk will report.

The Clerk read as follows:

Whereas in the case of Charles B. Brewer *v.* A. S. Abell Co. (No. 70158 at law) pending in circuit court, division No. 1, Supreme Court of the District of Columbia, subpœnas duces tecum were issued by the Chief Justice of the Supreme Court of the District of Columbia and addressed to William Tyler Page, Clerk of the House of Representatives, directing him to appear as a witness before circuit court, Division No. 1, on the 15th and 16th days of February, 1927, and to bring with him certain and sundry original papers, documents, books, and testimony in the possession and under the control of the House of Representatives: Therefore,

Resolved, That by the privilege of this House no evidence of a documentary character under the control and in the possession of the House of Representatives can, by the mandate or process of the ordinary courts of justice, be taken from such control or possession but by its permission.

Resolved, That when it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that documentary evidence in the possession and under the control of the House is needful for use in any court of justice or before any judge or such legal officer, for the promotion of justice, this House will take such order thereon as will promote the ends of justice consistently with the privileges and rights of this House.

Resolved, That William Tyler Page, Clerk of the House, be authorized to appear at the place and before the officer named in the subpœnas duces tecum before mentioned, but shall not take with him any paper or document on file in his office or under his control or in his possession as Clerk of the House.

Resolved, That the said court, through any of its officers or agents, have full permission to attend with all proper parties to the proceeding, and then always at any place under the orders and control of this House, and take copies of any documents or papers in possession or control of said Clerk, and any evidence of witnesses in respect thereto which the court or other proper officer thereof shall desire, so as, however, the possession of said documents and papers by the said Clerk shall not be disturbed, or the same shall not be removed from their place of file or custody under said Clerk.

Resolved, That a copy of these resolutions be transmitted to the said court as a respectful answer to the subpœnas aforementioned.

Resolved, That when the court before mentioned shall have disposed of the aforesaid case of Charles B. Brewer against A. S. Abell Co., the Clerk of the House of Representatives is hereby directed to return to the Treasury Department, taking receipt therefor, the original records, documents, books, and papers, inventoried, which were adduced as evidence before the select committee appointed under House Resolution No. 231, Sixty-eighth Congress, and by that committee turned over to the files of the House to accompany its report.

Mr. GARRETT of Tennessee. Mr. Speaker, I reserve a point of order on the resolution. The order has not been very good during the reading of the resolution, but I think I understand what it is. What I am curious about, though, is that last provision in the resolution about returning the papers to the Treasury Department.

Mr. TILSON. I can explain in a word what it means. The first part of the resolution, up to the last paragraph, simply enables the court or its officers or counsel to examine and make copies of all of these papers under the control of the House. The last paragraph of the resolution does not operate until after the case in which these papers are to be used is disposed of, and the resolution simply provides that when this case at law is disposed of then the Clerk of the House shall turn these papers back to the Treasury Department, where they legally belong.

Mr. GARRETT of Tennessee. I do not know whether they legally belong there or not. They legally belong here.

Mr. TILSON. When we are through with them, they belong at the Treasury Department.

Mr. GARRETT of Tennessee. Does not the gentleman think we had better deal with the immediate emergency now and leave the question of the return of the papers or the final disposition of the papers to be disposed of later?

Mr. TILSON. I can see no good purpose in having a great amount of space in the office of the Clerk taken up with these documents and a box or safe in the Riggs Bank, on which rent is being paid, to hold these bonds and papers which the House is not in any way using at this time. There is nothing pending before the House that would authorize or which would necessitate the use of these papers.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. GARNER of Texas. I do not understand about these bonds. Are these bonds owned by some individual?

Mr. TILSON. I understand they are canceled bonds.

Mr. GARNER of Texas. Who canceled them?

Mr. TILSON. The Treasury Department.

Mr. GARNER of Texas. These are bonds which have been paid off.

Mr. TILSON. I so understand; they are bonds that have been returned to the Treasury, paid off and canceled.

Mr. BLANTON. And they are duplicate bonds; duplicate numbers.

Mr. STEAGALL. Will the gentleman yield to me?

Mr. TILSON. Yes.

Mr. STEAGALL. I do not know just what the parliamentary status of this matter is with reference to the concluding paragraph in the resolution, but I want to ask the gentleman to amend the resolution by striking out the concluding clause which orders these papers and documents returned to the Treasury Department and let us deal with that phase of the matter in the regular way. Meantime let us pass the resolution to furnish the court this evidence as provided in the gentleman's resolution, which I think is proper and right.

Mr. TILSON. That is all provided for in the resolution.

Mr. STEAGALL. And then if the gentleman so desires, he certainly will be in position to submit to the House a resolution that could be taken up on its merits, independent of this other proposition, and let the House decide in the regular manner, which it should do, what steps ought to be taken with refer-

ence to returning this testimony or records and papers to the Treasury Department.

Mr. TILSON. Can the gentleman give the House any good, sound reason why those bonds and other documents, brought here in the Sixty-eighth Congress, should be kept here any longer? If the gentleman can give the House some reason why they should be kept any longer, then there would be some basis for the gentleman's request.

Mr. STEAGALL. Let me answer the gentleman. I say we should not be called on to determine that now.

Mr. TILSON. Why not now?

Mr. STEAGALL. Because that matter is not properly before the House. I might be able to give the gentleman a good reason why the nations of Europe should not enter into the peace conference suggested by the President of the United States, but that has no proper place in a resolution which deals with a subpœna duces tecum served upon an official of this House to produce this testimony in court. What steps the House will take to dispose of these documents on its own part, and with reference to its own rights, is an entirely different matter from what should be done with reference to answering a subpœna duces tecum served on the Clerk of this House requiring the production of these documents in court

Let me say further, inasmuch as the gentleman has asked me the question, I insist this House ought not to instruct the Clerk to return these records to the Treasury Department until the matter may be brought up in the regular way and dealt with upon its merits. It should not be attached to the other portion of the resolution and given a privileged status.

Mr. TILSON. That is what we are doing now. We are dealing with it on its merits, and I am asking the gentleman to produce any good reason why we should retain these bonds any longer.

Mr. STEAGALL. I beg the gentleman's pardon. The gentleman brings up a resolution instructing the Clerk of the House to respond to a subpœna of the courts of the country with reference to this testimony, and we find this last clause in the resolution dealing with another separate and distinct matter. This is all the notice I had of it. I dare say it is all the notice any Member on this side of the House had of the resolution. I did not know until the resolution was being read at the Clerk's desk that there was anything in the resolution touching the return of these documents to the Treasury Department.

Mr. TILSON. The gentleman still has given no reason why we should retain these papers longer.

Mr. STEAGALL. If the gentleman be correct in his statement that these papers are simply cumbering space here, why has the gentleman waited until now to find a way to return them to the Treasury?

Mr. TILSON. I may be at fault in regard to that, because——

Mr. STEAGALL. Why has the gentleman waited until now to take advantage of this situation, and then attempt to put through an order that is not related to the matter of answering the subpœna of the court?

Mr. TILSON. I may be at fault, because the Clerk of the House has appealed to me on a number of occasions.

Mr. STEAGALL. But the gentleman waited until he got this opportunity before responding.

Mr. TILSON. No; I did respond. I have conferred with one gentleman on the gentleman's side, who is a member of the Committee on Banking and Currency, and I have talked with a number of gentleman on our side about the disposition of these bonds.

Mr. BLANTON. Will the gentleman yield and let me give him a reason?

Mr. TILSON. The Clerk has been appealing to me to get these bonds back to the Treasury, where they belong.

Mr. STEAGALL. Let me say to the gentleman that I dislike to go into this matter, but if we are to go into it in full, the gentleman from Iowa [Mr. HAUGEN] will probably be impatient to go on with his bill before the end of the discussion, because it would require quite a time to review the work of the special committee appointed by the House to investigate the duplication of bonds in the Treasury Department. There is a vast amount of these documents and this evidence——

Mr. TILSON. Has the gentleman any reason——

Mr. STEAGALL. Will the gentleman let me finish my answer, please?

Mr. TILSON. I am hoping the gentleman will come to the point and give the House a good reason why these bonds should be retained longer.

Mr. STEAGALL. I will answer, first, because these records are the property of the House and are rightfully here and can not be rightfully placed anywhere else. That is one reason.

Mr. SPEAKS. Will the gentleman yield for just a question?

Mr. TILSON. I am yielding first to the gentleman from Alabama.

Mr. SPEAKS. Will the gentleman from Alabama yield to me a moment?

Mr. STEAGALL. I will if I have the floor.

Mr. SPEAKS. I want to know whether there is anything of a questionable or criminal nature associated with these papers which makes their retention by the House necessary to the public welfare?

Mr. TILSON. Nothing that I know of. This House has taken no action on these papers since the Sixty-eighth Congress.

Mr. SPEAKS. I am inquiring whether there is anything of a controversial or criminal nature touching the papers which are being held?

Mr. BLANTON. That is something we do not know yet.

Mr. STEAGALL. I think I do know.

Mr. SPEAKS. Then they ought to be retained.

Mr. TILSON. There is nothing pending before the House since the Sixty-eighth Congress that would necessitate the retention of these bonds any longer.

Mr. BLANTON. Will the gentleman let me give a good reason why they should be retained?

Mr. STEAGALL. I hope the gentleman will let me finish first.

Mr. TILSON. I am yielding to the gentleman from Alabama.

Mr. LINTHICUM. Mr. Speaker, a parliamentary inquiry.

Mr. BANKHEAD. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. It seems to me, Mr. Speaker, that the resolution presents two entirely different substantive propositions, and I want to inquire whether in view of that fact we are entitled to a division of this question; one relates entirely to the request of the Clerk with reference to a subpœna from the court, and the latter part of the resolution deals with an entirely different proposition, namely, the disposition of the papers.

The SPEAKER. Of course, the resolution would be open to amendment. The Chair does not think a division of the resolution could be demanded as a matter of right.

Mr. GARRETT of Tennessee. Mr. Speaker, I think the last clause of the resolution destroys its privileged character. I have no disposition in the world to insist upon a point of order that will destroy the other part of the resolution, however, because I think the other part ought to be agreed to. The last clause, I will say very frankly, is something new to me, and I did not know that matter was coming up at all.

Mr. TILSON. Has the gentleman from Tennessee any good reason to advance why these bonds should be retained any longer?

Mr. GARRETT of Tennessee. The gentleman from Tennessee was not a member of the committee which made this investigation, and his knowledge about this matter is very, very general in character. The gentleman from Alabama [Mr. STEAGALL] was a member of the committee, and the gentleman from Alabama seems to object to it at this time.

The SPEAKER. On a further inspection of the resolution, the Chair thinks there are several matters here that are separate resolutions of a substantive character and that the resolution could be divided at the request of a Member.

Mr. STEAGALL. But, Mr. Speaker, the point of order made by the gentleman from Tennessee is that the concluding paragraph of this resolution destroys the privileged character of the resolution.

The SPEAKER. The gentleman from Tennessee has not made that point of order.

Mr. GARRETT of Tennessee. I reserved a point of order on the resolution. I do not want to make the point of order, Mr. Speaker, to destroy the entire resolution, because I appreciate the fact it is essential that the first part of it should pass; at least, I think so from the representations that have been made to me concerning the matter. The court has asked for certain testimony.

It is desirable in the interest of justice that the evidence may be presented in the proper way. I do not want to destroy the whole resolution on a point of order; at the same time I do not think the last part of it ought to be insisted on now. That is a matter that we can take up later and dispose of.

Mr. BLANTON. Mr. Speaker, I make the point of order against the last paragraph, that it is not privileged.

The SPEAKER. If the gentleman makes the point of order it will destroy the whole resolution.

Mr. BLANTON. The gentleman from Connecticut can offer the resolution without the last paragraph. I do not make it to any part except the last paragraph.

Mr. STEAGALL. I hope the gentleman from Texas will withhold that. Let me say that there were five Members of this House who served on that investigating committee that inquired into these matters to which the evidence refers. That committee was composed of Mr. McFADDEN, Mr. KING, Mr. STRONG of Kansas, Mr. STEVENSON, and myself. The gentleman from Illinois [Mr. KING] is now ill and is not here, and neither is the gentleman from South Carolina here.

Mr. TILSON. I have talked with the gentleman from South Carolina in regard to it.

Mr. STEAGALL. The gentleman from Pennsylvania [Mr. McFADDEN] was also a member of the committee. Certainly a matter of such importance as this on which the committee worked for months and months and held extensive hearings ought not to be taken up in this House by attaching it to a privileged resolution without giving the House an opportunity to discuss it and consider it on the floor. This testimony involved the widest range of inquiry by this committee, and if the gentleman will remember, the committee made its report in the last days of the session of the Sixty-eighth Congress just before we adjourned. We did not even have an opportunity to discuss our report.

Mr. TILSON. Two years ago.

Mr. STEAGALL. In the jam of a closing session. The committee asked that its life be extended or a new committee be appointed to continue and carry on the work. It was not done. There is no use to say to the gentleman why no effort in that direction has been made since that time. This is not the time to go into all that. But it was the judgment of every man on the committee except one, who only attended a few meetings and was not present during most of the investigation—every other member of the committee agreed that the life of the committee should be extended and the investigation continued, or a new committee created for that purpose. It was not done. It is not unreasonable to presume that this question may arise again and that this House may decide to deal further with the matter. Certainly the records can serve no necessary purpose in the Treasury other than to secure their preservation, and that will be accomplished by keeping them where they are.

Mr. TILSON. The resolution provides that they shall be held here until the court is through with them.

Mr. STEAGALL. The court may be through with them to-morrow.

Mr. TILSON. They should be returned to the Treasury, which is the proper custodian of these bonds. Two years have elapsed without anything being done or attempted to be done, and it is time that they be sent back to where they belong.

Mr. STEAGALL. I will say this, answering the gentleman's question: The committee has reason to believe, if the gentleman from Connecticut does not, that if the records are returned to the Treasury Department they will be destroyed. The committee discovered that records of the same kind were destroyed by the Treasury in violation of law and in violation of repeated written orders from President Harding to the Treasury Department not to destroy any of the duplicate bonds or coupons. This particular resolution can be taken up on some day before this session closes. I ask the gentleman again to strike from the resolution the clause that deals with this matter and take it up some other day when we can reach it during the present session, and consider that question on its merits and debate it satisfactorily. The bonds can rest where they are now if they are not removed to accommodate the court.

Mr. BLANTON. If the gentleman will let the Speaker decide, he will throw the resolution out on a point of order.

Mr. TILSON. Mr. Speaker, I yield to the gentleman from Kansas to make a statement.

Mr. STRONG of Kansas. Mr. Speaker, I was a member of the committee and attended practically every meeting except those held during vacation, when I was in Kansas. These bonds were taken from the Treasury by order of the committee. When our committee went out of existence they ought to have been returned to the Treasury. The Treasury has been repeatedly asking for them. Why they were turned over to the Clerk when the committee went out of existence I never knew. Certainly, the records of the Treasury Department used in the investigation ought to go back to the Treasury Department, and I hope the resolution will prevail.

Mr. TILSON. Mr. Speaker, Mr. Brewer, in his conduct of this case, is very desirous to have the use of these bonds. If the gentleman from Alabama does not wish him to have them I shall withdraw the resolution.

Mr. STEAGALL. It is unfair practice, even though not so intended, for the gentleman from Connecticut to attempt to put this resolution on to a resolution with which it has no proper connection in order to give it a privileged status to which it is not entitled and then undertake to make me responsible for a failure to let the court have these records to be used as evidence.

Mr. TILSON. Mr. Speaker, I withdraw the resolution.

Mr. BANKHEAD. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. Can the gentleman from Connecticut withdraw his privileged resolution without unanimous consent?

Mr. TILSON. Mr. Speaker, we are in the House, not in Committee of the Whole.

The SPEAKER. The resolution may be withdrawn at any time before decision or amendment.

M'NARY-HAUGEN BILL

Mr. PURNELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808, to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. CELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The Chair has recognized the gentleman from Indiana. The gentleman can not take the gentleman from Indiana off his feet with a parliamentary inquiry unless the gentleman from Indiana yields.

Mr. PURNELL. I insist upon my motion.

The SPEAKER. The question is on the motion of the gentleman from Indiana that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of Senate bill 4808.

Mr. ASWELL rose.

The SPEAKER. Does the gentleman from Indiana yield to the gentleman from Louisiana?

Mr. PURNELL. Yes; pending my motion.

Mr. ASWELL. I wish to inquire whether it is not practicable to reach an agreement in the House with reference to time on the pending so-called substitute for the pending bill?

Mr. HAUGEN. I think that agreement can be reached in Committee of the Whole.

Mr. ASWELL. Can it not be reached in the House?

Mr. HAUGEN. It is immaterial. The usual practice, however, is that we agree upon such time in the committee.

Mr. ASWELL. Is it not possible to make that agreement in the House?

Mr. HAUGEN. It would be possible. I ask unanimous consent——

The SPEAKER. The gentleman from Iowa is not entitled to the floor unless the gentleman from Indiana yields to him.

Mr. PURNELL. Mr. Speaker, I took the floor because the chairman of the committee was not here.

Mr. ASWELL. I suggest that we have an hour on a side.

Mr. PURNELL. I suggest that we reach that agreement after we get into the committee.

Mr. ASWELL. The gentleman will remember that in the Committee on Agriculture it was agreed, inasmuch as there was no opposition to be made to the rule to substitute this new bill, that a liberal plan would be agreed upon for debate under the five-minute rule, especially on substitutes.

Mr. PURNELL. What does the gentleman suggest?

Mr. ASWELL. An hour on a side.

Mr. PURNELL. Does the gentleman mean for each substitute?

Mr. ASWELL. I am referring only to my own bill.

Mr. PURNELL. I had hoped that we might agree on 30 minutes on a side.

Mr. ASWELL. Will the gentleman make that request for 30 minutes?

Mr. PURNELL. Yes; I will, if that is agreeable.

Mr. ASWELL. Make it now?

Mr. PURNELL. Yes.

Mr. FORT. Mr. Speaker, will the gentleman from Indiana yield?

Mr. PURNELL. Yes.

Mr. FORT. Does that request cover the other substitute referred to, the Crisp bill?

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. PURNELL. There are two well-recognized and outstanding substitutes to be offered, one known as the Aswell bill and the other known as the Crisp bill. Why can we not have an agreement to allot one hour to each of these, the time to be divided equally between the gentleman from Louisiana [Mr. ASWELL], and the gentleman from Georgia [Mr. CRISP], or some one else on the committee, and the hour over here to be controlled by the chairman of the committee?

Mr. CRISP. Mr. Speaker, as far as I am concerned, it is perfectly satisfactory. I have not attempted in any way to

delay the procedure on the bill, and neither have I taken any time in general debate. I would like to have an opportunity to present my substitute to the House.

Mr. CHINDBLOM. Why not include in the agreement that these substitutes shall be considered in order? I suggest the gentleman will avoid a lot of time being used on the question of order.

Mr. PURNELL. If there are no points raised, there will be no disturbance. There is no need of agreeing in advance on that.

Mr. ASWELL. I agree to the suggestion of the gentleman from Indiana.

Mr. PURNELL. Then, Mr. Speaker, I ask unanimous consent that one hour of debate each be agreed upon on the two substitutes known as the Aswell substitute and the Crisp substitute, one half of the time on the Aswell substitute to be controlled by the gentleman from Louisiana [Mr. ASWELL] and the other half to be controlled by the chairman of the committee [Mr. HAUGEN].

The SPEAKER. The gentleman from Indiana asks unanimous consent that the time for debate upon the amendment to be offered by the gentleman from Louisiana be limited to one hour, one-half to be controlled by the gentleman from Iowa [Mr. HAUGEN] and one-half by the gentleman from Louisiana [Mr. ASWELL], and further asks unanimous consent that the debate upon the amendment to be proposed by the gentleman from Georgia [Mr. CRISP] be limited to one hour, one half of that time to be controlled by the gentleman from Iowa [Mr. HAUGEN] and the other half to be controlled by the gentleman from Georgia [Mr. CRISP]. Is there objection?

Mr. LEHLBACH. Mr. Speaker, reserving the right to object, I ask the chairman of the Committee on Agriculture whether it is intended to take an hour on one substitute and then vote, and then take an hour on the second substitute and then vote, or will the vote on both of them be deterred until the end of the two hours?

Mr. HAUGEN. I take it that we will pursue the matter under the regular practice of the House. We will vote on one, and, if it is voted down, then we will vote on the other.

Mr. LAGUARDIA. Mr. Speaker, up to date the time has been under control in accordance with the rules and customs of this House in general debate. We are now going into consideration of the bill under the five-minute rule. Does the committee also seek to control that time?

Mr. PURNELL. We are seeking to give a little more time than is usual in the committee.

Mr. LAGUARDIA. Under the five-minute rule a Member can offer a pro forma amendment and obtain recognition and have five minutes. Under the suggestion the outsiders are entirely at the mercy of the gentleman from Iowa [Mr. HAUGEN]. Surely the gentleman does not mean to proceed in that way?

Mr. CHINDBLOM. Oh, after the five minutes debate is exhausted on a pro forma amendment, the chairman of the Committee on Agriculture, in the Committee of the Whole, can move to close all debate.

Mr. GARRETT of Texas. Mr. Speaker, I object.

Mr. PURNELL. Then, Mr. Speaker, I renew my motion.

The SPEAKER. The question is on the motion of the gentleman from Indiana that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House for the consideration of the bill S. 4808, with Mr. MAPES in the chair.

The Clerk read as follows:

A bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, in view of the fact that the Committee on Agriculture agreed at its last session that these two substitutes, so far as the committee is concerned, should have an hour's time, each side 30 minutes for and 30 minutes against, and the friends of the other measures have not objected to that yet——

The CHAIRMAN. The Chair would like to have the members of the committee understand the parliamentary situation. When the committee rose at its last sitting an amendment had been offered by the gentleman from Louisiana [Mr. ASWELL] to strike out section 1 of the Senate bill and insert as a substitute the provisions of his bill, giving notice of the fact that if his motion should prevail he would then move to strike out the subsequent sections of the Senate bill as they were read. The gentleman from Iowa [Mr. DOWELL] reserved a point of order against the amendment, and at that point the committee rose. Does the gentleman from Iowa desire to make the point of order?

Mr. HAUGEN. Is it to be understood that the substitute of the gentleman from Louisiana is pending? If not, it is in order to read the bill.

The CHAIRMAN. The motion of the gentleman from Louisiana is pending.

Mr. BLANTON. Mr. Chairman, I ask for the regular order, and that is on the reservation of the point of order by the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Chairman, I do not desire to press the point of order.

The CHAIRMAN. The gentleman from Iowa [Mr. DOWELL] withdraws the reservation of the point of order. The Chair will recognize the gentleman from Louisiana on his amendment.

Mr. KINCHELOE. I thought the Chair had recognized "the gentleman from Kentucky." I wanted to make a statement.

The CHAIRMAN. The only thing before the committee is the motion of the gentleman from Louisiana.

Mr. KINCHELOE. I move to strike out the last word of the substitute.

The CHAIRMAN. Can not the gentleman from Kentucky and the gentleman from Louisiana get together?

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. Is it in order for me to ask unanimous consent for an hour on a side?

The CHAIRMAN. The Chair thinks it is.

Mr. ASWELL. I ask unanimous consent that one hour on a side be granted on this particular amendment, one half of the time to be controlled by the gentlemen on the other side and half by myself.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent that there may be two hours of general debate on this amendment, one half the time to be controlled by himself and the other half by the gentleman from Iowa [Mr. HAUGEN].

Mr. KINCHELOE. Reserving the right to object—and I shall not object—I wanted to finish the statement I had begun to make.

Mr. PURNELL. Mr. Chairman, I would like to state for the benefit of the Members of the House——

Mr. KINCHELOE. I believe I have the floor. I am still reserving the right to object.

The CHAIRMAN. The Chair thinks the gentleman from Kentucky has the floor.

Mr. KINCHELOE. I think the chairman of the Committee on Agriculture should not object to that. I hope that neither the chairman of the committee nor any member of it will object. But I was hoping that the chairman of the Committee on Agriculture would state that after two hours shall be consumed on these two substitutes and these two substitutes are voted on, he will serve notice on the friends of his bill that he does not propose to adjourn this House to-day until that bill is finally voted on. [Applause.]

Mr. HAUGEN. I think that is the intention of the House. The purpose is to pass the bill before we adjourn, even if it takes all night to do it. [Applause.]

Mr. GARRETT of Texas. I shall not agree that there shall be two hours of general debate if it will keep us here all night unless the gentleman from Iowa has something new. Otherwise I shall object.

Mr. LAGUARDIA. Mr. Chairman, I reserve the right to object.

Mr. ABERNETHY. Mr. Chairman, I reserve the right to object. Do I understand that it is the purpose of the chairman to cut off all debate under the five-minute rule?

Mr. HAUGEN. No. If objection is made to the request made by the gentleman from Louisiana, I shall then move to close the debate and to carry out the suggestion made.

Mr. GARRETT of Texas. Reserving the right to object, Mr. Chairman, I would like to know——

Mr. PURNELL. Mr. Chairman, may I inquire who has the floor?

The CHAIRMAN. The Chair has recognized the gentleman from Louisiana [Mr. ASWELL] for five minutes.

Mr. RAGON. Mr. Chairman, I object. I do not reserve it.

Mr. ASWELL. Mr. Chairman and gentlemen of the committee, I made that request for unanimous consent in order to economize time. If my motion to strike out the first section and substitute my bill should be adopted, the other part of the Haugen bill will be stricken out, and the bill then has a better chance of giving farm relief by passing the Senate than the Haugen bill has to pass the Supreme Court of the United States. [Applause.]

I wish to state for the information of gentlemen on the floor that if my motion does not prevail, another motion will be made by the gentleman from Georgia [Mr. CRISP] to strike out the section and substitute his bill, and I shall vote for that motion. Then if that motion does not prevail, when the committee rises and the final vote is called on the Haugen bill I shall, as the ranking minority member on the committee and opposed to that bill, move to recommit it and again substitute my bill, and upon that motion I shall do my part to have a record vote, a yea-and-nay vote; and then if that motion does not prevail, I shall again do my full part in securing a yea-and-nay vote on the final vote on the McNary-Haugen bill, so that all gentlemen will have the widest latitude to express themselves. [Applause.]

Now, gentlemen, I have but five minutes. I was anxious to have some time for the gentlemen who are supporting the McNary bill to explain it, or at least make an effort to explain it. For 18 hours this bill has been debated but not a single effort has been made by the supporters of the bill to analyze and explain it. I had hoped that in this debate such an effort would be made.

I will give you one example as to the meaning of my bill and then I will be through for this time.

I have a little cotton farm. Last October when cotton was selling at 10 and 11 cents in the South, I bought the cotton produced on that farm to aid the men on it. I bought the cotton crop and paid 1 cent a pound above the market price of that day. I stored that cotton in a warehouse and have it now. As soon as the price advances enough to cover the cost of insurance and storage I shall sell that cotton. That is exactly the operation of my bill. The Export Corporation will buy the cotton at a fair price. I did not go down and bid below; I paid my men on my farm a cent above the market. This Export Corporation will buy the surplus at a fair price, hold it and sell it when the price advances. That is exactly the meaning of my bill.

I would like for the Haugen supporters to be in order because I want to make a reference to them. The distinguished chairman of the Committee on Agriculture is visiting now and is not paying any attention to what is going on, but I want to call attention to his great speech in analyzing this bill. He talked for nearly an hour and the sum total of his argument was: Does the farmer want $1 a bushel for his wheat or does he want $1.50 a bushel, and that explains the bill.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. TILSON. Mr. Chairman, I move to strike out the last word. It is best for me to confess at the outset that I make no pretense of being able to explain how the bill under consideration will work, or to give anyone a clearer understanding of what benefits may be expected to flow from its operation if enacted. I therefore request that I be not interrupted while I attempt, by thinking aloud, to put some of the thoughts I have on the subject in order.

Mr. WILLIAM E. HULL. Which bill is the gentleman speaking about?

Mr. TILSON. I am speaking about the bill now before the House.

In the rough and tumble of debate here on the floor of the House we sometimes speak of a measure as economically unsound or even vicious. All that we mean by such terms is that, in our judgment, such measures are inadvisable or unwise from an economic standpoint, and therefore should not be enacted into law. We respect the other fellow who honestly entertains contrary views on the subject, and concede to him the same right that we claim for ourselves. It is one of the fine things about our service here that we can and do differ so widely in our views and contest them so vigorously with each other and yet never lose for a moment our personal regard or our respect for the views of the other fellow.

Conceding to everyone else the absolute right to an opposite opinion, I deem it to be my duty for myself and not for anyone else to voice briefly my opposition to this bill.

I fully realize that there is a very real problem in agriculture, brought about by the necessity for readjustment after the serious dislocation in the economic structure caused by a world-wide war. During that period overproduction was directly encouraged and rapidly mounting costs of production were disregarded. Production costs are still high for the farmer, but they can be disregarded no longer if the farmer is to make a profit, and he must make a profit or he can not continue to produce. The farmer has been further penalized in his production costs beyond anyone else by the effects of our immigration laws, now far more drastically restrictive than ever before in our history, upon the problem of farm labor.

Recognizing the existence of the farm problem and the seriousness of it, everyone feels the importance of doing everything possible to help solve it. The question before us is whether the pending bill is the solution and the only solution; for it would seem that the proponents of this bill are not ready to even consider anything other than this particular bill in the precise form it has taken during its passage through the Senate. And I feel constrained to add that if all farm relief legislation fails at this session those who have so persistently insisted upon one particular bill or nothing will, in my judgment, not be free from blame for the result.

Again, with all deference to the opinions of others, I do not believe the bill under consideration to be a solution of the farm problem at all. I believe that it would not only not work well, but that the attempt to work it would make matters infinitely worse. I believe that in the long run the one who would suffer most from such a law would be the farmer himself.

Mr. MORTON D. HULL. Is the gentleman speaking of the Aswell bill?

Mr. TILSON. I am speaking of the bill now before the committee for consideration, which is the Senate bill as it was finally amended in the Senate. As I try to visualize what would probably happen in case it were attempted to put such a law into operation, I can see the delicate mechanism of trade and commerce thrown out of its normal adjustment into helpless confusion.

Instead of prices being regulated by the law of supply and demand, they will be determined by the edict of a board. It is often said that if it were a certainty that the ruler would always be wise and good an absolute monarchy would be the best form of government. The trouble is with the premises. In this bill it would seem to be the assumption that the board will be all wise and all good, and so the bill proceeds to make the board practically all powerful. The experience of mankind through the ages does not warrant the assumption. What opportunities are here made available for advance leaks of information as to what the board will do in certain contingencies! What possibilities of graft and corruption through speculation are here made ready and at hand!

Whether or not I am able to sense what the board would or might do when appointed under such a law there is one thing of which I am positively certain, and that is that the method provided for the appointment of the board is utterly vicious if not absolutely unconstitutional. Under our form of government it is the duty of the Executive to enforce the laws, and he is given the corresponding power of appointing executive officers or the agencies through which the laws are to be enforced. The bill under consideration undertakes to so restrict the exercise of the appointing power as to substantially deprive the Executive of all right to select those who are to execute the law.

In the bill under consideration a fraction of one class of citizens in a given district select those who select three persons from whom the President must select the member of the board from that district. Let us suppose, what would probably happen, that the three from whom the President must select one are as like as three peas in a pod, so far as their views as to their duties on the board are concerned. The result would be that the fraction of the one class of citizens could, and doubtless would, compel the selection of some one who, regardless of the wishes or interests of all other citizens, would be obligated to serve the interests of those making the selection.

As to the tendency of such legislation there can be no doubt. It leads in the direction of sovietism and is in fact a considerable step in that direction. It means that a particular class of our citizens acting through representatives of their own choosing are to be clothed with tremendous powers over the very means of life itself affecting vitally the lives and fortunes of the whole people. I can not bring myself to believe that the courts would ever sustain such legislation. I shall attempt to discuss here only the one point as to the constitutionality of the provision of the bill for selecting the board.

The bill provides for the selection of a board of 12 members, one from each Federal land bank district. It provides that the President shall appoint the member from each district from three persons nominated to him by a committee of seven, four of whom shall represent the "bona fide farm organizations and cooperative associations" in that district, whatever this may mean. The three minority members of the nominating committee are to be appointed, two by the heads of the agricultural departments of the several States in the district and one by the Secretary of Agriculture. The bill also proposes to create an advisory council of seven for each commodity covered by the

bill, and members of each commodity advisory council shall be selected annually by the board from lists submitted by cooperative marketing associations and farm organizations and by agricultural heads of the several States within the district. The President has no part in the selection of the advisory council.

The appointing power of the President for each member of the proposed farm board would be limited by the bill to a selection from three persons in each district, the three persons to be chosen by organizations formed by the voluntary association of farmers for their own benefit. The great mass of unorganized farmers are to have, through the appointments of the State agricultural heads and the Secretary of Agriculture, only minority representation in the matter, and the President would have no power to appoint anyone whom he might think would care for their interests or the interests of the public.

The question whether such a limitation on the appointing power of the President is constitutional has never been considered by the Supreme Court of the United States, because up to the present time in our history no substantial group has ever suggested such a limitation upon the power of appoinment, but there are decisions by State courts and an opinion by the United States Attorney General which clearly hold that limitations of this character amount to an attempt of the legislative branch of the Government to invade the province of the executive branch.

The decisions of the State courts are founded for the most part upon provisions in the State constitutions similar to the provisions in the Federal Constitution which separate the Federal power into the executive, legislative, and judicial branches, and which give to the executive branch the right to appoint executive officers.

The appointing power of the President of the United States is defined in section 2 of Article II of the Constitution. This section provides that the President—

shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

When the Civil Service Commission was first established the question arose as to the power of Congress to place limitations on the constitutional appointing power of the President and heads of departments. The commission as first organized asked the United States Attorney General for an opinion whether a statute could constitutionally limit appointments to the person receiving the highest grade on a competitive examination, and, second, whether it could limit appointments to general classes of persons. The Attorney General, under date of August 31, 1871, rendered an opinion (vol. 13, Opinions of the Attorney General, p. 516) in which he held that Congress could not by law limit the President or the heads of departments to the highest person on a competitive examination, but that it could restrict appointments to a class of persons whose qualifications or fitness should be determined by an examination instituted independent of the appointing power.

The first inquiry of the commission raised the question, to quote the Attorney General's language, "whether the designation of a single person for appointment by a board not established by the constitutional appointing power would virtually vest the appointment in a body unknown to the Constitution."

The Attorney General goes on further to say:

The objection is substantially this: That a rule, whether prescribed by Congress or by the President, in pursuance of authority given by Congress, that a vacant civil office must be given to the person who is found to stand foremost in a competitive examination, in effect makes the judges in that examination the appointing power to that office, and thus contravenes the constitutional provisions on the subject of appointments * * *.

If to appoint is merely to do a formal act, that is, merely to authenticate a selection not made by the appointing power, then there is no constitutional objection to the designation of officers by a competitive examination, or any other mode of selection which Congress may prescribe or authorize. But if appointment implies an exercise of judgment and will, the officer must be selected according to the judgment and will of the person or body in whom the appointing power is vested by the Constitution, and a mode of selection which gives no room for the exercise of that judgment and will is inadmissible. If the President in appointing a marshal, if the Senate in appointing its secretary, if a court or head of department in appointing a clerk, must take the individual whom a civil-service board adjudged to have proved himself the fittest by the test of a competitive examination, the will and judgment which determine that appointment are not the will and judgment of the President, of the Senate, of the court, or the head of department, but are the will and judgment of the civil-service board, and that board is virtually the appointing power. Viewing the appointing power conferred in the Constitution as a substantial and not merely a nominal function, I can not but believe that the judgment and will of the constitutional depositary of that power should be exercised in every appointment.

In the bill under consideration the judgment and will of the President is limited to the selection from a list of three persons submitted to him by a committee nominated by certain farm organizations. The same arguments which apply to a limitation of a single individual apply also to such a limitation as the bill proposes. The President has the constitutional right to select officers in whose judgment and ability he has confidence, and he can not exercise this right if limited to a choice from three persons selected only by those who have a financial interest in the questions to be decided by his appointee.

Further on in his opinion the Attorney General says on the same subject:

If Congress can compel the President to nominate a person selected by others, it can compel the Senate to advise and consent to that nomination. If the foremost man in the competitive test is entitled to the office, that test must be conclusive upon all whose action is required to place him in the office, and, in fact, the action of all of them is merely formal, except that of the judges in the test. But advice and consent imply an exercise of judgment and will. So does nomination. So does appointment. * * * Such constraint frustrates the constitutional design—that the judgment of the Senate shall revise the judgment of the President, and that the judgment of both shall concur in filling the office.

The Attorney General's language shows clearly that in legislation of this character Congress is attempting not only to invade the rights of the President but is also surrendering a right which attaches to the Senate. To reduce the proposition to the absurd, it might be argued that under the provisions of the bill the President might appoint one of the three persons nominated by the farm organizations, that the Senate might reject the nomination so made, and that the President might then nominate the second of the three nominees, and that he also would be rejected by the Senate. The President under the law would necessarily nominate the third, and the Senate, if the law is constitutional, would be bound to confirm the nomination.

As to the power of Congress to establish general qualifications and to restrict appointments to specified classes, the Attorney General in the same opinion holds this power to be constitutional. He says:

Though the appointing power alone can designate an individual for an office, either Congress by direct legislation, or the President, by authority derived from Congress, can prescribe qualifications, and require that the designation shall be made out of a class of persons ascertained by proper tests to have those qualifications. * * * Congress could require that officers shall be of American citizenship or of certain age, that judges should be of the legal profession and of a certain standing in the profession, and still leave room to the appointing power for the exercise of its own judgment and will; and I am not prepared to affirm that to go further and require that the selection shall be made from persons found by an examining board to be qualified in such particulars as diligence, scholarship, integrity, good manners, and attachment to the Government, would impose an unconstitutional limitation on the appointing power. It would still have a reasonable scope for its own judgment and will. * * * In the matter now in question, it is not supposable that Congress or the President would require of candidates for office qualifications unattainable by a sufficient number to afford ample room for choice.

In the bill under consideration an attempt is clearly being made to reduce the number of eligibles below "a sufficient number to afford ample room for choice." No one can claim that in a district of possibly 10,000,000 people the President is given ample room for choice when limited to selection from three out of that number, a percentage of approximately one to every three million persons.

Under the present rules of the Civil Service Commission appointing officers are limited to the selection of one of three persons certified by the Civil Service Commission to have obtained the highest ratings on competitive examination, but it should be remembered that Congress has not attempted to establish such a policy by law, that in fact the civil service law, so-called, merely authorizes the President to set up certain machinery to aid him in the selection of civil service employees, that the rules laid down by law provide that they are to be enforced "as nearly as the conditions of good administration will warrant" and that the commission is to report annually to Congress "the rules and regulations and the exceptions thereto enforced."

From the beginning the rules laid down by this law have been held to be merely persuasive so far as they affect the President's appointing power and Presidents have, from the beginning of this system, exercised the right of sweeping aside civil-service requirements whenever deemed necessary and proper and making appointments in the Government service by what is known as an Executive order. Practically every President since the inception of the civil-service system has exercised this right of making appointments without regard to the requirements established by this commission whenever he deemed it necessary to do so in the public interest and it has been held by Attorneys General that it was the clear intention of the law to give him this right.

The Supreme Court of Missouri met the exact question raised by the provision of the bill now under consideration in State *v.* Washburn, decided March 19, 1902 (167 Missouri Reports, p. 680). That case brought before the highest Missouri court a statute creating election commissions in all cities of the State over 100,000 and providing that one member of such board in each city should be appointed from a list of three eligible citizens nominated by the city central committee of the leading political party opposed to that to which the other two members of the board belong:

The court in that case said:

Although the power here attempted to be conferred is not literally the power of appointment, yet its effect is the same, it leads to the appointment and, if the legislature has the authority to confer the power to nominate in the manner indicated, it has the authority to confer the power to appoint without the circumlocution, which is merely formal. If the governor may be compelled to select one of three, he may be limited in his preference to one of two and, either in form or in skillful practice, there might be no choice left to the executive at all. We must consider the statute, therefore, as conferring on the partisan committee the power to name the officer, for such is the effect.

The act of appointing to government office is in itself the exercise of a governmental function, and can be exercised only by a governmental officer. Therefore, when the power to make such appointment is conferred on a hitherto unofficial person, if the act conferring the power is valid, the person on whom it is so conferred becomes ipso facto a public officer. (Mechem's Public Officers, sec. 11.) Assuming, then, for the sake of argument, without so deciding, that the legislature had the power under section 9 of article 14 to create an office to exercise the function of appointing the third member of the board of election commissioners, still it had no right to appoint the person or persons who should fill the office so created.

The constitution of Ohio contains a clause very similar to section 9, article 14, of our constitution above quoted. [This section reads: "The appointment of all officers not otherwise directed by this constitution shall be made in such manner as may be prescribed by law."] In that State the legislature passed a law creating a board of commissioners to do certain public service, and in the act named three individuals and authorized them to appoint the members of the board of commissioners. The question of the validity of the appointments made by these three persons came before the supreme court of that State, and it was held that the act of the legislature in that particular was unconstitutional, and that whilst the constitution gave the legislature the power to create the office of board of commissioners and prescribe by law the manner of appointment, it did not give it the power to make the appointment, and that the naming of the three individuals and conferring on them the power to make the appointments was in itself the creation of another office and the appointment by the legislature to that office. (State ex rel. *v.* Kennon, 7 Ohio St. 546.) The same view of the subject was taken by the Supreme Court of North Carolina. (State ex rel. *v.* Stanley, 66 N. C. 59; State ex rel. Howerton *v.* Tate, 68 N. C. 546.) There was a clause in the constitution of each of these States expressly denying the legislature the power to appoint to office; but whilst our constitution does not in express terms say that the general assembly shall not exercise the power of appointment to office, it does expressly say that it shall not exercise a power properly belonging to either of the other departments, and that is as explicit as if it had specified that it should not make appointments or render judgments.

When, therefore, the general assembly undertook to confer the power to appoint the third election commissioner of Kansas City on a body of men not officially connected with the State government it undertook, in effect, to create an office to exercise the governmental function of filling by appointment another public office, and not only to create such office but to name by description the men who were to fill it, in effect creating the office and appointing incumbents, making the law and executing it.

This decision is based on three general grounds, one of which is a constitutional provision peculiar to the State of Missouri, prohibiting the legislature of that State from granting to any corporation, association, or individual special or exclusive rights. The opinion indicates that the statute in question would be unconstitutional on this provision alone, but goes on, as the language shows, to find it unconstitutional on the broader ground that it is an invasion of the rights of the executive branch, and in this connection holds, as it had also been held in Ohio and North Carolina, that when a legislative body empowers private individuals to nominate public officers it ipso facto makes such private individuals public officers, and that if the legislature has not the constitutional power to directly appoint public officers it can not appoint such a nominating body. In the Ohio case referred to the persons to make the nominations were indicated by name. In the Missouri case in which the opinion of the court is quoted the city committee of a political party was named the nominating board. In the present bill a board created of delegates from farm associations would be appointed a nominating agency. If the provision of the bill under consideration is constitutional the members of the nominating board so appointed by it ipso facto become public officers, and if Congress has no power to appoint public officers it has no power to appoint such a board or to provide for their appointment other than by the President or the head of a department.

Even if Congress might constitutionally create an agency like the Civil Service Commission, with power to limit the choice of the President or head of a department to one of three, still, under the State decisions just quoted, this power would not extend, as this bill attempts to extend it, to the creation of a nominating board not appointed as provided for in the Constitution.

The civil service law provides that the civil service commissioners shall be appointed by the President with the advice and consent of the Senate; and they are appointed public officers in the constitutional way. If that law attempted to give the power of examining candidates to the National Civil Service Reform League, it would be on all fours with the provisions of this bill and it is hard to believe that anyone would seriously contend that such a provision would be constitutional.

The Supreme Court of the State of New York met a conflict between the so-called "rule of three" in the civil service law of that State and its constitution by suspending the operation of that law so far as it applied to appointments which were constitutionally vested in another public officer. The constitution of New York gave to the superintendent of public works the power to appoint certain officers in his department. After the enactment of a civil service law, limiting appointments to one of three persons certified as qualified by the state civil service commission after competitive examination, the superintendent of public works appointed a clerk not so certified and the case went before the court on the question whether the clerk was legally appointed. The court held that he was legally appointed and that the appointing power given to an officer by the State constitution could not be limited to three persons certified to him by another agency. The New York Court of Appeals in that case said (People *v.* Angle, 17 Northeastern, p. 413):

It seems to us that this law leaves to the superintendent only the barren office of issuing a commission to the person whom others have selected for his adoption, whereas the constitution provides that he shall be the exclusive actor in determining the wisdom and propriety of the proposed appointment. It can not be reasonably contended that the superintendent has, under this system, any such freedom of action and choice as is implied in the power to appoint his subordinates, and perform the duties charged upon him by the constitution. * * * How far the legislature may circumscribe by general laws, the eligibility of the citizen to fill offices in the civil service of the State, by declaring disqualifications therefor arising out of special circumstances or inconsistent employments, it is unnecessary and would now be unprofitable to consider; but we think it entirely clear that it has no power to impose restrictions directly upon one who possesses constitutional authority which practically destroys or impairs the exercise of such authority. The vice of this legislation is that it is directed at the appointing power alone, and enjoins it in imperative terms to refrain from the exercise of that power, except under conditions and restrictions imposed by the legislative will alone.

The provision of the New York constitution here interpreted by the court read:

All other persons employed in the care and management of the canals, except collectors of tolls and those in the department of the State engineer and surveyor, shall be appointed by the superintendent of public works, and shall be subject to suspension and removal by him.

Subsequently, New York amended its constitution and inserted a provision in that instrument for the selection of employees by means of competitive tests in order to clear up questions as to the constitutionality of the State civil service law. Thereafter, in People *v.* Mosher (57 Northeastern, 88), the New York Court of Appeals held constitutional a law which

limited appointments in municipalities to one of three persons certified by the civil service commission, notwithstanding a constitutional provision making such positions elective or appointive by the municipal authorities, but the decision was based solely on the amendment previously adopted to the constitution providing for competitive tests.

It is certain that in the establishment of our Government under the Constitution it was contemplated that the Executive should be charged with the responsibility of executing the laws. Along with this responsibility, and as a necessary corollary to it, he was given the power of appointment of executive officers. If by legislative act this power can be taken away from him, then other powers may thus be taken from him and the checks and balances of our system of government be destroyed. This bill is the most serious attempt thus far made to break down one of the wisest and best provisions of the Constitution. Attempts on the part of State legislatures to break down similar provisions of State constitutions have failed, as I have shown. The attempt should fail here; but if by any mischance this bill should succeed in being enacted into law, it would, in my judgment, be held by the courts to be unconstitutional and void. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, I shall support the Aswell amendment [applause] because I think unquestionably it offers immediate relief in what constitutes an emergency situation. Admittedly the Senate bill does not offer any immediate relief. The pity of this situation to me is that advantage has been taken of the distress in the agricultural industry of the country for theorists to convince a sufficient number of farmers that this is what they desire or should have as to cause them in turn to bring a pressure here upon sincere and earnest Representatives in the Congress that is causing them to subvert their own judgment. [Applause.]

Mr. Chairman, if this scheme of an equalization fee goes into the law and begins to work within the next decade we will see a complete revolution in the relation of agriculture to all other industries. You will see agriculture put upon the plane of a public-service corporation. The inevitable evolution will be that there will come Government regulation of the farm as marked as now exists with reference to your public-utilities affairs.

This bill is going to pass. What will become of it after that? I do not know. At least it is said it is going to pass. Many of us will not be here when its full effect comes. [Applause.] But let me tell you now that the man who votes for this equalization fee will be on the defensive the moment it goes into effect. [Applause.] And those of us who have been on the defensive, because we have stood against this revolutionary proposal, which threatens to destroy the whole situation of agriculture, can at least sit on the side lines and see the other gentlemen who have attacked us defend themselves a little. You tell me that the farmers down in my section are going to willingly pay this equalization fee on cotton or on every shoat that they sell to a local butcher, or on every bushel of wheat. You tell me that you can pass this boot-strap legislation and that they will be satisfied with it when they begin to see it go into effect—paying a tax on every pound of cotton and every bushel of wheat and every shoat they sell to the local butcher and not see any benefit whatever in an increase in price from the operation of this fee. [Applause.]

The CHAIRMAN. If there is no further debate, the question is on the amendment offered by the gentleman from Louisiana to strike out section 1 and insert the provisions of his bill.

The question was taken; and on a division (demanded by Mr. ASWELL) there were—ayes 113, noes 140.

Mr. ASWELL. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed as tellers the gentleman from Iowa [Mr. HAUGEN] and the gentleman from Louisiana [Mr. ASWELL].

The committee again divided; and the tellers reported that there were—ayes 144, noes 160.

So the amendment was rejected.

Mr. CRISP. Mr. Chairman, I move to strike out section 1 and offer as a substitute the following, which is a substitute for the whole bill; and should it be adopted, I will move to strike out the remaining sections of the Senate bill.

Mr. Chairman, in order to save time, may I submit this unanimous-consent request: In lieu of having the bill read, which will require 15 or 20 minutes, I ask that I be permitted to address the committee for 15 minutes in explanation of the bill; that the bill be printed in the RECORD in lieu of its being read at the Clerk's desk.

Mr. HAUGEN. Will the gentleman couple with his request that 15 minutes be allowed on this side?

Mr. CRISP. I will say to the distinguished gentleman that I have no objection to whatever time he may request.

Mr. RAGON. Reserving the right to object, Mr. Chairman, I would like to say to the gentleman from Georgia that we may very well have an exception in his case; but if they try to make it 15 minutes on the other side to debate this question, then there will be objection. I am perfectly willing for the gentleman from Georgia to proceed for 15 minutes or 20 minutes, so far as that is concerned, because the gentleman has a bill here that has not been thoroughly debated; but I think I voice the sentiment of a vast majority of this committee when I say we are tired of this general debate on the other two bills. [Applause.] This session is rapidly drawing to a close, and the time we save now will be worth a lot to us next week.

Mr. CRISP. I think my friend will admit I have not taken any time——

Mr. RAGON. I grant the gentleman that.

Mr. CRISP. And we will save time by granting me this time in lieu of having the bill read.

Mr. RAGON. I am making this explanation in order that the committee may understand later on what we are going to try to do, and that is finish this bill under the five-minute rule and not have these innumerable extensions that were characteristic of the debate last year.

The CHAIRMAN. The gentleman from Georgia moves to strike out section 1 of the Senate bill and substitute therefor the provisions of his bill (H. R. 16809), and instead of reading the bill the gentleman asks unanimous consent that it may be considered as read and placed in the RECORD without reading; and that he be allowed to proceed for 15 minutes in explanation of his motion. Is there objection to the request?

Mr. WILLIAMS of Illinois. Reserving the right to object, Mr. Chairman, I simply desire to state to the membership of the committee that when the Committee on Agriculture agreed to recommend to the Rules Committee that the Senate bill be made in order, it was understood by the members of the committee, and the assurance was given to those who were opposed to the Senate bill, that liberal time for debate would be given on the Aswell and Crisp substitutes, and no member of the Committee on Agriculture will object to a reasonable discussion of these substitutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none, and the bill will be printed in the RECORD without reading, and the Chair recognizes the gentleman from Georgia for 15 minutes.

The Crisp substitute is as follows:

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce; to enable producers of such commodities to stabilize their markets against undue and excessive fluctuations; to preserve advantageous domestic markets for such commodities; to minimize speculation and waste in marketing such commodities; and to encourage the organization of producers of such commodities into cooperative marketing associations.

FEDERAL FARM BOARD

SEC. 2. A Federal farm board is hereby created in the Department of Agriculture which shall consist of the Secretary of Agriculture, who shall be chairman ex officio, and 12 members, one from each of the 12 Federal land-bank districts, appointed by the President of the United States, by and with the advice and consent of the Senate. Not more than 6 of the specially appointed members shall be members of the same political party.

QUALIFICATIONS AND TERMS OF BOARD MEMBERS

SEC. 3. (a) The terms of office of the appointed members of the board first taking office after the approval of this act shall expire, as designated by the President at the time of nomination, four at the end of the second year, four at the end of the fourth year, and four at the end of the sixth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(b) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(c) Any member of the board in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

(d) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each of the appointed members of the board shall be a citizen of the United States, who shall have had experience in agriculture or

the cooperative marketing of agricultural products, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of $10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or, if assigned to any other office established by the board, then while away from such office on business required by this act.

GENERAL POWERS

SEC. 4. The board—

(a) Shall annually designate an appointed member to act as vice chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

SPECIAL POWERS AND DUTIES

SEC. 5. (a) The board shall meet at the call of the chairman or of a majority of its members.

(b) The board shall keep advised, from any available sources, of crop prices, prospects, supply and demand at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products.

(c) The board shall advise cooperative associations, farm organizations, and producers in the adjustment of production and distribution, in order that they may secure the maximum benefits under this act.

(d) The board may publish, from time to time, such information as may be useful to farmers generally, in planning their future plantings, in order that burdensome crop surpluses may be avoided or minimized.

COMMODITY ADVISORY COUNCILS

SEC. 6. (a) The board is hereby authorized and directed to create for each agricultural commodity which in its judgment may at any time require the application of this act an advisory council of seven members fairly representative of the producers of such commodity. Members of each commodity advisory council shall be selected annually by the board from men actually engaged in cooperative marketing associations and farm organizations determined by the board to be representative of the producers of such commodity. Members of each commodity advisory council shall serve without salary, but may be paid by the board a per diem compensation not exceeding $20 for attending meetings of the council and for time devoted to other business of the council and authorized by the board. Each council member shall be paid by the board his necessary traveling expenses to and from meetings of the council and his expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while engaged upon the business of the council. Each commodity advisory council shall be designated by the name of the commodity it represents, as, for example, "The cotton advisory council."

(b) Each commodity advisory council shall meet as soon as practicable after its selection at a time and place designated by the board and select a chairman. The board may designate a secretary of the council.

(c) Each commodity advisory council shall meet thereafter at least twice in each year at a time and place designated by the board.

(d) Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, or to make oral or written representations concerning matters within the jurisdiction of the board, (2) to call for information from the board and to make representations to the board in respect of the commodity represented by the council on all matters pertaining to the interests of the producers of the commodity, and (3) to cooperate with the board in advising producers and cooperative associations and farm organizations in the adjustment of production in order to secure the maximum benefits under this act.

SEC. 7. Immediately upon its organization, the board upon the request of any cooperative marketing association, or upon its own motion, may investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

1. Does a surplus of any such commodity exist, or threaten to exist;

2. Does the existence or threat of such surplus depress or threaten to depress the price of such commodity below the cost of production with a reasonable profit to the efficient producers thereof;

3. Are the conditions of durability, preparation, processing, preserving, and marketing of such commodity—or the products therefrom—adaptable to the storage or future disposal of such commodity;

4. Are the producers of any such commodity sufficiently organized cooperatively to be fairly representative of the interests of the producers of the commodity;

5. Are the cooperative marketing associations efficiently organized to direct the purchasing, storing, and marketing such commodity.

If the board shall by a majority of its members and with the approval of the majority of the advisory council in such commodity find affirmatively that any agricultural commodity falls within the provisions 1, 2, 3, 4, and 5 of this section, then the board shall declare that an emergency exists in such commodity.

The board may, from time to time, on its own motion or upon the request of any organization of producers, declare that such emergency has passed.

SEC. 8. Where the board has made a finding in accordance with section 7 that an emergency exists, and where the producers of the commodity request the cooperation of the board, then the board shall publicly declare its readiness to extend to the cooperative associations engaged in the handling of such commodity its assistance in accordance with this act. And it may—

(a) Require the associations concerned to form a corporation under the laws of any State (hereinafter referred to as the corporation) to represent such association or associations in all transactions with the board and to handle surplus commodities under the provisions of this act. The capital of such corporation may be nominal in amount and shall be subscribed by such cooperative association, or if there be more than one such association in such proportions as they may agree, or, in failure of such agreement, then in such proportions as the board may determine.

(b) Make advances for working capital to such corporation to enable it to purchase, store, merchandise, or otherwise dispose of such portion of the commodity concerned as may be responsible for unduly depressing the price thereof.

(c) Such advances may be for such period as the board may determine and may be renewed from time to time by the board.

(d) Such advances shall bear interest at 1 per cent per annum above the rate of interest paid by the Treasury of the United States for its loan last preceding the date of such advances.

(e) Commodities purchased with said advances (unless disapproved by the board) may be pledged as marginal security for loans with which to purchase further amounts of such commodity.

(f) Whenever, in the judgment of the board, sufficient loans can be secured by the corporation at reasonable rates from other lenders, it shall suspend the further making of advances.

SEC. 9. No commodity which is liable to spoilage during the period of such loan by reason of its inherent nature or inferior condition shall be purchased with the advances made by the board.

SEC. 10. The corporation receiving such advances shall make purchases of such commodity with the proceeds thereof only:

(a) When prices are below or, except for such purchases, may fall below the cost of production to efficient producers.

(b) Of those grades and qualities of such commodities, the production of which is desirable in the interest of the domestic consumers of the United States, or for which normally a foreign market exists at a price showing a reasonable profit to an efficient producer thereof.

(c) So long as ensuing production of such commodity does not show an increase in planting or breeding according to the estimates of the Department of Agriculture of planting or breeding of the commodity.

(d) If the commodity so purchased shall be properly conditioned, preserved, stored, and safeguarded: *Provided, however,* That no such commodity shall be processed with the aid of advances made by the board in such manner as to produce a change of form except with the specific approval of the board.

(e) If every reasonable effort shall be exerted by the corporation to avoid losses and to secure profits on resales, but the corporation shall not withhold any commodity from the domestic market if the price thereof has become unduly enhanced, resulting in distress to American consumers.

SEC. 11. The corporation shall enter into agreement with the board to—

(a) Adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(b) Keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the Federal farm board may from time to time prescribe.

(c) Permit the Federal farm board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(d) Set aside a reasonable per cent of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(e) Distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

SEC. 12. The cooperative associations concerned shall enter into an agreement with the corporation to—

(a) Set aside a reasonable per cent of the profits prorated to them for a reserve fund.

(b) Distribute the balance among their members, ratably, according to the amount of such commodity marketed through the association by said members.

SEC. 13. If, by reason of unforeseen conditions, a loss is sustained in the disposition of a commodity purchased under the provisions of this act, which exceeds the reserves previously accumulated by the corporation, such loss may be assessed against the succeeding operations in connection with the commodity concerned but shall not be assessed against the cooperative association stockholders of the corporation.

LOANS TO COOPERATIVE ASSOCIATIONS

SEC. 14. The board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, sale, or other disposition, or processing of any agricultural commodity or to corporations formed jointly by two or more such associations, for the purpose of assisting such associations in the purchase or construction of facilities to be used in the storage or processing of such agricultural commodity. In making any such loan the board may provide for the payment of a fixed number of annual installments which will, within a period of not more than 20 years, repay the amount of such loan, together with the interest thereon. The aggregate amounts loaned under this subdivision and remaining unpaid shall not exceed at any one time the sum of $50,000,000.

(b) Any loan under this section shall bear interest at the rate of 4½ per cent per annum.

SEC. 15. (a) The board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association or to any cooperative association created by two or more of such cooperative associations to act as a common agent in marketing any agricultural commodity. Such loans may be made to assist in the orderly marketing of the products of such association or associations and may be either secured or unsecured. In the making of loans under this subdivision the board shall designate such terms and conditions as to satisfy itself that there is a reasonable prospect of repayment but shall not require for the repayment of such loan any assessment or charge against the members of any such cooperative association.

(b) Any loan under this section shall bear interest at 1 per cent per annum above the rate of interest paid by the Treasury of the United States for the last loan made by it preceding the date of such advances.

SEC. 16. No loan shall be made under the provisions of section 14 or section 15 to any cooperative association dealing in any commodity for which a corporation has been organized in accordance with the provisions of section 8, except upon the request of such corporation.

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

SEC. 17. Expenditures by the board for loans and advances from the revolving fund and expenditures by the board from the appropriation under subdivision (b) of section 20 shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Vouchers so made for expenditures from the revolving fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitation, be examined by the General Accounting Office, at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund shall be for the sole purpose of making a report to the Congress and to the board of expenditures in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipt, disbursement, and application of the funds administered by the board.

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 18. (a) It shall be the duty of any governmental establishment in the executive branch of the Government, upon request by the board, or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such governmental establishment, avail itself of the services and facilities of such governmental establishment in order to avoid preventable expense or duplication of effort.

(b) The President may by Executive order direct any such governmental establishment to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of such governmental establishment not otherwise prevented by law. The order of the President may provide such limitations as to the use of the information and data as he deems desirable.

(c) The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

DEFINITIONS

SEC. 19. (a) As used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "United States," when used in a geographical sense, means continental United States.

(3) The term "cooperative association" means an association of persons engaged in the production of agricultural products, as farmers, planters, ranchers, dairymen, or nut or fruit growers, organized to carry out any purpose specified in section 1 of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922, if such association is qualified under such act.

(4) The term "corporation" represents any corporation formed under the laws of any State, the stock of which is owned wholly by a cooperative association or cooperative associations.

(5) The cost of production to efficient producers shall be estimated by excluding the costs of the highest-cost producers whose production is not required to supply the amount needed for domestic consumption together with the further amount represented by the average of the three previous years' exports of the commodity or the products thereof.

REVOLVING FUND AND APPROPRIATION

SEC. 20. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000,000, which shall be administered by the board and used as a revolving fund, in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such amounts, within the appropriations therefor, as the board from time to time deems necessary.

(b) For expenses in the administration of the functions vested in the board by this act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $500,000, to be available to the board for such expenses (including salaries and expenses of the members, officers, and employees of the board and the per diem compensation and expenses of members of the commodity advisory councils incurred) prior to July 1, 1928.

PENALTY

SEC. 21. Any member, officer, or employee of the board who, except under order of a court, shall, without authority of the board, make public any information obtained by the board under this act, or who shall, prior to the time such information is made public under the authority of the board, make use of any such information for the pecuniary advantage of himself or of any other person, shall, upon conviction thereof, be punished by a fine of not more than $5,000 or imprisonment for not more than 10 years, or both.

ANTITRUST LAWS

SEC. 22. Any corporation which has entered into an agreement with the board under this act shall, to the extent of its operations in accordance with the provisions of this act, be relieved from the provisions of the "antitrust" laws as designated in section 1 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

SEPARABILITY OF PROVISIONS

SEC. 23. If any provision of this act is declared unconstitutional or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity, is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

SHORT TITLE

SEC. 24. This act may be cited as "The farm surplus act of 1927."

Mr. CRISP. Gentlemen, I thank the committee for this consideration, and I will ask my friends not to applaud because I want the entire 15 minutes. I think I appreciate better than ever before the feeling of the boy who stood on the burning deck whence all but him had fled. [Laughter.] But being absolutely sure in my own mind that the Senate bill is unconstitutional, whether the President vetoes it or signs it, and that it can not become the law, I feel that when we are offering the farmers agricultural relief in the Senate bill we are keeping the word of promise to their ear but to break it to their hopes, for it can not in my judgment ever become the law.

Unfortunately the situation has arisen in this House where, if one quotes the Constitution, he is derided. I venerate that document. I am sworn to observe it, and in the performance of my duty here I shall be guided by the Constitution. I am not going to discuss the other two constitutional objections that have been raised to the Haugen-McNary bill.

But I do desire, my friends, to call your attention to another constitutional objection against that bill, to wit, if the equalization fee is a tax measure, it is unquestionably unconstitutional because it originated in the Senate. In support of that I cite you the case of Hubbard *v.* Lowe (226 Federal Reporter, p. 135). That was a case where Congress passed a law to regulate the Cotton Futures Exchange by levying a tax. The tax was put on in a Senate bill, and when the court reviewed it, the court said that they would take judicial cognizance that it originated in the Senate, and, under the Constitution, bills raising revenue must originate in the House and therefore, this originating in the Senate, it was declared unconstitutional.

I know that the proponents of the Haugen bill contend that the equalization fee is not a tax. But under the provisions of the bill it proposes to take a part of the equalization fee and put it back into the Treasury to repay loans taken out of the revolving fund. I am convinced in my own mind that the court when passing on it will hold it a tax. And I am satisfied that the court will declare it unconstitutional.

I said to you when I asked for an extension of time that I was going to explain my bill. The bill provides for the establishment of a Federal farm loan board, one member from each Federal land district, appointed by the President, confirmed by the Senate, without limitation on the President as to whom he shall appoint except that he must be experienced in farm and cooperative marketing. It is to be a bipartisan board, not more than six from any one party. The Secretary of Agriculture is to be the chairman. It provides for an advisory council just as the McNary-Haugen bill does, to furnish information as to when an emergency exists.

The bill sets up a definite plan for its administration. Let me say furthermore, that the bill is different from the others in that it does not discriminate against any agricultural product. It creates a board before which any distressed agriculturist can appear and make out his case, and if the majority of the board think that he has made out his case, he is entitled to the benefits of the act. Therefore cottonseed, cottonseed meal, cottonseed oil, peanuts, or any other product of agriculture, if it can make out a case, would be entitled to the benefit of the act. They must establish, before the board can declare an emergency, that a surplus exists, that a surplus depresses or threatens to depress the price of that commodity below the cost of production. A board must determine that the product is durable, capable of being housed and preserved; must determine if the cooperative dealers in that special commodity are organized; must determine whether the cooperatives are capable of purchasing; and if they answer these questions in the affirmative, then the board is required to announce to the world that an emergency exists as to that product and that they are ready to aid in insuring a better price for that commodity.

The bill authorizes the board to organize a holding corporation. The different basic commodities are not always in the same distress, and therefore the bill provides a holding corporation for each of the basic commodities when the board has declared an emergency.

When this board finds an emergency they are authorized to furnish capital to organize a holding corporation to deal in that commodity, permitting cooperatives to go into any State and organize a holding corporation with a nominal capital, say, $1,000, with authority to purchase and hold the surplus commodity.

When the corporation is organized the board is authorized to loan to that corporation, which is a State corporation with private stockholders and directors—the Government having no control over that corporation except the bill gives the Government supervisory control to see that the overhead charges are not exorbitant and that it is properly managed, as the Federal reserve banks are subject to the supervision of the comptroller.

When the corporation is organized they can loan them money, take a lien on the commodity purchased with the funds loaned out of the revolving fund, and the corporation can go into the market and buy that commodity when it is selling below the cost of efficient production.

Now, gentlemen, the criticism that has been leveled against my bill was, first, that you could not find the cost of production. That same criticism applies to the McNary-Haugen bill and every other bill, because the whole scheme of the McNary-Haugen bill is to get the cost and what it is selling at, the world's price, and to add the tariff and the freight to that. The Department of Agriculture has made many surveys as to the cost of raising the different commodities. I do not think there will be any trouble in ascertaining that; but if so, the same criticism applies to each and every one of the bills.

The other objection is that the bill provides only for the efficient cost of production, and that it is unfair to make the poor farmer sell his commodity at the cost of efficient production. If I desired to demagogue, if I introduced a bill for demagogic home consumption alone, I would put the price of cotton at 22 cents or 50 cents, and it would read much better at home to those who raise the commodity if I said 50 cents per pound; but I would not introduce a bill in this House that I did not think stood some chance of getting some support. If you fixed these high prices, you would get nowhere with them, because Congress would not pass such a bill; and if it did, the result would be such an overproduction of surplus that it could break even the Government itself.

What does the bill provide? It provides that when a surplus exists this holding corporation can come in and buy it if it is selling below the cost of efficient production. Some have asked the question, what is meant by the cost of efficient production? I have placed a definition in the bill, and I admit that it is hard to write a definition on that subject. What is intended by it is that the board shall determine the amount of any commodity that is consumed in the United States each year, and the average of exports of that commodity for the last three years, and ascertain how much is needed for the world's consumption, and then get the highest price of producing that necessary amount, and that would be the amount fixed as the cost of efficient production. I will use cotton as an illustration, because I am more familiar with it than with anything else. Say that the world wants 15,000,000 bales of cotton, and 18,000,000 bales are raised. The Department of Agriculture will estimate how much it had cost to produce 15,000,000 bales, taking the highest cost of producing the 15,000,000 bales necessary, because in some States the cost of production is higher than it is in others. They will ascertain the highest cost of producing the necessary 15,000,000 bales. The highest cost of producing any of the necessary 15,000,000 bales is the point to which the price will be pegged. That will be the cost of efficient production. The 3,000,000 bales in excess, the surplus, would be eliminated in fixing the cost of efficient production.

What will be the practical effect of the bill? If it is known to the world that the Government is going to furnish funds to this holding corporation to go into the market and buy that commodity when it is selling below the cost of production, in my judgment the board will not have to buy any, because the foreign spinners and the American spinners will know that the price is going to be pegged to that amount, and they will come in and buy it, and the farmer will not be forced to sell his cotton or grain below that. He can hold it for a very few days and the price will reach that cost of production, and if the farmers will go into the cooperatives and let the cooperatives hold, in addition, a part of the surplus, the great surplus being withdrawn in this holding corporation, then the cooperatives can sit around the table and bargain, and they will know when bargaining that they are sure at least of getting the cost of production, and the cooperatives will get a price much higher than the cost of production.

This bill does not seek to fix a price. The only price fixing that you can argue at all is to peg it at the cost of production. If you raise a normal crop, the board will not function. The corporation will not function. The law of supply and demand will regulate the price. If you raise a very short crop, and there is a carry-over surplus, the board will feed that carry-over surplus to the short crop, and to the extent that that is fed to the market and makes up the deficit in production, it will hold down the price and stabilize it, and if it is a very short crop, notwithstanding that, surplus is thrown on the market. The law of supply and demand will run it up. What the processers and the farmers and consumers need more than anything else, in my judgment, is a stabilized price. This bill seeks to stabilize the price. This bill seeks to hold down production, because if the producers are only guaranteed the cost of efficient production there is no inducement to overplant. The bill goes further and provides that where an emergency has been declared and the board has furnished finances to take off the hurtful surplus for the next year, and the acreage is increased, then the board can not assist in taking off any more surplus. If the producers do increase the surplus, then they are doing it at their own peril.

Mr. Chairman, this is a dual form of government. Congress can not say to a man in my State or in your State what citizens shall plant on their own land. The only way that Congress can hold down production is to notify them that if they do the foolish thing and increase their acreage, the Government will not lend financial aid and stabilize the price to the

cost of production. To-day cotton is selling at 3 or 4 cents below the cost of production. If this bill were in effect, they would be getting at least 3 cents more a pound for cotton, because it would be stabilized at that point. [Applause.]

Mr. Chairman, let me briefly analyze the three bills urgently insisted upon for enactment into law.

It is conceded by all that, if agriculture is to prosper, there must be a limitation on overproduction. The Aswell bill provides no check except that the board is to advise the farmers that they already have a surplus of their commodity and, if they produce another surplus, they do so at their peril. The Haugen bill provides for information to the farmers as to the probable needs of the world as to production, thus giving the same information as the Aswell bill. The Haugen bill also provides an equalization fee as a deterrent to overproduction, though, in my judgment, instead of doing this, if the theory of the bill is correct, it will have directly the opposite effect and result in increased production. Why? Its advocates say the farmer's tax will be so small compared to the benefits he derives that he will not mind paying it; that he will receive for his western products a high increase over world prices, and, therefore, he will pay the tax and not mind it. If this is correct, undoubtedly increased production will follow. The whole scheme of the bill is to give increased prices over world prices to all basic commodities except cotton, in which case only a friendly gesture and a promise of "orderly marketing" is offered.

The Haugen bill authorizes the board to levy an unlimited tax on every pound of cotton raised, and only 3 of the 12 members of the board are to be from cotton States. It is estimated that the tax on cotton would be from 2 to 10 dollars a bale. I will never consent to this delegation of power to a board thus constituted to levy a tax on Georgians, and I firmly believe the provision clearly unconstitutional and I am sworn in the performance of my duty as a Congressman to obey the Constitution. The bill in levying the equalization tax makes a gross and unjustifiable discrimination against the southern cotton farmer in favor of the western grain farmer.

Statistics show that about 3,000,000,000 bushels of corn are raised in the United States, of which only 500,000,000 bushels are processed or sold, and the bill provides an equalization tax only on this 500,000,000 bushels, leaving 2,500,000,000 bushels used on the farm free from paying any tax, whereas the equalization tax will have to be paid on every bale of cotton produced, if marketed. The normal consumption of wheat in the United States is about 600,000,000 bushels, of which over a hundred millions are consumed on the farm, and this amount is also exempt from any tax.

The Haugen bill authorizes the board to make contracts with millers and packers to process wheat and swine and hold them for future sale, and if they make a profit they retain the profit, and if they sustain a loss the farmer is to be taxed under his equalization fee to pay the millers, packers, and other processors the loss sustained. To the packers it is a perfect money-making scheme—if they make money, they keep it; if they lose, the farmer pays the loss.

The Crisp bill contains three provisions to prevent overproduction. First, advice as to the probable needs of any commodity; second, it only guarantees to peg the price to the cost of efficient production. This offers no inducement for increasing acreage or overproduction, but puts the farmer on notice that if he overproduces he will only be assured the cost of production, but if he does not raise a surplus he will get a splendid profit on his product. Third, the bill provides that where there is a large surplus, and the board, with Government finance, has purchased and taken off of the market the surplus commodity that was holding the price down, if the succeeding year the farmers increase their acreage and again produce a large surplus, the board will refuse to furnish aid in buying the surplus and withholding it from the market. If this should happen, inevitably the price would drop way below the cost of production, as is the case to-day when there is no Government agency which insures the farmer of receiving the cost of production. We have a dual form of government, and Congress can not say to a Georgian what he shall plant in Georgia, for that is a State matter. In my judgment, the only way Congress can act is by refusing to furnish further financial aid, and the Crisp bill thus invokes the full power of Congress in seeking to hold down overproduction.

The Haugen bill functions through permitting cooperative associations, private corporations, processors, and any one else the board may select to go into the market and buy surplus crops, the finances to be furnished by the board out of the revolving fund of $250,000,000 and taxes received from the equalization fee.

The Aswell bill operates through a Government export corporation, the capital stock to be subscribed by the Federal Government and the directors to be appointed by the Federal Government. The bill authorizes this export corporation to sell bonds to the extent of ten times its capital. This places the Government directly in business.

The Crisp bill operates through a holding corporation to be organized under State charter with a nominal capital by one or more cooperative marketing associations. It provides for a holding corporation for each of the great basic agricultural commodities, as the interest of one commodity differs from that of another. Therefore the bill authorizes the formation of a cotton-holding corporation, a corn corporation, a wheat corporation, a swine corporation, and so forth. The cooperatives forming these corporations are to elect their own directors and manage the affairs of the corporation subject to the right of the Federal Government to inspect and review their activities to hold down excessive salaries and overhead charges. The board is given the same supervisory power over these corporations that the Federal Reserve Board and the Comptroller of the Currency have over national banks. The farm board, or the Government, has a lien on the surplus commodities which it has financed the corporations in buying and taking off the market, and, with Government supervision of the affairs of the corporations, the Government will sustain little if any loss by virtue of making the loans. In my judgment, under the Haugen and the Aswell bills there is very little chance of the Government getting back any funds advanced to purchase surplus commodities.

If the Crisp bill were enacted into law, it would not operate to hold down the price to the farmer to the cost of production but would guarantee him at least that amount. The bill is not intended as a price depressant. It is not intended to inflate prices; but it is intended as a price stabilizer, which is essential to the producers, to the spinners, and to the consumers. The bill is not intended to interfere with the law of supply and demand except with this one limitation—that it will peg the price to the cost of efficient production, and it will do no more. Now, say the next year there is a normal crop of that commodity.

The corporation will not function at all when there is a normal crop, because the law of supply and demand will insure a price that will make a profit to the producer. So the corporation stands in being. It does not go in and out of existence, as is true in the Aswell bill, but this corporation remains in being all the time and ready to act at a moment's notice. But if there is a normal crop it does not function. Therefore the law of supply and demand will control and the producer will get a profit. But, say, the next year there is a very short crop, which, of course, would mean very high prices. Then this bill would represent a stabilizer. Whatever surplus this corporation has will be fed to the market; it will hold down the price to the extent that this surplus fed to the market makes up the deficit in production and will supply the deficiency. To the extent that the surplus fed to the market makes up the shortage of the world's need, it will hold down the price to that extent only and tend to stabilize it. Of course, if there is a very short crop, even with this carry-over surplus fed to the market, the price will still go higher, for again the law of supply and demand will operate. The bill intends to hold down surplus of bumper crops and sell it in lean crop years to help make up the deficit.

Mr. DICKINSON, the leader of the Haugenites, criticized the Crisp bill by saying that under it there could be no collective bargaining; that the farmer would have to take whatever this corporation would pay. Not so. This bill encourages the cooperative; this bill aids the cooperative; it lets the cooperative know that it can tell its members they are in a better position to obtain for them a good price if they will market their produce through the cooperatives, because the holding corporation authorized by the bill has purchased a part of the surplus crop and has it stored and is holding it until its market value reaches the cost of efficient production. Thus this corporation has withdrawn from the market the hurtful surplus. If the producers turn over to the cooperative associations their produce for orderly marketing, the amount so turned over to the cooperatives is also withdrawn from the open market for sale; therefore the spinners and processors must purchase their raw material either from the cooperatives or from nonmembers of the cooperatives. The cooperatives are thus in a position where they can better bargain with the spinners, brokers, and processors and require them to pay a fair price for the commodity. With the Crisp bill in operation, if a substantial number of producers join the cooperatives they will be able to protect themselves and obtain a fair price for their product.

The Haugen bill contains no prohibition on the board's giving out information as to when it will function. This may lead to an orgy of wild speculation in the farm products, for, if advance information should be given to speculators as to when an operating period was to be declared, this advance information could

be used to make millions for the gamblers in the produce exchanges. My bill makes this improbable by providing a penalty of not more than $5,000 or imprisonment for not more than 10 years, or both, if advance information should be given out by any of the farm board or its employees. Again, the Haugen bill offers to the cooperatives or their agents employed under the provisions of the Haugen bill to purchase the surplus and take it off of the market to hold for higher prices no protection from prosecution under the Sherman antitrust law. My bill specifically provides that no prosecution under this law shall be instituted or upheld against the holding corporation. I doubt, Mr. Chairman, whether any corporation would take the risk of performing the function delegated to them under the Haugen bill when they knew they were not immune from prosecution under the Sherman antitrust law.

Under leave granted me to extend my remarks, I am incorporating herein a letter written by Mr. W. I. Drummond, managing director of the American Farm Congress, pointing out in a clear and able manner the defects of the Haugen bill. I stated to the Committee on Agriculture and also on the floor of this House that many provisions of my bill were taken from the agricultural bill prepared by Mr. Drummond.

KANSAS CITY, MO., *February 1, 1927.*

This will acknowledge receipt of your good letter of January 29, in which you inclose copy of the committee report on the Haugen bill.

I am not disposed to juggle terms, nor do I want to be deceived by any juggling of terms. The present McNary-Haugeu bill has been divested of a number of unsound and unworkable features that were in its predecessors, but it still is based upon two cardinal principles, both wrong, in my judgment, and both partly concealed by ambiguous and involved language. These principles are—

1. The Government in business: The bill still provides for the purchase and disposition of commodities under direction of a governmental agency. This agency would "estimate the probable advances, losses, costs, and charges," etc. It would operate by "entering into agreements with cooperative associations," or with other concerns or persons, to handle the business.

Thus the initiative, the authority, and responsibility would rest with the Government. The Government would be in the business, through its agencies, which would be the board, and whatever concerns the board might designate. The selected cooperatives themselves would be agents of the board, and therefore of the Government. A principal is responsible for the acts of an agent, and under this bill the Government would be the principal. The nomination of board members by farm organizations would not alter the fact that such nominees would become Government officials upon accepting appointment and taking the oath of office.

I grant the right of any man to advocate governmental control of agriculture, but believe that there should be no misunderstanding about it. The contention that this bill would give the farmer control of his business of marketing is without foundation. It would take such control from him.

2. Equalization fee: If this fee can be arbitrarily imposed and collected, then it would seem that the whole doctrine of individual rights, freedom of contract, etc., is destroyed. Was it not to establish these rights that our forefathers fought in founding this Government? If these rights can be taken from a citizen in this instance, by those who contend that they are doing it in his interest, then what is to prevent any other group, if strong enough politically, from doing the same thing under the same pretext? The fact that some are willing to sacrifice such rights makes no difference whatever. Many do not want to do so.

A new theory of government is contemplated in this bill. It is a theory which contravenes some of our best ideals as a free people.

If these two principles upon which the bill is based should be established by its enactment into statute, a train of similar movements will be set up. A bill already is pending before the Legislature of Missouri which provides that the State shall levy a fee or tax upon beekeepers and use the proceeds in promoting the interests of that industry; that is, the State, then, would set up an agency for this purpose. How can thoughtful men fail to see the drift of this movement and the dangers ahead if it really gets under way? The seeds of paternalism and socialism are always with us. We already have too many people who want government to take over their problems.

As to the operation of the plan itself, should the bill be enacted, I will refer only to the one great objective claimed by its proponents. This is to take the surplus off the domestic market and dump it on foreign markets. This is physically possible. The result, however, would in all probability be a disappointment. In the case of some commodities, such as wheat and corn, the aggregate import requirements of the entire world are smaller than our own domestic market. The result of such a dumping process would be to depress the world markets. This it might do without increasing domestic prices at all, since it is admitted that domestic prices must be based upon world prices.

I concede that you, and others who are seeking to secure the enactment of this type of legislation, are actuated by the best of motives. Undoubtedly you are convinced that it would help American producers. But should it be enacted, it is my belief that you would be sorely disappointed by its failure to help the farmers, even if it could stand the test of constitutionality.

The enactment of this bill would sound the death knell of marketing associations such as yours. Certainly the farmers will not support their cooperatives if the Government takes over their marketing problems.

The contention now is that cooperative marketing is failing because of the inability of the cooperatives to secure control of a sufficient volume of a commodity to influence its price. The bill introduced by Judge CRISP in the House and by Senator CURTIS in the Senate is designed to make it possible for the cooperatives to secure the required volume without any risk whatever to the cooperatives or their members. In my judgment, if the cooperative marketing associations would get behind the Crisp-Curtis bill and earnestly set themselves to take advantage of its provisions, a solution of the problem of the surplus might be had.

* * * * * * *

I can reach no other conclusion but that in asking that the Government handle the business and levy the equalization fee you are abandoning the very principles upon which the advocates of cooperative marketing have heretofore stood. You evidently believe that the cooperative marketing ship is about to go on the rocks. I do not, unless its crew abandons it. It seems to me that the hard-won gains of the cooperative marketing movement are about to be thrown away.

Cordially yours,

W. I. DRUMMOND.

Mr. KINCHELOE. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the House, at this stage of the proceedings I am not going to discuss the merits and demerits of the Crisp bill or the McNary-Haugen bill.

I want to say incidentally that I have not only a high regard for the gentleman from Louisiana and a high regard for the gentleman from Georgia, but I have an affection for both of them. But I want to talk to you for a few minutes about the parliamentary situation which is now before us. On day before yesterday we substituted the McNary bill as it passed the Senate with a few amendments in lieu of the House bill, which bill, if these substitutes are lost, we will in a few minutes take up under the five-minute rule. I want to emphasize the fact that if this substitute is defeated and we take up the McNary bill under the five-minute rule, if the opponents of this farm-relief legislation are successful in adopting one amendment to that bill, the McNary-Haugen bill is as dead as a mackerel for this session, and everybody knows it.

What do these gentlemen say? They say, "You ought to pass this Crisp substitute without the crossing of a 't' or the dotting of an 'i.'" What does that substitute do? Here we are asked to pass this substitute in a few minutes, when it was not only read and not discussed under the five-minute rule, and this whole crowd who are criticizing us for proposing to adopt the Senate bill without amendment tell us we should swallow this substitute bill root and branch. [Applause.]

What one does the American farmer want of these three bills? How many of them have ever written to you that they wanted the Aswell bill? How many of them have ever written to you that they wanted the Crisp bill? None. But these doctors of the farmers are saying to the farmers, "You are a little constipated financially, and we propose that you take this substitute and that we give you, as a purgative in the way of the Crisp bill, whether you want it or not, whether it is good for you or not."

I am not going to be a party to that. Every farm organization in the United States, as I said before, and has been said repeatedly on this floor, with the exception of the Grange, has, by petitions, and in person or through representatives, said to you, "We want to try this bill."

The gentleman from Georgia [Mr. CRISP] says the equalization fee is unconstitutional. Suppose it is. If the Supreme Court passes upon it and knocks out the equalization fee, it does not knock out the rest of the bill; and if it knocks out the equalization fee we still have the revolving fund, which is found both in the Crisp bill and in the Aswell bill, of $250,000,000. You have your board and advisory council, and they can function just as well, and you have just as much opportunity to help the American farmer with the equalization fee out as you have under the Crisp bill or under the Aswell substitute, either one.

Gentlemen, do not fool yourselves. You are not going to fool the farmer by voting for one of these substitutes. Do not forget that. If one of them happens to carry and you still want to vote for the McNary-Haugen bill, you will be in a devil of a fix. Take that from me. Pass the Senate bill just as it is, because if you put an amendment to it, it goes to conference, and if it goes to conference and that conference report goes to another body in this Capitol, you know it has not a chance to pass over there before the 4th of March.

They say the President is going to veto it. That is his business. The legislative department of this Government, of which this body is one branch, is hearing the wails and the appeals of the farmers everywhere, calling for what? Not for the Aswell bill, not for the Crisp bill; they want the McNary-Haugen bill. And there are only two amendments of consequence in the Senate bill over the original Haugen bill, and one of those is the insurance feature, which is nothing but hedging, and it is left to the discretion of the farm organizations and the board whether they will take out that insurance or not, and the other is whether they want to make tobacco a basic commodity in this bill.

Gentlemen, I repeat, do not fool yourselves on this substitute. If you want a bill that will pass and a bill that has any chance in the world to become a law at this session of Congress, pass this Senate substitute without dotting an "i" or crossing a "t." [Applause.]

Mr. FORT rose.

The CHAIRMAN. The gentleman from New Jersey [Mr. FORT], a member of the committee, is recognized.

Mr. FORT. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from New Jersey moves to strike out the last word.

Mr FORT. Mr. Chairman and gentlemen of the committee, at the beginning of this debate I made the statement that it seemed to me that the rule should be in such form as to permit full and free discussion on this floor of all proposed measures for the relief of agriculture. To-day, by the friends of the bill, debate has been limited, and we are now told by the gentleman from Kentucky [Mr. KINCHELOE] that we must accept the bill as passed by the Senate, upon which no committee of the Senate or the House has held a hearing, and which no Member of this House has had opportunity to read before 48 hours ago; that we must accept this legislation without crossing a "t" or dotting an "i."

At least the bill that the gentleman from Georgia [Mr. CRISP] introduced has been before this House for study for a month or more. The bill that you are being asked to-day to pass without crossing a "t" or dotting an "i" was never seen by any man on this floor before Tuesday of this week. They say it is the only bill that can become a law. It is the one bill that can not become a law, in my judgment. And if it becomes a law, it can not be held in any court to be constitutional.

The gentlemen who are supporting this bill know when they support it that they are supporting a bill that can not become a law at this session of Congress.

Now, what does the Crisp bill seek to do? The Crisp bill seeks to put into agriculture a stabilization program owned by the American farmer himself. [Applause.] It does not propose for American agriculture a stabilization program operated by a Federal board. It does not propose, as was so well said by the gentleman from Tennessee [Mr. GARRETT] here this morning, to turn over the industry of agriculture so that shortly it will be held to be affected with a public interest. It proposes to the American farmer that this Government will loan the capital to his corporation—owned by him and managed by him permanently—for handling his problems. It is needed. Why? Because the farmer has not the capital resources. If he had them, we need no legislation; but we come to the farmer and we say, "We will back you in your enterprise." We offer to the farmer through the Crisp bill a program that will do for him all that the Haugen bill can possibly do; do it without a tax, do it without an equalization fee.

My friends here who talk for the farmer and talk about giving relief to the farmer know as they sit in their seats that if they pass the Haugen bill to-day they permanently, or at least for 12 months, postpone any relief. Just as surely as I am sure of that, I say to you, gentlemen, that if this House, one-third of the legislative machinery of this Government, substitutes the Crisp bill here to-day the Senate will be in the position next week that they tell us here we are in to-day—the Senate of the United States will have to accept that bill or then they stand in the position of denying relief. And that bill, I believe in every fiber of my being, would be signed by the President of the United States if it reached his desk. To those of you who try to put upon the opponents of the Haugen bill the delaying of farm relief and the delaying of relief for the dangerous situation that to-day exists in the South—I say to you that if you do not vote for this substitution you vote for no farm relief at this session of Congress. [Applause.]

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Chairman and gentleman of the House, being interested in lifting the prevailing business depression, I feel it is my duty to support legislation that to my mind may bring this about. It must be conceded by all that the prosperity of the Nation rests upon the prosperity of agriculture; that the American farmer and grower has suffered tremendously in the last six years is recognized, as even some of the eastern financiers are commencing to realize this fact. Only a few weeks ago Mr. Otto H. Kahn, one of the foremost financiers of this country, made the following statement:

> The authoritative figures prove beyond question that there is a farming problem. They demonstrate irrefutably that the farmer for years has not received reasonable compensation for his toil, let alone participating in the great prosperity which has come to other callings.

The City National Bank of New York in its monthly publication on conditions also plainly shows by facts and figures that notwithstanding the tremendous increase in the profits on the part of large industries that the greatest industry of them all, agriculture, is suffering great depression and loss, and feels that some legislation is required to at least in a measure remedy the unfortunate situation that the farmers of this country find themselves in. In fact, every student of economics is of the opinion that some readjustment as to agriculture must be had; that some legislation should be enacted. Unfortunately, all have different remedies.

Mr. Chairman and gentlemen, though I value the recommendations of some of these gentlemen and appreciate their efforts to remedy conditions, I prize the efforts of the gentleman from Georgia [Mr. CRISP] and the gentleman from Louisiana [Mr. ASWELL] above all others, and feel that the House and the country should appreciate their sincere efforts. The bill they have drafted and introduced contain many splendid provisions, and I feel if either of them could be enacted into law it would, to some extent, be helpful; not only would it control the production, but would in a measure bring about more efficient marketing, which would eliminate tremendous loss and be of great benefit to the farmer. But in view of conditions we must realize that neither of these bills can be enacted at this session and become a law. The McNary-Haugen bill, which has already passed the Senate and is now being considered, notwithstanding the strong opposition and attacks that are being made against its passage, has a chance.

Mr. Chairman and gentlemen, I do not share the fear and apprehension that the majority and minority leaders entertain. I think they are unduly and unnecessarily alarmed. I am of the opinion that the enactment of this bill can not do any harm, but may do some good, and in fact I honestly believe it is legislation that will be beneficial. Nor do I feel this bill is unconstitutional. It is nothing unusual for Members, where they can not attack a measure in any other way, they attack it on unconstitutional grounds.

Mr. Chairman, this bill has been in preparation for upwards of three years. It has been carefully scrutinized not only by the able officials of the various agricultural organizations, but also by their legal representatives and I feel that they would not recommend the passage of this bill if they did not honestly believe that it is the best that can be obtained and that if enacted will be found to be constitutional.

Though I represent a city district and have the consumers interest at heart, regardless of what my city colleagues may do or how they may vote, I shall vote for the bill because I believe that justice demands it. [Applause.]

I think it is manifestly unfair for us to close our eyes to the deplorable condition of agriculture. I, for one, always believed and recognized the fact that the prosperity of the farmer is the foundation to the prosperity of the Nation. This can not be truthfully denied by anyone, and no one can successfully controvert it.

Mr Chairman and gentleman, during my 20 years' of service in the House I have, as my record will prove, always advocated, supported, and voted for every proposition that I believed was in the interest of America's wage earners; in the interest of the masses. I have at all times tried to help their cause to secure higher wages, shorter hours, and better living conditions, and shall continue in the future, and I know that they do not wish to deny to others what they are trying to secure for

themselves. They are in favor of this legislation that may aid 20,000,000 of people now in distress in securing a living wage and decent living conditions. [Applause.]

Mr. Chairman, notwithstanding the fact that all the highly protected, well-organized industries, including the railroads, for the last six years show large profits; the largest, the most important industry, the agriculture, shows tremendous losses. Not only agriculture but commerce and the business of the Nation, outside of the extremely large and highly protected industries are on the down grade, and are suffering due to the fact that the farmer is not buying and can not buy because of his financial inability to buy.

I appeal to you gentlemen coming from the cities and you eastern gentlemen to recognize conditions and to realize that something must be done. To enable the farmer to secure additional loans will not do it. To my mind instead of its being an aid it is a detriment and a curse to him and the Nation, as he has already gone far beyond the safety zone with his loans. His indebtedness has increased since 1910 from $4,000,000,000 to $12,250,000,000, with a result that thousands upon thousands of farm mortgages have been foreclosed and thousands upon thousands of acres of land have gone into the hands of banks and investment companies.

Gentlemen, I look with fear and apprehension to the danger that threatens the Nation, and if conditions are permitted to continue within a few years the majority of the farms and the most of the best lands will pass into the possession of a few and we will find ourselves in the same unfortunate position as Europe, where most of the lands are owned by the crown heads and the nobility.

The depreciation in agricultural values and prices of farm products in the last few years has been appalling. The valuation of the farms probably in the last six years has decreased over 35 per cent. From 1920 to 1925 it has decreased from $47,000,000,000 to $32,000,000,000. Not only has agriculture suffered during the last six years but business as well. Have you not observed the ever-increasing number of bank failures outside of the commercial centers, namely, the country banks. Ninety-five per cent of them were banks that were trying to aid and relieve the farmer. Were it not for the Federal reserve and farm loan banks provided for under the Democratic administration again as many would have been in the receivers' hands.

Mr. Chairman, it seems to me that the people do not realize the seriousness of conditions. The majority of you gentlemen do not know that the farmer takes a greater risk than one engaged in any other industry. He expends large sums of money on the preparation of his land and for seed. He not only takes chances on his crop and his yield but gambles against the elements.

He also is obliged to combat many diseases that the crop is subjected to and very often loses a portion if not the entire crop, and has nothing to sell; and nothing for his labor—then the prices are high. But when he is successful in harvesting a fair crop, due to his financial stress he is forced to sell immediately and sell regardless of price, and he is at the mercy of the speculator with whose ingenuity he can not compete and is forced to sell below actual cost of production. He is obliged to buy his needs in a highly-protected and well-organized market and sell his product in an unprotected and unorganized one. [Applause.]

Some of my city colleagues fear and it has been charged that if this bill is enacted that it will increase the already high cost of living. Mr. Chairman and gentlemen: The speculator and the gambler, unlawful trusts and combinations, protected by the high-protective tariff are responsible for the high cost of living. The fact that the farmer may, due to this legislation, secure 25 to 30 cents a bushel above the present market for his wheat or corn will not increase the high cost of living. If anything, it may reduce it because I feel that prudent and efficient marketing will prevent the sky-rocketing of the prices on which the millers, packers, and the bread trust base their price to the consumer. Take into consideration the tremendous spread between what the farmer receives and what the ultimate consumer pays; it is invariably from 200 to 300 per cent. Gentlemen, if you are interested in the reduction of the high cost of living why not join with me in reducing the unreasonable high railroad rates and the high-protective tariff and compel the Attorney General to proceed against the unlawful trusts and combinations, who, in fact, are responsible for unjustifiable high prices, and let us prevent the gambling and speculation in food products and bring about orderly marketing. By doing so we will aid the farmer in securing a fair price for his product and protect the consumer from being robbed by these special and favored unlawful interests.

Mr. Chairman, fully realizing and recognizing the fact that prohibition and the Volstead Act, as I have so often stated on the floor, is responsible for the breeding of crime and lawlessness and has and is causing disregard for all laws and is responsible in creating a spy system that endangers not only our liberty but makes the home of the American people insecure and is responsible for the corruption of public officials everywhere; is undermining the morale and standing of our Army and Navy and Coast Guard; and it is conceded by all honest enforcing officials, such as General Butler, Green, Buckner, Dever, and hundreds of others, that it is impossible of enforcement, and I favor that it be repealed. Notwithstanding, Mr. Chairman, I consider it unwise on the part of some of my colleagues who feel as I do to inject this question into the proposed legislation. However, I am obliged to concede that prohibition is to a great extent responsible for the distressing conditions of the farmer. Prohibition has stopped him from growing barley, for which he was receiving a fair price, and compelled him to increase his wheat acreage, resulting in an overproduction of wheat and lowering of the price and at the same time makes it impossible for him to properly and beneficially rotate his crops. I earnestly appeal to the farmers of this country to carefully study this question and analyze the facts. I feel that by doing so they will come to the conclusion that instead of prohibition being a so-called blessing it has been from every point of view a detriment to them. In that connection may I inquire what became of all the leading prohibitionists that are vitally interested in the welfare of the "farmer"? I have waited in vain during all these days while the bill was being considered to hear them say a single word in favor of this legislation; but, on the contrary, the leaders and the mouthpieces of Mr. Wheeler in every way are hampering this proposed legislation. Will you still listen to them in the future as you have in the past? I hope not, and that this will open your eyes as to insincerity of the prohibitionists. [Applause.]

Mr. Chairman, in conclusion let me say there are those who are opposing this measure that point out the fact the President will veto this bill. If he does, it will be his funeral and not ours. By passing it we will have done our duty toward the farmers of this Nation. But, notwithstanding the statements on the part of some of these gentlemen, I feel he will hesitate long before he will yield to Mr. McLean, Mr. Mellon, Mr. Gary, Mr. Rockefeller, or Mr. Ford, and the representatives of the millers, packers, and Bread Trust recommendations, in depriving relief to the millions of farmers who under the present administration have suffered so much. Notwithstanding the statement of some gentlemen, I believe that the President will not veto this bill, because he must realize that the prosperity of the Nation depends upon the prosperity of the farmer, and that no structure is stronger than its foundation and no chain stronger than its weakest link. [Prolonged applause.]

The CHAIRMAN. The Chair will recognize the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Chairman and gentlemen of the committee, it is not my purpose to discuss the merits of any——

Mr. HAUGEN. Will the gentleman yield for a moment?

Mr. OLIVER of Alabama. Yes.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate be closed in 10 minutes.

Mr. JONES. Mr. Chairman, reserving the right to object, I have a substitute on which I want five minutes.

Mr. HAUGEN. A substitute for the Crisp amendment?

Mr. JONES. No. The gentleman is not closing debate on the paragraph?

Mr. HAUGEN. No; I mean on the pending amendment. Mr. Chairman, I ask unanimous consent to close debate in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the pending amendment be closed in 10 minutes. Is there objection?

Mr. RAINEY. Mr. Chairman, reserving the right to object, I would like to have five minutes of that time.

Mr. HAUGEN. I am satisfied with that.

Mr. RAINEY. With that understanding I do not object.

The CHAIRMAN. The time to be divided between the gentleman from Alabama [Mr. OLIVER] and the gentleman from Illinois [Mr. RAINEY].

Mr. GRIFFIN. Mr. Chairman, is the request for 15 minutes?

The CHAIRMAN. No; 10 minutes.

Mr. GRIFFIN. Then I object.

Mr. HAUGEN. Will the gentleman yield for a moment, so I may move to close debate on the pending amendment?

Mr. OLIVER. I yield.

Mr. HAUGEN. Mr. Chairman, I move that all debate on the pending amendment close in 10 minutes.

Mr. GRIFFIN. Mr. Chairman, I make the point of order that the gentleman can not take the gentleman from Alabama off the floor to make such a motion even if the gentleman yields.

The CHAIRMAN. The Chair thinks the gentleman can submit the motion, inasmuch as the gentleman yielded for that purpose. The gentleman from Iowa moves that all debate on the pending amendment close in 10 minutes.

Mr. GRIFFIN. Mr. Chairman, I offer an amendment that debate close in 15 minutes instead of 10 minutes.

The CHAIRMAN. The gentleman from New York offers an amendment——

Mr. GARRETT of Texas. Mr. Chairman, I make the point of order that the gentleman can not offer that amendment in the midst of a vote.

The CHAIRMAN. Only one side of the question had been put, and the Chair thinks the gentleman can offer the amendment to the motion.

The gentleman from New York offers an amendment to the motion of the gentleman from Iowa that all debate on the pending amendment close in 15 minutes.

The amendment to the motion was rejected.

The motion was agreed to.

Mr. OLIVER of Alabama. Mr. Chairman and gentlemen of the committee, no one can fail to sense the fact that the committee at this time does not desire a discussion of the merits of any of the pending bills, and it is not my purpose to enter into such a discussion. I simply wish to support the statement made by the gentleman from Kentucky [Mr. KINCHELOE] that the parliamentary situation is such, that if the House earnestly desires to pass farm legislation at this session they must accept the bill which the Senate has passed. [Applause.]

The gentleman from New Jersey [Mr. FORT] complains, and one of his complaints is that amendments were adopted in the Senate to a bill pending in the House on this subject and which had been before the House Committee on Agriculture, and that no committee has had an opportunity of examining these amendments. This obtains in reference to every bill that passes Congress. It so happens that if the substitute now pending should be voted down, the bill adopted by the Senate will be read section by section, and if amendments were imposed on that bill by the Senate, the House will have, under the five-minute rule, an opportunity to discuss such amendments, and there is nothing in the situation at present that would preclude a free and full discussion on every paragraph of the bill.

I may say further that the threatening and innuendo suggestion of the gentleman from New Jersey that if you would have farm legislation you must not pass the bill adopted by the Senate because forsooth he assumes to say it would be vetoed——

Mr. TINCHER. Will the gentleman yield?

Mr. OLIVER of Alabama. When has the time come that in order for a bill to be passed in this body or in the Senate we must be notified in advance, "You shall pass only that which the friends of the White House assure you will not receive a veto"? [Applause.]

You may as well adjourn Congress if such threats are permitted to shape legislation which you, holding an important commission from the people of your several districts, are here to discharge under a solemn official responsibility. To my mind the remark of the gentleman from New Jersey, when he considers it more carefully, should be withdrawn. It is an insult to the ability and the intelligence of the Members of the House who should and must assume responsibility for legislation that here passes. [Applause.]

Mr. RAINEY. Mr. Chairman, early in this session a plan made its appearance—every Member of Congress, I presume, received it—which was known as the Drummond plan, suggested by W. I. Drummond, of Kansas City, Mo. Mr. Drummond is the head of a paper organization which he calls the American Farm Congress. One of his vice presidents is William Jardine, Secretary of Agriculture. Frank W. Mondell, who was a former Member of Congress, and now represents large interests in Washington, was another one of his vice presidents. Mr. Drummond, among farm organizations which stand for real farm relief, is recognized as the listening post for eastern financial interests, and when the last Republican National Convention held its meeting in Chicago during the campaign of 1924, Mr. Drummond was summoned there and acted as the political agricultural adviser of that committee.

I hold here his plan. It is the Crisp plan, and I intend to print it in the RECORD, so that you can all read it.

Mr. CRISP in his speech on the floor some time ago explaining his plain said it was prepared by him and by some gentleman on the majority side of this Chamber whose name he was not permitted to give. I want to say to my colleagues on this side that whenever I follow leadership on that side I will not follow the leadership of an under-cover man.

With the exception of the academic portions of the bill, the Crisp bill is the Drummond plan, the plan which is advocated by the real opponents of efficient agricultural relief in the United States. Leaving out the academic portions and commencing with section 7 of the Crisp bill, this section is section 5 of the Drummond plan; paragraphs 1 and 2 of section 7 of the Crisp bill are infinitely worse than the Drummond plan, and if I have time I will recur to them later. Paragraph 3 of section 7 is the Drummond plan. Paragraphs 4 and 5 are section 6 of the Drummond plan with but slight changes. Clause (a) of section 8 is section 6 (a) of the Drummond plan. Clause (b) of the same section is section 6 (b) of the Drummond plan. Section 9 is section 7 of the Drummond plan. Paragraph B of section 10 is section 11 of the Drummond plan. Clause (a) of section 11 of the Crisp bill is section 6 (a) of the Drummond plan. Clause (b) is section 8 (a) of the Drummond plan, almost in identical language. Clause (c) is section 8 (b) of the Drummond plan.

Clause (a), section 12, is section 9 of the Drummond plan. Clause (b) is section 9 of the Drummond plan. Section 13 is section 10 of the Drummond plan.

This Crisp bill was drafted, supported, and suggested by the recognized enemies of real farm relief in this country, and you are asked now to substitute it for a bill which will bring real relief.

CRISP BILL WORSE THAN THE DRUMMOND PLAN

Section 7 is section 5 of the Drummond plan.

Paragraph 1 of section 7 of the Crisp bill is the Drummond plan, except that the Crisp bill provides for a surplus above world requirements. The Drummond plan meets a condition when the surplus exceeds "domestic" requirements. With this exception, paragraph 1 of section 7 of the Crisp bill is section 7 of the Drummond plan. The Crisp bill provides for an impossible surplus. In all the history of the world there never was a surplus of agricultural products over world requirements. The Crisp bill, therefore, could never under any circumstances be put into operation. The effort, therefore, seems to have been on the part of Mr. CRISP and his "under-cover" colleague on the other side of this Chamber to provide a bill worse than the Drummond plan. During all the time that the purchasing price of farm products has been declining we have been exporting every year more and more farm products, and they have all been quickly absorbed at always lower and lower world prices.

Paragraph 2 of section 7 of the Crisp bill is section 7 of the Drummond plan, with one element omitted and with an impossible method of providing for a reasonable profit substituted. This paragraph of the Crisp bill attempts to provide a remedy whenever the existence of a surplus threatens to depress the price of the commodity under consideration below the cost of production with a reasonable profit to the efficient producers thereof. What efficient producers are to be considered? In the case of cotton are the "efficient producers" of cotton the producers in Texas where, on virgin soil, without fertilizers and untroubled by insect pests the "efficient producer" can produce at a cost much less than the "efficient producer" in Georgia can produce, where the soil is worn out, where fertilizers are used in large quantities, and where the boll weevil is a destructive agency? If the "efficient producer" is the Texas producer and he is assured a reasonable profit above his cost of production, the Georgia producer of cotton would be out of business entirely. On the other hand, if you select the Georgia producer as the "efficient producer," profits on cotton would be so great in Texas that on a stimulated and larger acreage there they could produce all the cotton required in the world. In either event, if this bill passes, the Georgia producer would be out of the picture. I recall that after Mr. CRISP's speech a few days ago on the floor explaining his bill, I discussed this matter with him in the cloakrooms and he stated that in extending his speech he would explain what he meant by "efficient producers." Upon reading his speech I find that the kind of production he expects to be considered is a "bulk-line" production; and upon reading the Drummond plan I find that this identical language is used, and that in the Drummond plan a "bulk-line" production is to be ascertained in figuring out a reasonable profit to efficient producers. Therefore, in answering my question in his extended speech, Mr. CRISP evidently again consulted the Drummond plan and found his answer and inserted it in his speech. It is not in the bill, however, and a "bulk-line" production would as certainly destroy the Georgia cotton pro-

ducer and all producers of cotton in the old South as either of the methods I have just discussed of considering "efficient producers."

These two paragraphs of the Crisp bill are, in my judgment, in their modifications of the Drummond plan immeasurably worse than the Drummond plan, and these are practically the only modifications made in the Drummond plan.

If you take the Drummond plan, which I will print in my extended remarks, and clip it up into paragraphs and sentences and shake the clippings up in a hat and pick them out at random and stick them together, you would have the Crisp bill, except that the paragraphs to which I have called attention and which have been so modified by Mr. CRISP and his "under cover" on the Republican side are, as modified, immeasurably worse even than Mr. Drummond intended his plan to be.

THE GOVERNMENT IN BUSINESS

Sections 8 and 11 of the Crisp bill, or Drummond plan, puts the Government directly in business, and in a most objectionable way. These two sections authorizes the Government to establish trading corporations. The Government furnishes these trading corporations with their capital. It dictates their by-laws, and if there are any losses the Government pays the losses. If this does not put the Government in business in a most objectionable way, then I am at a loss to know what these sections accomplish. In brief, the Crisp bill shuts out all possibility of maintaining "domestic" prices independent of world prices. The McNary bill establishes a "domestic" price for American farmers independent of whatever the world price may be. It provides that the farmer shall pay the losses, if there are any. Tell me the farmer will not willingly pay an equalization fee when it means in return five times as much money as the fee he pays. The farmer is more intelligent than the proponents of the Crisp bill seem to think he is. God help the cotton farmers of Georgia and the old South if the Crisp bill should ever become a law, and God help the farmers of the North and West.

A REVOLUTION IN INDUSTRY

I quite agree with the position taken by the minority leader, Mr. GARRETT of Tennessee, when he says that the passage of the McNary bill means a revolution in industry. It does mean a revolution in industry. It gives to the farmer his share of the prosperity enjoyed by all other classes in this country. It restores his buying power and therefore makes more profitable investments in industry. It is the farmer who has been on the "side lines" looking on while all other classes prosper. The passage of this bill would mean to him a measure, at least, of the prosperity others enjoy. The equalization fee fight has come and the fight will last until victory is attained. The equalization fee is not a tax. It is a method of regulating commerce. We have limited by law profits railroads may make, and if they make above a certain amount we take that surplus from them and it goes into a fund, the theory being that ultimately that fund will be used for the purpose of rehabilitating smaller and less prosperous railroads. Courts have held this to be entirely constitutional. I fail to see the difference in principle between that method of equalizing the profits of railroads and the method proposed in this bill, which provides an equalization fee for the purpose of rehabilitating the farming industry. We think the bill will work. If it fails, the farmer can not be any worse off than he now is. If the equalization fee paragraph is declared unconstitutional, the saving clause in the bill keeps in force the rest of its provisions, and even with the equalization fee out the bill is immeasurably better than either of the other bills we are considering.

Under the general permission to extend I print here the document which is known as the Drummond plan, suggested by W. I. Drummond:

Proposed bill to establish a Federal farm-surplus board to aid in the disposition of surplus nonperishable basic agricultural commodities

Be it enacted, etc.—

FEDERAL FARM SURPLUS BOARD

ESTABLISHMENT

SECTION 1. There is hereby established a board to be known as the Federal farm-surplus board (hereinafter referred to as the board) and to be composed of five members, as follows:

(a) The Secretary of Agriculture; and

(b) Four members (one to be designated as chairman) appointed by the President by and with the advice and consent of the Senate.

APPOINTMENT AND QUALIFICATION OF MEMBERS

SEC. 2. (a) The appointment of the members shall be made with due regard to the knowledge and experience of the appointees in the production and marketing of the major commodities named in this act.

(b) The terms of office of the appointed members first taking office after the enactment of this act shall expire, as designated by the President, two at the end of the second year and two at the end of the fourth year after the date of the enactment of this act. A successor to an appointed member shall be appointed by the President, by and with the advice and consent of the Senate, for a term expiring four years after the date of the expiration of the term for which his predecessor was appointed.

(c) Any person appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Any member in office at the expiration of the term for which he was appointed may continue in office until his successor is appointed and qualifies.

(e) Each of the appointed members shall be a citizen of the United States; shall not actively engage in any business, vocation, or employment other than that of serving as a member of the board; and shall receive an annual salary of $12,000, payable monthly, together with actual and necessary traveling and subsistence expenses while engaged away from the principal office of the board on business required by this act.

(f) Vacancies on the board shall not impair the powers of the remaining members to execute the functions of the board. A majority of the members shall constitute a quorum.

GENERAL POWERS OF THE BOARD

SEC. 3. The board shall—

(a) Maintain its principal offices in the District of Columbia. (b) Have an official seal which shall be judicially noticed. (c) Make an annual report to the Congress. (d) Meet at the call of the chairman. (e) Make such regulations as may be necessary to enable it to execute the functions vested in it by this act. (f) Appoint, and in accordance with the classification act of 1923, fix the salaries of a secretary and such other officers and employees as may be necessary in the execution of the provisions of this act. (g) Make such expenditures as may be necessary for the execution of the functions vested in the board, and as may be provided for by Congress hereafter.

SEC. 4. (a) The board, without unnecessarily duplicating the work of an existing governmental agency, shall keep advised at all times concerning crop prospects, supply, demand, movement, markets, and prices of agricultural commodities. The board may, upon request of any cooperative marketing association of agricultural producers, supply such associations with all such information in its possession. The board may publish, from time to time, such information as may be useful to farmers generally, in planning their future plantings, in order that burdensome crop surpluses may be avoided or minimized.

(b) For the purposes of this act, a cooperative marketing association is one which complies with the provisions of the Capper-Volstead Cooperative Marketing Act of 1921.

SPECIAL POWERS OF THE BOARD

SEC. 5. Whenever the board is advised by cooperative marketing associations representing a substantial number of the producers of a basic agricultural commodity—

(a) That there is, or may be during the ensuing year, a surplus above domestic requirements of such commodity, or of any food product thereof; and that the existence of such surplus will, or may, result in an emergency by unduly depressing the domestic markets; and

(b) That the producers of such commodity so represented contemplate an undertaking to meet or avert such emergency, by segregating, storing, and marketing in an orderly manner, such quantity of said commodity as may represent the surplus or any part thereof; and

(c) That the producers of the commodity concerned desire the cooperation and assistance of the board in such undertaking—

The board is authorized to extend such cooperation and assistance, upon the following conditions and terms:

OPERATING CORPORATIONS

SEC. 6. If the board finds that the representations concerning the existence or probable existence of a surplus are true, and that the proposed undertaking is sound, and is justified by the exigencies of the situation, the board may—

(a) Require the associations concerned to duly form a corporation (hereinafter referred to as the corporation) to represent said associations in all transactions with the board and to handle surplus commodities under the provisions of this act. Not more than one such corporation for each commodity shall be recognized by the board. No such corporation shall refuse to admit any cooperative association which, in the opinion of the board, is entitled to participate in any operation contemplated; and no discrimination shall be made against any bona fide cooperative marketing association. The board shall be the final arbiter of any disagreement between the cooperative marketing associations concerned.

(b) Extend credits or make loans to the corporation, to enable the corporation to purchase and store and merchandise in an orderly manner such portion of the commodity concerned as may be unduly depressing the price thereof. Such loans may be for any period not exceeding

one year, renewable at the option of the board; shall bear interest at the rate of 4 per cent per annum; shall be secured by first lien upon all of the commodity to be purchased with the proceeds thereof; and shall not exceed the amount to be actually paid by the corporation for such commodity; or

(c) The board may, at its option, lend to the corporation not to exceed 25 per cent of the value of a commodity to be purchased by the corporation, such loan or loans to be secured by second lien upon such commodity: *Provided,* That the total amount of such second loan or loans, together with the amount of the first lien thereupon, shall not exceed the total amount paid for the commodity. Such second loans may be for any period not exceeding one year, renewable at the option of the board, and shall bear interest at the rate of 4 per cent per annum.

(d) Renewals of loans may include accumulated interest and storage charges.

(e) The board may make reasonable advances to the corporation for organization and temporary overhead expenses.

SEC. 7. The corporation receiving such loans shall make purchases with the proceeds thereof only when and if the price of the commodity concerned is unduly depressed. The commodity so purchased shall be properly stored and safeguarded, pending disposition by resale upon domestic or foreign markets. Every reasonable effort shall be exerted by the corporation to avoid losses and to secure profits on resales; but the corporation shall not withhold any commodity from the domestic market if the price thereof has become unduly enhanced, resulting in distress to American consumers. (No commodity which is liable to spoilage, by reason of inferior condition, or which is of inferior quality, shall be purchased with the proceeds of loans made by the board.) The corporation may blend, grade, classify, or reclassify a commodity whenever the aggregate value thereof may be increased thereby. (In determining undue price depression the corporation may take into consideration the bulk-line production costs of the commodity concerned under efficient methods.)

SEC. 8. The corporation shall enter into an agreement with the board to—

(a) Set aside a reasonable percentage of its profits each year for a reserve fund. Such reserve fund shall be deposited in the revolving fund, hereinafter provided for, and when not required in carrying out the provisions of this act shall be invested in Federal farm-loan bonds or bonds of the United States Government.

(b) Distribute the balance among the cooperative associations represented by it, ratably according to the amount of such commodity produced during the crop year concerned by the members thereof, and that has been marketed through such associations.

SEC. 9. The cooperative associations concerned shall enter into an agreement with the corporation to distribute the profits prorated to them among their members, ratably according to the amount of such commodity produced during the crop year concerned, and that has been marketed through their association by said members: *Provided,* That no member who has increased his acreage of said commodity without the consent of the directors of the corporation shall be entitled to share in such distribution.

SEC. 10. If, by reason of conditions unforeseen by the board, or circumstances beyond the control of the corporation, a loss is sustained in the disposition of a commodity purchased under the provisions of this act, such loss shall be paid, in so far as may be, out of accumulated reserves in the revolving fund credited to the corporation representing the producers of the commodity concerned. In no case shall any such loss be assessed against the cooperative associations or the members thereof.

SEC. 11. For the purposes of this act, the basic nonperishable agricultural commodities are declared to be grain, cotton (including cottonseed), tobacco, wool, nuts, and rice: *Provided,* That any variety or grade of a commodity for which there is no established and substantial domestic demand may be excluded at the option of the board.

REVOLVING FUND

SEC. 12. For the purpose of carrying out the provisions of this act, a revolving fund is hereby created, to be controlled and administered by the board. Into such fund shall be paid—

(a) The amount of the appropriation provided in section 13 of this act.

(b) All funds advanced by the Secretary of the Treasury under the provisions of section 14 of this act.

(c) All repayments of loans made by the corporation.

(d) All reserve funds of the corporation.

SEC. 13. There is hereby appropriated, to the revolving fund, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000.

SEC. 14. (a) The Secretary of the Treasury is hereby authorized and directed to advance to the board, on demand, such additional sum or sums as may be required for carrying out the provisions of this act: *Provided,* That the total amount so advanced shall not exceed $400,000,000 at any one time. Such advances shall bear interest at the rate of 4 per cent per annum, and shall be repaid to the Treasury by the board, without undue delay, with the repayments to the corporation of loans made by the corporation.

(b) The Secretary of the Treasury is hereby authorized to borrow, upon the credit of the United States, such sum or sums as may be required to carry out the provisions of this section.

SEC. 15. (a) Any Government establishment in the executive branch of the Government is authorized and directed to furnish to the board such information and data pertaining to the functions of the board as may be contained in the records of such Government establishment.

(b) The board may cooperate with any State, or department or agency thereof, or with any association or corporation that may be formed to deal with emergencies affecting any section or commodity, including measures to avoid overextension of acreage.

SEC. 16. For expenses in the administration of the duties and powers vested in the board by this act, there is hereby appropriated the sum of $300,000, to be available to the board for such expenses, including salaries, as may be incurred prior to July 1, 1928.

SEC. 17. This act shall remain in force and effect for eight years after the date of its enactment, and not thereafter, unless extended by further act of Congress; and all funds then remaining in the revolving fund shall be paid into the United States Treasury: *Provided,* That in the event the amount in the revolving fund shall exceed the obligations of the board to the Treasury, including appropriations by Congress, any balance standing to the credit of a corporation shall be paid to such corporation for distribution among the cooperative marketing associations concerned, under the provisions of this act.

The short title of this act may be "The farm surplus act of 1927."

DECEMBER 20, 1926.

The CHAIRMAN. The time of the gentleman from Illinois has expired. The question is on the amendment offered by the gentleman from Georgia [Mr. CRISP] to strike out section 1 and insert the provisions of the Crisp bill.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 134, noes 160.

Mr. CRISP. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed Mr. CRISP and Mr. HAUGEN as tellers.

The committee again divided; and the tellers reported that there were—ayes 156, noes 177.

So the amendment of Mr. CRISP was rejected.

Mr. JONES. Mr. Chairman, I offer the following amendment.

Mr. DOWELL. Mr. Chairman, I make a point of order to the amendment.

The CHAIRMAN. The amendment has not yet been reported. The Clerk will report the amendment.

Mr. JACOBSTEIN. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. JACOBSTEIN. As I understand, the amendment offered by the gentleman from Texas [Mr. JONES] is a substitute for this section. I have an amendment which is a perfecting amendment, and I think should take precedence over the amendment of the gentleman from Texas.

The CHAIRMAN. If the gentleman from New York has a perfecting amendment, it will be voted on first, but the Chair thinks he should recognize a member of the Agricultural Committee to offer an amendment first.

Mr. JACOBSTEIN. Then, the vote on my perfecting amendment will come first?

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the amendment offered by the gentleman from Texas be considered as read and printed in the RECORD. We all know what the amendment is.

Mr. DOWELL. That is satisfactory to me.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the amendment offered by the gentleman from Texas be considered as read and printed in the RECORD. Is there objection?

Mr. DOWELL. I object.

The objection by Mr. DOWELL was withdrawn.

Mr. TREADWAY. Mr. Chairman, I renew the objection. I do not see why we should be put in a position of voting on something that we know nothing about.

Mr. GARRETT of Texas. The gentleman voted on two long amendments, neither of which was read.

Mr. TREADWAY. Mr. Chairman, I withdraw the objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. NEWTON of Minnesota. I have no objection to save time if the gentleman from Texas is going to give the House some idea of what the amendment is.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the reading of the amendment be dispensed with?

There was no objection. The amendment follows:

Mr. JONES offers the following amendment by way of substitute: Page 1, line 3, strike out the first paragraph and in lieu thereof insert the following:

"That it is hereby declared to be the policy of the Congress to place agricultural products and provisions upon a price equality with other commodities, to stabilize prices, to advance the market for agricultural commodities, to promote the orderly marketing of such commodities in interstate and foreign commerce, and to provide for the disposition of the surplus of agricultural products and provisions so as to place producers in the United States on a more equitable basis of competition with producers of similar products exported from other countries.

"SEC. 2. (a) When used in this act—

"1. The term 'person' means individual, partnership, corporation, or cooperative association.

"2. The term "United States" includes not only continental United States, but also possessions, except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila.

"TITLE II

"SECTION 1. The Secretary of the Treasury is hereby authorized to issue to any cooperative organization or other person exporting products hereinafter enumerated export equalization premium certificates or debentures in such form and denominations as he may deem desirable.

"SEC. 2. Except as hereinafter provided, certificates shall be issued only upon exports of wheat, wheat food products, corn, oats, rice, tobacco, products of tobacco, cottonseed, cotton: *Provided*, That such commodities were produced wholly in the United States and have not previously been exported therefrom.

"SEC. 3. All certificates shall be instrumentalities of the United States Government receivable by the Treasury of the United States at par without interest from any original holder or transferee in payment of import duties on commodities imported into the United States, and shall not be otherwise receivable by the Treasury of the United States: *Provided*, That presentation of debentures in payment of import duties must be made at ports of entry or stations thereof not later than one year from the date issued.

"SEC. 4. Certificates shall be negotiable as between any persons, whether individuals, firms, corporations, or cooperative associations, and whether domiciled in the United States or elsewhere.

"SEC. 5. Nothing in this act shall be construed to place upon any cooperative association of producers vested by their charters with authority to engage in the exportation of agricultural products hereby made debenturable any special limitation restricting its power to receive and/or to apply such certificates in payment of duties on commodities imported by them under authority of said charters.

"SEC. 6. In the event that the aggregate amount of certificates issued prior to April 1 of any fiscal year shall be equal to or in excess of 50 per cent of the total amount of import duties paid in certificates or otherwise during the last preceding fiscal year, the Secretary of the Treasury shall take such steps as he deems advisable to prevent the amount of debentures issued during the entire current fiscal year from exceeding 75 per cent of the amount of import duties levied during the current fiscal year: *Provided*, That any excess debentures issued beyond 75 per cent of the amount of import duties levied during any fiscal year shall be charged against the amount of debentures issuable during the succeeding fiscal year.

"TITLE III

"SECTION 1. That on and after the day following the passage of this act, except as otherwise specially provided for in this act, there shall be issued upon all articles when exported from the United States into any foreign country the debenturable rates which are prescribed by the debenturable list of this title.

"SCHEDULE 1. AGRICULTURAL PRODUCTS AND PROVISIONS

"(a) Corn or maize, including cracked corn, 15 cents per bushel of 56 pounds; corn grits, meal, and flour, and similar products, 30 cents per 100 pounds.

"(b) Oats, hulled or unhulled, 15 cents per bushel of 32 pounds; unhulled ground oats, 45 cents per 100 pounds; oatmeal, rolled oats, oat grits, and similar oat products, 80 cents per 100 pounds.

"(c) Paddy or rough rice, 1 cent per pound; brown rice (hulls removed), 1¼ cents per pound; milled rice (bran removed), 2 cents per pound; broken rice, and rice meal, flour, polish, and bran, one-half of 1 cent per pound.

"(d) Wheat, 30 cents per bushel of 60 pounds; wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 72 cents per 100 pounds.

"(e) Cottonseed, one-third of 1 cent per pound.

"(f) Cotton and cotton waste, 2 cents per pound.

"SCHEDULE II. TOBACCO AND MANUFACTURES OF

"Tobacco, manufactured or unmanufactured, 15 cents per pound; scrap tobacco, 10 cents per pound.

"SEC. 2. If under section 315 of the tariff act of 1922 or under any other act a change in rate of duty or classification is made in respect of any article which is included within the provisions of this act, the rate thus established shall become the debenturable rate for such article.

"TITLE IV

"The Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry into effect the various provisions of this act.

"PART II. PENALTIES

"SECTION 1. (a) That any person (1) who knowingly forges, counterfeits, alters, or falsely makes any receipt, debenture, or other paper or document necessary to establishing claim for debenture or uses, attempts to use, possesses, obtains, accepts, or receives any receipt, debenture, or other paper or document incidental to the administration of this act, knowing it to be forged, counterfeited, altered, or falsely made, or to be used unlawfully, or to have been procured by any false claim or statement, or to have been otherwise procured by fraud or unlawfully obtained; or (2) who, except under the direction of the Secretary of the Treasury, or other proper officer, knowingly engraves, sells, brings into the United States, or has in his control or possession any plate in the likeness of a plate designed for the printing of any receipt, debenture, or other paper or document incidental to the administration of this act, makes any print, photograph, or impression in the likeness of any receipt, debenture, or other paper or document incidental to the administration of this act, or has in his possession a distinctive paper which has been adopted by the Secretary of the Treasury for the printing of any receipt, debenture, or other paper or document incidental to the administration of this act, shall, upon conviction thereof, be fined not more than $10,000, or imprisoned not more than two years, or both.

"(b) All laws relating to embezzlement, conversion, improper handling, redemption, use, or disposal of moneys of the United States shall apply to debentures while in the custody of any officer, employee, or agent of the United States.

"PART III

"SECTION 1. All laws and parts of laws in conflict herewith are hereby repealed."

Mr. DOWELL. Mr. Chairman, I make the point of order against the amendment that it is not germane to the bill now before the House. If the gentleman from Texas desires, he may discuss it for five minutes.

Mr. BLANTON. I ask for the regular order.

Mr. DOWELL. Mr. Chairman, I understand that the gentleman from Texas only desires 10 minutes, and I will withdraw the point of order.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I shall not indulge in the frantic boasts of those who claim to have a cure-all for the ills of agriculture, nor in the foolish words of those who claim that nothing can be done for the benefit of agriculture. I am proposing to you a plan that has been adopted by the oldest farm organization in North America, and concerning which I have not been able to find a single one who would offer a criticism. I have talked the plan over with a number of representatives of other organizations and they all admit that this plan would be effective. If I thought the offering of it and giving the House a chance to vote upon it would interfere with the passage of any other farm legislation, I would not offer it. But this substitute will not delay final action in the least.

Briefly the plan is this: It provides that when basic agricultural commodities are exported a premium certificate shall be issued substantially equivalent to the tariff upon the particular commodity, and that those certificates shall be negotiable and shall be tenderable in payment of all customs duties. Everyone who has discussed the farm problem on this floor admits, and all economists admit, that the reason the farmer does not get the advantages of the tariff which the manufacturer has always obtained is the fact that the farmer produces a surplus. This measure, if adopted, would enable the farmer to get the equivalent of the tariff in the way of an increased price, without a single new officer, without a single item of expense, and it would put in the farmer's pocket that increased price, instead of absorbing it with a lot of machinery. If the farmer, or a farm organization, exported 10,000 bushels of wheat under this bill and the world price of wheat was $1.20 a bushel, he would get a certificate for $3,000. That certificate would be negotiable. We are continually importing goods into this country.

The certificate would be salable practically at par to all importers and they would be anxious to get it at any kind of a discount, or, if preferred, the farm organization could export

goods which it desired and pay the entire fee by bringing in the particular commodity which they need. This would add that amount to the domestic price of that commodity. This is a measure that will do the work. There is some doubt even in the minds of some of those who are going to vote for one of the other bills as to whether the farmer will get the full benefit of the other plan, but I am offering you a plan that no man dare stand on the floor of this House and even criticize; a plan which will bring the farmer equality, which will drive this wagon that we have been talking about up to his front door and put him on an equality with the other industries of the country.

I have worked on the Committee on Agriculture for six years on the question of farm relief, and I believe I have given this problem as much study as any man in the House. Those who have advocated farm relief have gotten the public attention not because they favored the equalization fee, but because they favored farm relief. If you will analyze the documents that you have received that have come to you from the open, honest heart of the farmer himself, you will find that he wants farm relief. He wants relief from the intolerable conditions which prevail to-day. I am offering you a plan that will accomplish that end. I say to the Democrats, you know that there is not any way under the tariff for the farmer to get the advantage which industry has, and you ought to know, and if you have studied about it you know, that the farmer will get the same advantages under the scheme which I propose as the industrialist. I say to you Republicans, if you believe in the doctrine that you have preached, and in the banner of protection under which you have sailed for the last 40 or 50 years, you should be willing to give the farmer the same opportunity, the same chance, the same advantages that industry has in the market. Is there anything unfair in that?

Will anyone question the fact that if the farmer can not be brought in under the tariff because of the surplus which he produces, and of which you get much of the benefit, he should have a certificate measurably equivalent to that, which would be tenderable in payment of tariff duties? That would not tear down the tariff wall, because the importers of those products would have to pay substantially the same for that certificate that he would have to pay in the way of customs duties. The tariff wall, so far as it stands at the present time, would still stand, and agriculture, which has been languishing, would get on its feet. I appeal to you for an industry that is prostrate and for the people in the far-away sections of the country who have trusted you as their Representatives to vote not the political vote but the vote which will honestly bring them relief.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BANKHEAD. How would the gentleman's plan affect cotton?

Mr. JONES. My plan provides that on the commodities on which there is no tariff a certificate measurably equivalent to a tariff based on values shall be issued. The proposed measure provides 2 cents a pound, $10 per bale, and the farmer would get the $10 per bale, and he would get the advantages of the pooling system which are given under the proposed law.

Mr. JACOBSTEIN. Under the gentleman's plan the Treasury really would pay a bounty for exports?

Mr. JONES. That is not quite correct. It simply provides that as the farmer can not get the benefit of the tariff he shall have a certificate which in effect will enable him to bring in other goods without duty charge, or may sell such certificate to importers, who would use it in payment of customs duties.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment of the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 33, noes, 110.

So the amendment was rejected.

Mr. HILL of Maryland. Mr. Chairman, I desire to offer an amendment.

Mr. JACOBSTEIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

Mr. HAUGEN. Will the gentleman from New York yield a moment?

Mr. JACOBSTEIN. I am offering a perfecting amendment.

Mr. HAUGEN. I ask unanimous consent, Mr. Chairman, that debate on the pending section on all amendments thereto be closed in 10 minutes.

Mr. HILL of Maryland. I want to offer an amendment.

The CHAIRMAN. Does the gentleman from New York yield to the gentleman from Iowa?

Mr. JACOBSTEIN. Yes.

Mr. HAUGEN. Mr. Chairman, I repeat, I ask unanimous consent that debate on the pending section and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from New York [Mr. JACOBSTEIN].

The Clerk read as follows:

Amendment offered by Mr. JACOBSTEIN: On page 1, line 5, after the word "orderly," insert "production and."

Mr. JACOBSTEIN. Mr. Chairman, I realize that this bill is going to be railroaded through. I know a steam roller when I see it. At the same time for the RECORD, at least, something ought to be said about this amendment which under normal circumstances might have been read into the bill.

The parliamentary situation apparently necessitates voting down all amendments in order not to throw the Senate substitute bill into conference.

In section 1, line 2, the bill states that it shall be "the policy of Congress to promote the orderly marketing of basic agricultural commodities." My amendment reads, "To promote the orderly production and marketing of basic agricultural commodities." As a matter of fact I think that if this bill becomes a law the Federal farm board will be more concerned with the orderly "production" of basic commodities than with the orderly "marketing" of basic commodities.

Mr. BLANTON. Mr. Chairman, will the gentleman yield for a question?

Mr. JACOBSTEIN. Just a question.

Mr. BLANTON. Does not the gentleman realize that the House is not going to permit him to add or subtract one word from the language of the substitute?

Mr. JACOBSTEIN. I do realize it, but I want it to be in the RECORD that there are some of us in this Congress who understand that the important thing is the control of production, the coordination of farm activities, adjusting production to consumption. I want the RECORD to show that some of us tried to perfect this McNary-Haugen bill, even though we are estopped from doing so because of the parliamentary situation.

There are other changes that should be made in the bill. For instance, the bill should contain a provision making it illegal for the members of the board to buy or sell or speculate in products covered by the bill. I think the bill should be amended giving the President power to put some men on the farm board who are not on the list nominated by farm organizations. The President ought to have this discretionary power. I believe, also, that the board should be authorized to create an American institute of agriculture for the purpose of setting into motion some machinery by which the farmers of the country can articulate intelligently regarding the production of crops, as set forth in my bill H. R. 16123. What American agriculture needs is a national farm policy for the permanent improvement of agriculture and not merely temporary relief.

Mr. Chairman, I will withdraw the pro forma amendment.

The CHAIRMAN. The gentleman from New York asks leave to withdraw the pro forma amendment. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on the section and all amendments thereto close in five minutes.

Mr. HILL of Maryland. Reserving the right to object, Mr. Chairman, I would like to have two minutes of that time.

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] asks unanimous consent that all debate on the pending section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. HILL of Maryland. Mr. Chairman, I desire to offer an amendment which I have sent to the desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Maryland.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: Moves to strike out section 1 of Senate bill 4808 and insert in lieu thereof the following, "H. R. 17071," and gives notice that if his motion prevails he will move to strike out the succeeding sections of the bill and insert the following:

"Be it enacted, etc.—

"TITLE I. NATIONAL FARM MARKETING ASSOCIATION

"ORGANIZATION

"SECTION 1. For the purpose of (a) promoting and stimulating the orderly flow of agricultural commodities in interstate and foreign commerce, (b) removing direct burdens and undue restraint upon such

commerce in such commodities, and (c) providing for the processing, preparation for market, handling, pooling, storing, and marketing in such commerce of agricultural commodities through cooperative marketing associations, 12 individuals, 4 to be named by the Farmers' Educational and Cooperative Union of America, 4 by the National Grange and Patrons of Husbandry, 4 by the American Farm Bureau Federation, and the members elected to succeed them as hereinafter provided are hereby incorporated and declared to be a body corporate under the name of the National Farm Marketing Association (referred to in this act as the 'national association'). The incorporation shall be held effected at such time as the 12 individuals named by the organizations have tendered their acceptances to the President, as ascertained and specified by him by Executive order. Such individuals shall be the incorporators.

"GENERAL POWERS

"SEC. 2. The national association—

"(a) Shall have perpetual succession;

"(b) May sue and be sued in its corporate name;

"(c) May adopt a corporate seal, which shall be judicially noticed, and may alter it at pleasure;

"(d) Shall have its principal office in the District of Columbia;

"(e) May make contracts;

"(f) May acquire, hold, or dispose of property necessary for the carrying out the purposes of the association;

"(g) May appoint, fix the compensation of, and remove without prejudice to contract rights such officers, employees, and agents as are necessary for the conduct of the affairs of the national association. Such officers, employees, and agents may be either individuals, partnerships, corporations, or associations. Each such officer, employee, or agent responsible for the handling of money or the custody of agricultural commodities shall give bond in such amount, with such penalties, and upon such terms as the national association shall determine;

"(h) May accept the services of any person without compensation;

"(i) May adopt, amend, and repeal regulations;

"(j) Shall have such powers not specifically denied by law as are necessary and proper to conduct, under this act and in accordance with approved business methods, the business of cooperatively processing, preparing for market, handling, pooling, storing, and marketing agricultural commodities, or such further business as is necessary and incidental thereto.

"SPECIAL POWERS

"SEC. 3. The national association is authorized—

"(a) To provide or approve systems of accounting for local and interstate zone organizations organized under Title II;

"(b) To provide a system of reporting and disseminating crop and marketing information for the benefit of such interstate zone organizations;

"(c) To advise with the members of such organizations as to the diversification of production of agricultural commodities and as to the increase or decrease of production necessary to provide an adequate supply of the commodity without causing either an undue surplus or shortage of production;

"(d) To determine, subject to the approval of the interstate zone directors, the annual budget and necessary supplements thereto, and the receipts and expenditures of the association;

"(e) To provide jointly with the interstate zone organization for the commodity assessment against members of interstate zone organizations of fees sufficient (1) to meet the expenditures of the national association and the interstate zone organizations authorized in any approved budget, (2) to repay all loans and interest thereon provided for in section 301, and (3) to establish a reserve fund in such amount as both the members of the national association and the interstate zone organizations determine to be necessary to enable it most effectively to execute the functions vested in it by this act;

"(f) To acquire, construct, maintain, and dispose of, or acquire the rights of operation of (1) storage warehouses for agricultural commodities, (2) terminal facilities for transportation (otherwise than as a common carrier) in connection with the storage and distribution of such commodities, and (3) facilities for processing such commodities.

"BOARD OF DIRECTORS

"SEC. 4. (a) Except as otherwise specifically provided the board of directors (referred to in this act as the 'national board'), to be composed as hereinafter provided in this section, shall, through the interstate zone directors, direct the exercise of the functions vested in the national association.

"(b) The first board of directors shall be composed of seven members, one of whom shall be a fiduciary officer of the United States designated by the President, and six of whom shall, within one month after the incorporation is effected, be elected from their own number by the incorporators, but each of the three organizations named in section 1 shall have two representatives as directors on the first board. Of the six elected members of the board of directors, two shall be elected for a term of one year, two for two years, and two for three years. A successor to the director designated by the President shall be likewise designated by him. Successors to the elected directors, except those elected to fill unexpired terms of directors, shall be elected for a term of three years by the members of the national association in the manner provided in section 7.

"(c) A vacancy in the office of an elected director may be filled by the remaining directors until, at the next annual meeting of the members of the national association, a successor is elected to fill the unexpired term of such office and is qualified. Any such vacancy shall not impair the powers of the remaining directors to execute the functions of the national board. A majority of the directors shall constitute a quorum for the transaction of the business of the national board.

"(d) Each elected director shall receive a salary to be fixed by such members and shall hold office until his successor is elected and qualified.

"(e) The director designated by the President shall not receive compensation from the association for his services as director, other than pay for necessary expenses incurred by him while acting as a director, and upon repayment by the national association of the loan and interest thereon provided in section 301, his term of office as director shall be terminated.

"(f) There shall be but 6 elected directors, unless by a two-thirds vote of the members of the national association such number is increased, but at no time shall the number of directors exceed 13.

"MEMBERS OF NATIONAL ASSOCIATION

"SEC. 5. (a) The incorporators shall be the original members of the national association. Four of the incorporators shall be designated by the President by Executive order as members for a period of three years, four for a period of two years, and four for a period of one year, beginning from the date of incorporation of the association. Successors to the original members, except those elected to fill unexpired terms of members, shall be elected as provided in section 203 for terms expiring three years after the expiration of their predecessors' terms.

"(b) A vacancy in the office of any member may be filled for the unexpired term of such office by election as provided in section 203.

"COMMENCEMENT OF OPERATIONS

"SEC. 6. The national association (1) shall begin its operations under this act in respect of such agricultural commodity or commodities as it considers best adapted to national cooperative marketing, and (2) shall, so far as it deems practicable, utilize such existing cooperative associations and other marketing agencies as are immediately available and capable of use for the purposes of this act.

"DUTIES OF MEMBERS OF NATIONAL ASSOCIATION

"SEC. 7. It shall be the duty of the members of the national association—

"(a) To convene as provided by regulations at the call of the national board and at a place to be selected by it;

"(b) To elect annually directors to the national board;

"(c) To act as an advisory group on behalf of the interstate zone organizations and to supervise generally the policy of the national board;

"(d) To fix the salaries of the directors of the national board and approve, with or without modifications, or disapprove, the annual budget of the national association and necessary supplements thereto;

"(e) To prepare a schedule of commodity assessments which, when approved by the national board, may be levied by the interstate zone organizations upon their member organizations.

"BRANCH OFFICES

"SEC. 8. (a) The national association through the interstate zone organizations may establish such agencies or branch offices at such places as it deems advisable, either domestic or foreign.

"(b) The national association shall be held an inhabitant and resident of the District of Columbia within the meaning of laws of the United States relating to venue of civil suits and of offenses against the United States.

"BOOKS

"SEC. 9. The national association shall keep, at its principal office in the custody of its secretary, correct books, showing the original or a transcript of the minutes of the national board's and members' meetings, and showing the accounts of the association's business transactions.

"ANNUAL REPORT

"SEC. 10. The national association shall make an annual report to the Congress in respect of all loans made under authority of section 302 until such loans are repaid in full with interest.

"TITLE II.—INTERSTATE ZONE COOPERATIVE MARKETING ASSOCIATIONS

ORGANIZATION

"SEC. 201. In order to carry out the functions vested in it by this act, the national association is authorized to provide for the organization of interstate zone cooperative marketing organizations (referred to in this act as "interstate zone organizations") in the several States.

"DUTIES OF INTERSTATE ZONE ORGANIZATIONS

"SEC. 202. Each interstate zone organization shall—

"(a) Annually select a board of directors of not exceeding seven, which shall direct the operations of the organization in its respective zone;

"(b) By its board of directors annually select an individual as its representative to an annual convention of representatives of State associations;

"(c) Organize as members of, or admit to membership in, such interstate zone organization any local cooperative association included within the provisions of the act entitled 'An act to authorize association of producers of agricultural products,' approved February 18, 1922.

"ELECTION OF MEMBERS

"SEC. 203. The individuals selected as representatives of the interstate zone organizations shall convene at least once each year at a place designated by the national board and shall elect the members of the national association.

"Each representative shall have but one vote, which shall be cast in person.

"REGULATION OF INTERSTATE ZONE AND LOCAL ASSOCIATIONS

"SEC. 204. (a) The national association is authorized to prescribe regulations requiring—

"(1) The adoption by local and interstate zone organizations of systems of accounting approved by the national association;

"(2) The use by the local and interstate zone organizations of systems of reporting and disseminating crop and marketing information provided by the national association;

"(3) The use by local interstate zone organizations of approved forms of agreement under the terms of which a local association is admitted to membership in national organizations;

"(4) The use by local associations of intrastate grading standards and marketing schedules not in conflict with law, to be uniform, and to be established by local associations, so that interstate standards, shipments, and marketing directed by interstate zone organizations will avoid market glutting and destructive trade conditions; and

"(5) The payment by the interstate zone organization of the commodity assessments fixed under section 3.

"(b) If the national association finds by a vote of two-thirds of its members that any interstate zone organization, or any local association which is a member of an interstate zone organization, has failed to comply with any regulation prescribed under this section, the national association shall adopt a resolution publishing such finding. Upon the adoption of any such resolution the interstate zone organization shall be ineligible, for such period of time as the national association may designate in the resolution, to obtain any loan provided in section 302, to be represented at an annual convention of representatives of interstate zone organizations, or to obtain the exemptions accruing to it by reason of the benefits of section 303, except that if the violation is that of a local association, the interstate zone organization shall not be held ineligible under this subdivision if, within 30 days after the adoption of the resolution, the membership of the local association in the interstate zone organization is terminated or suspended for such period of time as the national association may designate in its resolution.

"OPERATING ZONES

"SEC. 205. For the purpose of facilitating the marketing of any agricultural commodity, interstate zone organizations engaged in the marketing of such commodity, within such zones as the national association may designate, may consolidate their marketing operations in respect of such commodity. For the purpose of carrying out such consolidated marketing operations, the interstate zone organizations may jointly contract with or establish such organizations as they deem advisable.

"TITLE III.—MISCELLANEOUS PROVISIONS

"LOAN FUND FOR ORGANIZATION PURPOSES

"SEC. 301. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000,000, which, as appropriated, shall be set aside and reserved as a revolving loan fund in the Treasury, available to the national association until December 31, 1937. Payments shall be made from such fund at the direction of the director designated by the President upon application therefor by the national board, shall bear interest at the rate of 4¼ per cent per annum until repaid from commodity assessments fixed as provided in section 3.

"USE OF FUND

"SEC. 302. (a) The moneys in such fund shall be available for loans to the national association for administration expenses of such association, including expenditures for the organization of interstate zone organizations, or in the organization by it of local associations which are members of the interstate zone organization.

"(b) The national association shall prescribe regulations in respect of the repayment to or collection by such association of all loans made under subdivision (a). All moneys repaid to or collected by such association shall be covered into such fund.

"APPLICATION OF ANTITRUST LAWS

"SEC. 303. The national association and interstate zone organizations shall, for the purposes of this act, be deemed marketing agencies within the meaning of that term as used in the provisions of the first section of the act entitled 'An act to authorize association of producers of agricultural products,' approved February 18, 1922, and in the same manner and to the same extent as associations included in such act shall be subject to the provisions of section 2 thereof.

"COOPERATION WITH EXECUTIVE DEPARTMENTS

"SEC. 304. To foster, encourage, and promote the cooperative processing, preparing for market, handling, pooling, storing, and marketing of agricultural commodities under this act and to assist in the establishment and maintenance of interstate zone and local associations, any Government establishment in the executive branch of the Government shall, in accordance with its written request to the head of such Government establishment, cooperate with such association or with any zone association to such extent as the head of such Government establishment deems compatible with the interests of the Government.

"SEPARABILITY OF PROVISIONS

"SEC. 305. If any provision of this act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability thereof to other persons and circumstances shall not be affected thereby.

"RESERVATION OF RIGHT TO AMEND

"SEC. 306. The Congress of the United States reserves the right to alter, amend, or repeal the provisions of this act.

"SEC. 307. This act may be cited as the 'national farm marketing association act of 1927.'"

Mr. BLANTON. What is that bill, H. R. 17071?

Mr. HILL of Maryland. That is the so-called Curtis-Aswell bill, establishing a national farm-marketing association.

Mr. BLANTON. The one we had in the last Congress?

Mr. HILL of Maryland. Yes; the one we had in the last Congress. Mr. Chairman, I ask unanimous consent that it shall be printed in full in the RECORD without reading.

Mr. BURTNESS. Mr. Chairman, I make a point of order on the amendment.

Mr. HILL of Maryland. I hope the gentleman will reserve his point of order.

Mr. BURTNESS. I will withdraw it.

The CHAIRMAN. The gentleman from North Dakota withdraws his point of order.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, in the last session of this Congress we considered three types of farm relief—the McNary-Haugen bill, the Tincher bill, and the Curtis-Aswell bill. The Curtis-Aswell bill was reported by the House Committee on Agriculture with the recommendation that it pass. It was reported unanimously by the Senate committee. If it was a good bill, based on a different theory from the existing bill—if it was a good bill at the last session, it is a good bill at the present time. I can not vote for the pending bill or the other two just voted on, but I should like to have an opportunity to vote for a serious and well-considered farm relief bill, such as is offered by the Curtis-Aswell bill, which I reintroduced with a change in certain dates at this session as the bill H. R. 17071, and for identification called the Curtis-Aswell-Hill bill, and which I quite fully discussed before the Committee of the Whole during the general debate on the farm relief measure last week.

Gentlemen, I hope you will vote for my amendment and thus give the American farmer real relief, based on sound economic and governmental theory. [Applause.]

Mr. BURTNESS. Mr. Chairman, I make a point of order against it.

The CHAIRMAN. Does the gentleman from North Dakota make a point of order against the amendment?

Mr. BURTNESS. Yes; I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BURTNESS. It is the same question that the Chair ruled on a year ago. But I do not want to take up any time in the discussion of the point of order.

Mr. BLANTON. That is the bill that the committee reported.

Mr. BURTNESS. I made the point of order for the reason that by doing that it will save time. Otherwise there will be a division, and tellers will be called for.

Mr. HILL of Maryland. Mr. Chairman, I hold that the amendment is in order.

The CHAIRMAN. The gentleman from North Dakota should understand that the rule here makes the Aswell bill in order, and the chairman of the committee is not called upon to rule on it.

Mr. BURTNESS. Then I withdraw the point of order.

The CHAIRMAN. The gentleman from North Dakota withdraws the reservation of the point of order. The question is on agreeing to the amendment offered by the gentleman from Maryland [Mr. HILL].

The question was taken, and the amendment was rejected.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 1, line 8, after the word "to," insert "prevent such surpluses unduly depressing prices obtained on such commodities to."

Mr. NEWTON of Minnesota. Mr. Chairman, throughout this debate I have endeavored to show that this bill is unsound in theory and would be found to be unworkable in practice and that if its provisions were ever put into effect the farmer, whom it was designed to benefit, would be done serious harm. Under this, the policy section of the bill, I want to discuss the effect upon the consumer. I shall assume for purposes of argument that the bill will work. There should be no doubt that this will mean a substantial increase in the cost of these commodities to the ultimate consumer. The more frank advocates of this legislation, like the gentleman from North Dakota [Mr. BURTNESS], and the gentleman from New York [Mr. JACOBSTEIN] admit this. However, it is denied by some Members and this is especially true of some of the advocates of this legislation outside of the Halls of Congress. They claim substantial increased prices to the farmer, but deny that this will be reflected in advance prices to the consumer.

Gentlemen, let us consider the commodities of wheat and flour. We will assume the passage of the bill and the putting into effect of the control on this commodity and that the tariff on wheat is not now effective and that this bill will make it so. What will it cost the American consumer?

The present domestic consumption of flour averages about 100,000,000 barrels annually. This is the equivalent of about 471,000,000 bushels of wheat. Of this 100,000,000 barrels of flour, 35,000,000 barrels is used by bakers; 30,000,000 goes into bakers' bread and 5,000,000 into crackers and cakes, pastries, and so forth. The remaining 65,000,000 barrels of flour are used annually by the American housewife. The advocates of this type of legislation claim that the protective tariff duty of 42 cents per bushel on wheat is of no benefit to the farmer, and they claim that this bill will give him the benefit of that tariff duty. There are about 4¾ bushels of wheat in a barrel of flour. An advance of 42 cents a bushel on wheat would mean about $2 advance in the cost of wheat on every barrel of flour. Of course, it is perfectly absurd to claim that such an advance in the price of wheat would not be immediately reflected in the price of flour, but some of the advocates of this legislation are claiming this, hence the necessity of discussing it in detail.

An examination of the market prices of wheat and flour show how quickly a change in the price of wheat is reflected in the price of flour. The price of wheat in 1923 was low. The price of wheat in 1925 was fairly high. In 1923 the total number of barrels of flour manufactured was 142,439,000. In 1925 the total amounts to 114,156,000. The total value of the wheat flour manufactured in 1923 was $663,302,000. The total value of wheat flour manufactured in the year 1925 was $904,972,000. The increase in 1925 over 1923 amounts to 36.4 per cent.

In 1923 the average price of No. 2 hard winter wheat at Kansas City was $1.11 per bushel. This is a good milling wheat and forms a substantial portion of the wheat sold and manufactured into Kansas patent flour in the vicinity in and around Kansas City, which is a primary wheat market. The 1925 price of No. 2 hard winter wheat at Kansas City was $1.67 per bushel. That is, the average price.

The average price of Kansas patent flour at this market in 1923 was $6.15 per barrel. The average price during the year 1925 on the same flour in that market was $8.52 per barrel. It will be observed that this grade of wheat advanced in price about 50 per cent and that flour manufactured with this grade of wheat as the principal component advanced about 35 per cent. The average price of No. 1 northern spring wheat at Minneapolis in 1923 was $1.18 per bushel. The average on the same grade at the same market in 1925 was $1.84 per bushel. The average price of spring wheat, second-patent flour at Minneapolis for 1923 was $6.19 per barrel. The average price of the same kind of flour at the same market for the year 1925 was $8.54 per barrel.

It should be perfectly apparent, therefore, that an advance of 42 cents a bushel in the price of wheat means an advance of $2 per barrel in the price of flour; and as the American housewife uses 65,000,000 barrels annually, this would mean an additional cost to her of $130,000,000 annually.

An increase of $2 per barrel on flour used by bakers for bread purposes will add a minimum of 1 cent per loaf to the retail price. Consuming a consumption of bread equivalent to 9,000,000,000 loaves per annum, this would mean an added cost on bakers' bread that the ultimate consumer would have to pay amounting to $19,000,000. The minimum increase in terms of the price of crackers, pastry, and so forth, represented by this $2 increase in the cost of flour, would be scarcely less than $5 per barrel on 5,000,000 barrels of flour used for these purposes, or $25,000,000. The total would be $245,000,000 advance in prices to the American consumer. If there was not an immediate advance in the price of bread, there would follow a depreciation in quality and a shrinking of the size of the loaf.

These figures take no account of the increased cost of overhead and distribution, which will result all along the line from such an increase.

What I have said of wheat and flour would be equally true of corn, rice, hogs, tobacco, and cotton.

The index number of wholesale prices on all agricultural commodities gotten out by the Bureau of Statistics of the Department of Labor for the year 1926 is 141.3. The base is the average for the years 1910 to 1914, inclusive, and equals the figure 100. The index number of the nonagricultural commodities for the year 1926 is 158.3. The difference is 17 cents. I should like to see this disparity removed, and give the farmer the same purchasing power he had in the period prior to the World War. The disparity in the year 1921 was 51 cents, or more than twice what it is to-day. This disparity is being lessened largely through the operation of sound economic laws. Legislation has helped to some extent. Undoubtedly, parity will be established by the gradual lowering of the prices of the other commodities and a gradual increase of the prices of the farm commodities until the two curves meet and merge.

Once the control is established it is the duty of the board to arrange for "the removing, withholding, or disposing of the estimated surplus of the commodity." This language is broad enough to include not only selling and manufacturing but the destruction of the surplus. It is expected that whatever surplus is sold abroad will be sold at a loss. The exporter of wheat or the exporter of flour will have an arrangement with the board whereby he will be paid for any loss sustained by him in selling the commodity abroad. Of course, this permits the exporting of wheat or flour to foreign markets at whatever can be obtained. The dumping of this surplus abroad in this fashion will be very acceptable to the European working man. It will lessen his cost of living while at the same time the cost of living to the American working man will be increased.

In other words, the foreign working man will get the benefit of this and the American farmer will pay for it with his equalization fee and the American workingman will also pay for it in a substantial increase in the cost of living. The only beneficiary of this whole scheme will be the European workman.

Since I have been in Congress, complaints have come to me from time to time about the reported destruction by producers in some instances, and commission merchants in other instances, of perishable foodstuffs. These reports have invariably caused resentment and rightly so. Yet the terms of this legislation clearly confer this power upon this board. The board can arrange this very thing and can pay the losses out of the fund to be established in the first instance by the Government and later through the payment of this equalization fee.

Mr. Chairman, another reason for my opposition to this bill is the placing of the marketing of these basic commodities under the absolute control of 12 men. Under the provisions of the bill the board may commence the control in their own discretion, providing certain representatives of the producers of the commodity sought to be controlled are agreeable to it. There is no other governmental agency restricting the exercise of this discretion. There can be no appeal whatever from a decision of the board to the courts or elsewhere. Once having commenced the control, regardless of how conditions might change, the control can not be terminated excepting by the board and then not unless members of the board representing land-bank districts producing in the aggregate more than 50 per cent of the commodity vote to end the control. Power of this kind should not be granted any man or group of men regardless of who they are.

It would be equally wrong to provide by law that the prices of farm products should not be increased unless the consent of 50 per cent of the consumers of that commodity was first obtained.

Just how far under this control would some of these members go to boost the price without there being any provision of law to restrain them? I shall tell you. The committee of 22 which has been in general charge of this campaign for the McNary-Haugen bill made an alleged study of the cost of producing certain agricultural commodities. They claim that the cost of producing a bushel of corn in Illinois, with a profit of 5 per cent included, amounted to $1.43; in Nebraska, $1.40; in Minnesota, $1.41; in Iowa, $1.43; and in North Dakota and Wisconsin, $1.42. Other costs of production in Iowa allowing the same margin of profits were claimed to be as follows: Oats, 79 cents; wheat, $2.49; hay, $21.44; hogs, $16.32; veal, $17.82; wool, 62 cents; lamb, $20.45; chicken, 28 cents per pound; butterfat, 98 cents; and eggs, 61 cents per dozen.

Where would the prices of foodstuffs go if men of this judgment were given the power first to initiate control without restriction and were not required to terminate it until they got good and ready? The figures I used on flour would have to be doubled.

Mr. Chairman, before I close I want to call the attention of the committee to a change in section 1 of the McNary bill with section 1 of the Haugen bill. I note that the McNary bill omits the following words:

To prevent such surpluses from unduly depressing the prices obtained for such commodities.

I would like to ask the chairman of the committee whether there is any thought of changing the intent and purpose of the legislation embodied in the original Haugen bill by omitting the phrase which I have just mentioned?

Mr. HAUGEN. The purpose is to adopt the Senate bill without any amendment. Time will not permit to discuss the amendments to the Haugen bill, and under the leave to print I shall extend my remarks in the RECORD.

Mr. NEWTON of Minnesota. Then the gentleman intends no change whatever in the legislation by this change of phraseology in the first section?

Mr. HAUGEN. None whatever. We will take it as it comes.

Mr. NEWTON of Minnesota. Mr. Chairman, it is perfectly clear then that the primary intent and purpose of this bill is to affect prices.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the balance of the bill be considered as having been read under the five-minute rule. [Applause.]

Mr. RUBEY, Mr. LAGUARDIA, and Mr. RAMSEYER objected.

Mr. BLANTON. Well, we might just as well save time.

The CHAIRMAN. The Chair does not think he should submit that request. The Clerk will read.

The Clerk read as follows:

FEDERAL FARM BOARD

SEC. 2. (a) A Federal farm board is hereby created which shall consist of the Secretary of Agriculture, who shall be a member ex officio, and 12 members, one from each of the 12 Federal land bank districts, appointed by the President of the United States, by and with the advice and consent of the Senate, from lists of eligibles submitted by the nominating committee for the district, as hereinafter in this section provided.

(b) There is hereby established a nominating committee in each of the 12 Federal land-bank districts, to consist of seven members. Four of the members of the nominating committee in each district shall be elected by the bona fide farm organizations and cooperative associations in such district at a convention of such organizations and associations, to be held at the office of the Federal land bank in such district, or at such other place, in the city where such Federal land bank is located, to which the convention may adjourn. Two of the members of the nominating committee in each district shall be elected by a majority vote of the heads of the agricultural departments of the several States of each Federal land-bank district, at a meeting to be held in the same city and at the same time of the meeting of the convention of the bona fide farm organizations and cooperative associations in each district. One of the members of the nominating committee in each district shall be appointed by the Secretary of Agriculture.

(c) The Secretary of Agriculture shall, within 30 days after the approval of this act and biennially thereafter, with the advice of such farm organizations and cooperative associations as he considers to be representative of agriculture in any district, (1) fix the date on which a convention in such district shall be held, (2) designate the farm organizations and cooperative associations in the district eligible to participate in such convention, and (3) designate the number of representatives and the number of votes to which each such organization or association in the district shall be entitled. The date fixed for the first convention in each district shall be not later than 45 days after the approval of this act, and the date fixed for subsequent conventions in the district shall be, as nearly as practicable, two years after the preceding convention. The Secretary of Agriculture shall mail, at least 15 days prior to the date on which a convention is to be held, to each organization and association eligible to participate in such convention, notice of the date and place of such convention. The Secretary of Agriculture shall prescribe uniform regulations for the procedure at the conventions and for the proper certification of election of the members of each nominating committee.

(d) The term of office of each member of a nominating committee first elected or appointed shall expire two years from the date of his election or appointment, and the term of office of a successor shall expire two years from the date of the expiration of the term for which his predecessor was elected or appointed. Any member of a nominating committee in office at the expiration of the term for which he was elected or appointed, may continue in office until his successor takes office.

(e) The members of each nominating committee shall serve without salary but may be paid by the Federal farm board a per diem compensation not exceeding $20 for attending meetings of the committee. Each member shall be paid by the board his necessary traveling expenses to and from the meetings of the nominating committee and his actual expenses while engaged upon the business of the committee.

(f) Each nominating committee shall, as soon as practicable after the approval of this act, meet, organize, select a chairman, secretary, and such other officers as it deems necessary, and submit to the President a list of three individuals from its district eligible for appointment to the board.

(g) Whenever a vacancy occurs in the board, or whenever in the opinion of the chairman of the board a vacancy will soon occur, in the office of a member from any Federal land-bank district, the chairman of the board shall notify the nominating committee in such district. The nominating committee shall, as soon as practicable thereafter, meet and submit to the President a list of three individuals from such district, eligible for appointment to the board.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: On page 2, line 11, after the word "Senate" strike out the balance of the line and all of lines 12 and 13.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer this amendment for the purpose of directing the attention of the committee to the provision restricting the President in making appointments to the Federal farm board of 12 members to a list of 36 names to be presented to him by nominating committees from the Federal land-bank districts. In my judgment this restriction on the appointive power of the President is clearly unconstitutional and as the Federal farm board is the directing agency for carrying out the provision of the bill, if this provision is unconstitutional, the entire measure must fail.

The Constitution, in referring to the powers of the President, says:

* * * and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers, and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

This is the only provision of the Constitution relating to the manner of the selection of public officers. It will be observed that the President is given both power of nomination and power of appointment. The apparent intent was to vest the responsibility of appointing public officers in the Chief Executive and to thereby hold him accountable for the conduct of those officers. In this connection, I quote from the Federalist, Chapter No. LXXVI, as follows:

The sole and undivided responsibility of one man, will naturally beget the livelier sense of duty, and a more exact regard to reputation. He will, on this account, feel himself under stronger obligations, and more interested to investigate with care the qualities requisite to the stations to be filled, and to prefer with impartiality the persons who may have the fairest pretentions to them. He will have fewer personal attachments to gratify than a body of men who may each be supposed to have an equal number, and will be so much the less liable

to be misled by the sentiments of friendship and of affection. There is nothing so apt to agitate the passions of mankind as personal considerations, whether they relate to ourselves or to others, who are to be the objects of our choice or preference. Hence, in every exercise of the power of appointing to offices by an assembly of men, we must expect to see a full display of all the private and party likings and dislikes, partialities and antipathies, attachments, and animosities, which are felt by those who compose the assembly. * * *

The truth of the principles here advanced seems to have been felt by the most intelligent of those who have found fault with the provision made in this respect by the convention. They contend that the President ought solely to have been authorized to make the appointments under the Federal Government. But it is easy to show that every advantage to be expected from such an arrangement would in substance be derived from the power of nomination which is proposed to be conferred upon him, while several disadvantages which might attend the absolute power of appointment in the hands of that officer would be avoided. In the act of nomination his judgment alone would be exercised, and as it would be his sole duty to point out the man who with the approbation of the Senate should fill an office, his responsibility would be as complete as if he were to make the final appointment. There can in this view be no difference between nominating and appointing. The same motives which would influence a proper discharge of his duty in one case would exist in the other. And as no man could be appointed but upon his previous nomination, every man who might be appointed would be in fact his choice.

But his nomination may be overruled. This it certainly may; yet it can only be to make place for another nomination by himself.

In the following chapter a further reference is made, reading in part as follows:

Upon a comparison of the plan for the appointment of the officers of the proposed Government, with that which is established by the constitution of this State (New York), a decided preference must be given to the former. In that plan the power of nomination is unequivocally vested in the Executive. And as there would be a necessity for submitting each nomination to the judgment of an entire branch of the legislature, the circumstances attending an appointment from the mode of conducting it would naturally become matters of notoriety, and the public could be at no loss to determine what part had been performed by the different actors. The blame of a bad nomination would fall upon the President, singly and absolutely. The censure of rejecting a good one would lie entirely at the door of the Senate, aggravated by the consideration of their having counteracted the good intentions of the Executive. If an ill appointment should be made, the Executive for nominating and the Senate for approving would participate, though in different degrees, in the opprobrium and disgrace.

It will be observed from these two extracts from the Federalist that the fathers who framed the Constitution considered the idea of restricting the President in his power of nomination and appointment and turned down the proposition. Congress has the right in creating a public office to prescribe the general qualifications that the appointee must have. For example: It may require that he be qualified in some particular profession. It may require that he come from some geographical area. It may prescribe other and general qualifications. But the President must be free to appoint anyone possessing those qualifications. Congress could undoubtedly require that every member of this Federal farm board be a practical farmer. The President would then be restricted to choosing farmers, but he could select any farmer whom he thought was best qualified to fill the position.

The only qualification set forth in this bill for a member of the Federal farm board is that he be a citizen of the United States. He need know nothing about agriculture, marketing, or business. He need have no special fitness to handle the responsible duties pertaining to membership in a board with control over these basic food commodities. The only qualification is that he must be a citizen.

But the President under this bill is not permitted to select any citizen whom he thinks is qualified. This discretion is denied him. He must select from a list of eligibles submitted by the nominating committees. My claim is that this is an unwarranted and unconstitutional interference with the appointive power of the President.

If Congress has the right to limit the President to a list of names of 36, it may limit him to a list of 24. Furthermore, this must be borne in mind. A nominating committee is composed of seven members from the Federal land-bank district, four are selected by farm organizations, two by the several State secretaries of agriculture, and one by the Secretary of Agriculture at Washington.

These seven are to meet and select three individuals from that Federal land district. The President in making an appointment from this district to the Federal farm board would have to select one of these three. It will be observed that, while the President is confined to selecting one of three names, that the nominating committee can select any three citizens they may desire to nominate. Their field of selection is practically unlimited, while the President is limited to a choice of one in three. Suppose that one of the nominating committee wanted the appointment himself. Three of the others agreed with him. They could place among the three eligibles the names of two individuals who were very clearly unfitted to fill the duties of the position. The President simply could not think of appointing either of these two. He would be forced to appoint the other. In other words, it would be possible for this committee to take away practically all discretion from the President in making the appointment.

So far as I can recall, there is no decision of the United States Supreme Court which is exactly in point. Congress has created many boards and commissions but has rarely attempted to restrict or limit the nominating or appointing power of the President. In passing the transportation act of 1920 Congress created a Railroad Labor Board. It restricted him as to two-thirds of the board to a list of nominees submitted by the carriers and the employees' organizations. It was more or less of an arbitral tribunal. Its constitutionality was never tested and the law was repealed after it had been in effect about six years.

Last fall, in the Meyers case, the Supreme Court held that Congress did not have the right to restrict the power of the President to remove a public officer without the consent of the Senate. There is no provision in the Constitution respecting removals excepting in cases of impeachment. In that case, the court held that the power of removal was vested in the President because it was naturally an executive power, and that Congress had no right to require the Executive to obtain the advice and consent of the Senate as a condition precedent to removing a public officer, which in this instance was a postmaster.

If Congress does not have the right to limit the power of the President to remove a public officer, when the express power of removal is not conferred upon the President under the Constitution, how can it have the constitutional power to confine the power of nomination and appointment to be subject to the will of others when this power is expressly conferred.

The State Legislature of Florida attempted to restrict the Governor of the State in a somewhat similar fashion in Westlake *v.* Merritt (95 Sou. Rep. 662), the supreme court of that State holding that the members of a board of chiropractic examiners were public officers, said:

The members of said board shall be appointed by the governor from a list of at least 10 to be recommended by the Florida Chiropractors' Association and said appointments shall be made as soon as practicable after this act becomes a law.

Later on in the opinion the court said:

Section 27 of article 3 of the constitution of Florida ordains that—

"'The legislature shall provide for the election by the people or appointment by the governor of all State and county officers not otherwise provided for by this constitution and fix by law their duties and compensation.'

"It pretends to lodge the appointing power with the governor, but seeks to limit his constitutional prerogative by vesting in the Florida Chiropractors' Association the right to confine the governor in his appointments to 3 out of 10 persons to be recommended by them. To a certain degree this empowers the Florida Chiropractors' Association to share with the governor the appointing power, which is lodged solely in him by the constitution.

"If the act required the governor to appoint any three persons recommended to him by the association, it is palpable that the appointing power would be exercised by the association and not by the governor, who would merely ratify their selections. If the legislature had power to limit the governor in the exercise of his appointing power to 10 persons recommended by the association, it could as well limit him to 3. The fact that 10 instead of 3 is the number designated by the legislature in no way affects the principle and is a matter of degree only."

The court further says on page 663:

But where the constitution in express terms confers upon the governor the power to appoint all officers that may be appointed and are not otherwise provided for by the constitution or by-laws made pursuant to constitutional authority on the particular subject, the legislature can not directly or indirectly, or under the guise of prescribing qualifications, limit or encroach upon the power of the governor to appoint officers to fill statutory offices by designating other authority to participate in selecting or in hampering the exercise of executive judgment in making selections for appointments to office. (See State *v.* Washburn, 167 Mo. 680, 67 S. W. 592, 90 Am. St. Rep. 430; State ex rel. Harvey *v.* Wright, 251 Mo. 325, 158 S. W. 823, Ann. Cas. 1915A, 588.)

Similar decisions have been rendered by the Supreme Courts of other States:

State ex inf. Hadley v. Washburn, 167 Mo. 680; State ex rel. v. Kennon, 7 Ohio State 546; State ex rel. v. Stanley, 66 N. C. 59.

Last year my good friend, the gentleman from Iowa [Mr. RAMSEYER]—there is no better lawyer in the House—discussed in a very able manner this constitutional question. At the conclusion of his remarks he very frankly admitted that there were no precedents or decisions of the United States Supreme Court upon this particular proposition. However, if gentlemen will read the debates in the Constitutional Convention and study the contemporaneous writings of Hamilton in the Federalist I do not see how they can escape the conclusion that the Fathers vested all nominating and appointing power in the President and that this provision to the contrary is unconstitutional.

Mr. BURTNESS. Does the gentleman contend that this board is an officer of the United States?

Mr. NEWTON of Minnesota. I certainly do.

Mr. BURTNESS. The gentleman goes that far?

Mr. NEWTON of Minnesota. I do. My friend from North Dakota may claim that a member of the Federal farm board is not a public officer within the meaning of the Constitution. As to that, let me say this: It must be admitted that the position is one of great responsibility. The members of this board are to have the control of these basic food commodities, the aggregate value of which in a given year would amount to several billion dollars. No such power has ever been given any man or group of men in peace or in war in this country. The bill requires the advice and consent of the Senate. The compensation is $10,000 per annum. Surely with this power and with this evidence of the importance that Congress places upon the position in the bill itself I do not see how it can be successfully contended that the members of this board are not public officers within the meaning of the Constitution. If they are, I submit that this section is clearly in violation of the Constitution. Of course, if they are not, then I presume that what I have said would not follow. But my judgment is that they are clearly public officers within the meaning of the Constitution.

Mr. HAUGEN. Mr. Chairman, I move that all debate on the pending section and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. RAMSEYER. Mr. Chairman and gentlemen, the gentleman from Minnesota [Mr. NEWTON] has just made the assertion that the McNary-Haugen bill now before us for consideration is unconstitutional. I have a very high regard for the ability and judgment of the gentleman from Minnesota, as well as for the ability and judgment of other gentlemen who have taken the position that there are unconstitutional provisions in this bill. However, I regret to note that most of the gentlemen who have spoken against this bill and who have expressed opinions that it is unconstitutional are long on asserting it is unconstitutional but short on citing law writers and court decisions in support of their position.

When this bill was before this House last year I made an extended argument in support of the constitutionality of the bill, in which I undertook to support my position by legislative precedents, law writers, and court decisions. I made this argument on May 10, 1926, which appears in the CONGRESSIONAL RECORD, Sixty-ninth Congress, first session, page 9149. I refer you to the CONGRESSIONAL RECORD, where my argument can be found, because I do not intend to take up the time of the House during this debate in citing and reviewing the authorities I presented on that occasion.

THE FEDERAL FARM BOARD

When this bill was before the House last May a number of gentlemen took the position that the provision for the selection of the board was unconstitutional because it placed a limitation on the President's power of appointment. With that speech of May 10 last I inserted in the CONGRESSIONAL RECORD references to 70 statutes passed by Congress limiting the appointing power of the President. I do not know of a single instance where the President has refused to follow to the letter any one of these 70 laws in making nominations to the Senate. If the President signs this bill, it is reasonable to suppose that he will submit nominations to the Senate in compliance with the provisions in this bill. If the President nominates one of the three submitted to him from each of the 12 Federal land-bank districts, that constitutes the President's selection; and if the Senate confirms, the constitutionality of such a nomination can not be raised in the courts. If the President should refuse to follow the provision of the bill in making nominations to the Senate, and the Senate should confirm nominations so made, and the Supreme Court should afterwards sustain the President in his action, that would not in any way affect the validity of the Federal farm board itself for the reason I am about to state.

Under section 17 of this bill, which provides for the separability of provisions, the Supreme Court could find the provision which establishes nominating committees in each of the 12 Federal land-bank districts unconstitutional without in the least affecting the constitutionality of the Federal farm board itself. The courts in construing the validity of the acts of Congress have discussed the effect of sections such as section 17 of this bill. For the weight that the Federal courts give to a provision such as is contained in section 17 in construing the constitutionality of the acts of Congress I cite you to Graham v. Miles (284 Fed. 878, at 881-882), Board of Trade v. Olson (262 U. S. 1, at 42), and Trusler v. Crooks et al. (269 U. S. 475, 480). Section 17 of the bill before us reads as follows:

If any provision of this act is declared unconstitutional, or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

The minority report on the Haugen bill takes it for granted that the members of the nominating committees and of the commodity councils are officers of the United States and, therefore, concludes that the provisions for the selection of the nominating committees and of the commodity councils are unconstitutional because in contravention of Article II, section 2, clause 2 of the Constitution, which reads as follows:

* * * and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

The fallacy of the argument in the minority report lies in the assumption that all persons having a place in the public service of the United States are officers of the United States.

What is an officer of the United States? Article II, section 1, clause 2 of the Constitution provides:

Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors—

And so forth.

This provision of the Constitution pertains to the appointment of presidential electors. The courts have held that presidential electors are not officers of the United States. In re Green (134 U. S. 379) the Supreme Court held that the sole function of presidential electors is to cast, certify, and transmit the vote of the State for President and Vice President of the Nation, and although the electors are appointed and act pursuant to the Constitution of the United States they are not officers or agents of the United States. The point I want you to get here is that, although presidential electors get their appointment pursuant to a constitutional provision, they are, nevertheless, not officers of the United States.

The courts have held time and again that unless a person in the service of the Government holds his place by virtue of an appointment by the President, or one of the courts of justice, or heads of departments authorized to make such an appointment, he is not, strictly speaking, an officer of the United States. (United States v. Mouat, 124 U. S. 307; United States v. Smith, 124 U. S. 532; Lamar v. United States, 240 U. S. 60 and 241 U. S. 103.) That a surgeon appointed by the Commissioner of Pensions is not an officer of the United States within the meaning of Article II, section 2, clause 2 of the Constitution, see United States v. Germaine (99 U. S. 511).

It is further asserted in the minority report that Congress is without power to create an elective office, and then the report indulges in the assumption that membership on the nominating committees and on the commodity councils are such elective offices. The confusion of the writer of this part of the minority report is undoubtedly due to the fact that he assumes that the Constitution draws a clear distinction between the meaning of the word "appoint" and the word "elect." No such a distinction was undertaken to be made by the framers of the Constitution. Presidential electors are appointed, even though as a matter of fact in every State in the Union they

are elected by the people thereof as the word "elected" is popularly understood. To "appoint" does not necessarily mean that the selection is made by one person, and to "elect" does not necessarily mean that the selection is made by all the qualified electors. The power of appointment may be given to one person, or to a board composed of a number of persons, or to all the qualified electors, as in the case of the appointment of presidential electors.

Article I, section 2, clause 1, of the Constitution reads:

The House of Representatives shall be composed of Members chosen every second year by the people of the several States—

and Article I, section 3, clause 1, of the Constitution reads:

The Senate of the United States shall be composed of two Senators from each State chosen by the legislatures thereof.

I call your attention to the fact that the word "chosen" is used in each of the two clauses just referred to. If either the word "appointed" or the word "elected" had been used for the word "chosen," it would have made no difference in the meaning of either of the clauses of the Constitution just quoted.

If in the bill the word "appoint" were used instead of the word "elect" in the provisions pertaining to the nominating committees and commodity councils, it would not change their meaning or make them any more or less constitutional. Neither the members of the nominating committees nor the members of the commodity councils are officers of the United States, and therefore their selection or appointment or election is not governed by Article II, section 2, clause 2, of the Constitution.

EQUALIZATION FEE

In my speech of May 10, 1926, I also discussed the constitutionality of the equalization fee. The chief argument then urged against its constitutionality was that it would apply to certain intrastate transactions as well as to interstate transactions, and that it would be constitutional only in so far as it applied to interstate transactions.

The Supreme Court has held in railroad cases, in cases involving commerce in livestock and in grain, that Congress when it exercises its power to regulate interstate commerce can also regulate such intrastate commerce which if left unregulated would cast an undue burden upon interstate commerce. As this issue has not been raised during this debate I shall not continue further discussion on this phase of the question.

The constitutionality of the equalization fee, I maintain now as I maintained last year, can only be sustained as a regulation of commerce under Article I, section 8, clause 3 of the Constitution, which empowers Congress—

To regulate commerce with foreign nations, and among the several States, and with Indian tribes.

As a regulation of commerce I think the equalization fee is constitutional for the reasons presented in my argument on the floor of this House when the McNary-Haugen bill was up for consideration last May.

It has been held that Congress has the power to regulate interstate commerce by any means which may be proper, so long as such means are not contrary to some provision of the Constitution. Such regulation of commerce, either with foreign nations or among the several States, may influence prices.

One of the objects of antitrust laws is to hold down prices.

An aim of a protective tariff is to maintain better prices and better wages, or, in other words, to hold up prices and wages. There are law writers who are of the opinion that a protective tariff is constitutional as a regulation of commerce and not as a tax, and at least one court decision gives weight to that view, to wit, Russell *v.* Williams (106 U. S. 623, 625–626).

The constitutionality of the equalization fee can only be sustained as a regulation of commerce. The constitutionality of the equalization fee, in my opinion, can not be sustained under the taxing power of the Constitution. This fee under the provisions of the bill is in no sense a tax.

Gentlemen on the floor of this House still assert that the equalization fee is a tax, and therefore unconstitutional. Those gentlemen who claim to believe that the equalization fee is a tax do not give any reason for the faith that is in them. They cite no court decision and no law writers in support of their claims that the equalization fee is a tax. My position has been, and still is, that the equalization fee is not a tax, and I am supported in my position by law writers and the courts.

Before we pursue this discussion further we should ascertain what a tax is. First, I quote a few definitions from Words and Phrases:

A "tax" is a pecuniary burden imposed for the support of government.

Here is another definition:

A "tax" is an enforced proportional contribution levied upon persons, property, or income for governmental needs.

I now read a third definition on the meaning of a "tax" from Words and Phrases, as follows:

Generally speaking, a "tax" is a pecuniary burden laid on individuals or property for the purpose of supporting the Government.

I do not think that you can find a single court decision that holds a tax to be anything except as defined in these definitions from Words and Phrases. The money to be collected from the equalization fee is not in any sense to be used or available to be used for the purpose of supporting the Government or for governmental needs. In fact, I can not understand how any lawyer, if he has given this subject any thought or study whatever, can arrive at the conclusion that the equalization fee is a tax.

The claim made in the minority report that it is a tax because money derived from the equalization fee may be used to reimburse the Treasury of the United States for loans made to the Federal farm board is so far-fetched and so wholly devoid of logic and merit that it deserves but passing notice. The Government has loaned money to the railroads. The way the railroads have to pay such loans is from freight and passenger charges. If the equalization fee is a tax because some of the money so raised may be used to pay off a debt owed by the Federal farm board to the Treasury, then freight and passenger charges collected from the people are a tax because part of the money so collected may be used to reimburse the Treasury. Other like illustrations will readily suggest themselves to the minds of Members. But enough has been said on this point.

I have here a volume entitled "Constitution of the United States of America (Annotated)." A copy of this volume is in the possession of every Member of the House. On page 73 of this volume is a definition of taxes, which reads:

A tax is a rate or sum of money assessed on the person or property of a citizen by the Government for the use of the Nation or State; a charge for the support of government; to raise money for public purposes. The obligation to pay taxes rests, not upon the privileges enjoyed or the protection given to a citizen, but upon the necessity of money for the support of government, but the citizen receives compensation therefor in privileges and protection. A tax is not a toll; a tax is a demand of sovereignty, while a toll is a demand of proprietorship.

Following this definition are numerous citations of court decisions with which I shall not encumber the RECORD. Members who are interested can get the citations from this volume.

The equalization fee is in so sense a tax. The money collected from the equalization fee is not for the support of government. The equalization fee is levied in order to support the marketing system which the bill undertakes to set up.

Not all burdens in the way of fees and charges, even if imposed and collected by the Government and covered into the Treasury and used for the purpose of supporting the Government are taxes. Law writers and the courts have held that postal rates and charges are not taxes and that bills fixing postal rates are not bills for raising revenue.

I do not desire to take up further time of this House on this point. However, those who may be interested in knowing more about what is a tax and what is a bill for raising revenue as contemplated in the Constitution I refer to two discussions of mine two years ago on the floor of this House when I undertook to point out the meaning of Article I, section 7, clause 1, of the Constitution, which provides—

All bills for raising revenue shall originate in the House of Representatives.

The first speech on this subject I delivered on the floor of this House February 5, 1925, found in CONGRESSIONAL RECORD, Sixty-eighth Congress, second session, page 2944, and the second speech was delivered on February 13, 1925, and found in CONGRESSIONAL RECORD, Sixty-eighth Congress, second session, page 3664.

One gentleman raised the issue that this bill being a tax bill and having originated in the Senate will be declared unconstitutional for repugnancy to Article I, section 7, clause 1, of the Constitution, which I have just quoted. Of course, if I am correct in my position as to what a tax is and what constitutes revenue in the constitutional sense, then the argument of the gentleman that the bill is unconstitutional because it originated in the Senate falls to the ground.

One other thought, under Article I, section 8, clause 1, which is the provision giving Congress the power to tax, it is evident that under the exercise of this power the revenue must be collected for the public purposes, or, in the language of this clause of the Constitution—

To pay the debts and provide for the common defense and general welfare of the United States.

Under this limitation, a tax for other purposes can not be levied. The other limitation on this grant of power to tax is—

But all duties, imposts, and excises shall be uniform throughout the United States.

The equalization fee is collected only on basic agricultural commodities that go into the commerce of the country after an operating period has been declared, and therefore can not be uniform on all of any basic commodity.

One other and last point that I will take notice of before I conclude. It was suggested during the debate that the grant of authority to the board to levy the equalization fee was a delegation of legislative power by Congress and therefore unconstitutional. There is no question that Congress can not delegate legislative power to any person, board, or group. There is nothing in the bill that delegates legislative power to the board. Straight and careful thinking would not lead anyone to conclude that the bill undertakes to delegate legislative power. To aid Members in determining what is and what is not a delegation of legislative power, I quote a paragraph from Field *v.* Clark (143 U. S. 649 at 693-694), to wit:

"The true distinction," as Judge Ranney, speaking for the Supreme Court of Ohio, has well said, "is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made." (Cincinnati, Wilmington, etc., Railroad *v.* Commissioners, 1 Ohio St. 88.) In Moers *v.* City of Reading (21 Penn. St. 188, 202), the language of the court was: "Half of the statutes on our books are in the alternative, depending on the discretion of some person or persons to whom is confided the duty of determining whether the proper occasion exists for executing them. But it can not be said that the exercise of such discretion is the making of the law." So, in Locke's Appeal (72 Penn. St. 491, 498): "To assert that a law is less than a law because it is made to depend on a future event or act is to rob the legislature of the power to act wisely for the public welfare whenever a law is passed relating to a state of affairs not yet developed or to things future and impossible to fully know." The proper distinction, the court said, was this: "The legislature can not delegate its power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend. To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the law-making power, and must, therefore, be a subject of inquiry and determination outside of the halls of legislation."

Of course, I am not so presumptuous as to claim or to assert that this bill or some provision thereof will not be found unconstitutional by the Supreme Court. However, I do not hesitate to state that in my judgment the Supreme Court will not find the establishment of the Federal farm board itself unconstitutional, nor will that eminent tribunal find the equalization fee unconstitutional on the ground that that fee is a tax.

The amendment was rejected.

Mr. ASWELL. Mr. Chairman, I move to strike out the last word.

Mr. BEGG. Mr. Chairman, I make the point of order that debate has just been closed on this section.

Mr. BLACK of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The point of order is sustained. Without objection, the pro forma amendment of the gentleman from Louisiana is withdrawn, and the gentleman from New York [Mr. BLACK] is recognized to offer an amendment, which the Clerk will report.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. BLACK of New York: On page 5, line 10, after the word "board," insert "other than members of such nominating committee."

The amendment was rejected.

The Clerk read as follows:

QUALIFICATIONS AND TERMS OF BOARD MEMBERS

SEC. 3. (a) The terms of office of the appointed members of the board first taking office after the approval of this act shall expire, as designated by the President at the time of nomination, four at the end of the second year, four at the end of the fourth year, and four at the end of the sixth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(b) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term.

(c) Any member of the board in office at the expiration of the term for which he was appointed, may continue in office until his successor takes office.

(d) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the appointed members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each of the appointed members of the board shall be a citizen of the United States, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of $10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or if assigned to any other office established by the board, then while away from such office on business required by this act.

Mr. HAUGEN. Mr. Chairman, the general sentiment seems to be that we should expedite the passage of this bill, and I believe the general sentiment is that it should be passed without amendment. Therefore I move that all debate on this section now close.

Mr. BLANTON. That motion is out of order. That can not be done now.

The CHAIRMAN. The motion of the gentleman from Iowa is not in order until after five minutes of debate on the section.

Mr. FISH. Mr. Chairman——

Mr. DOWELL. Mr. Chairman, I make a point of order. The gentleman from Iowa was recognized. The gentleman had a right to five minutes if he wanted to use it. The gentleman talked for a few moments and then closed and now no one else has a right to take five minutes.

Mr. JACOBSTEIN. The gentleman from Iowa made a motion also.

Mr. DOWELL. He made a motion which he had the right to make and it is perfectly in order.

The CHAIRMAN. The Chair did not understand that the gentleman from Iowa discussed any amendment at all.

Mr. DOWELL. He certainly did and his motion was in order.

Mr. FISH. He did not discuss it.

The CHAIRMAN. The Chair could not hear what the gentleman from Iowa said and would be glad to have him repeat it.

Mr. DOWELL. I ask for a vote on the motion, Mr. Chairman.

Mr. HAUGEN. In discussing the section I made a remark at the same time about the sentiment of the House.

Mr. RAMSEYER. As a matter of fact, the gentleman from Iowa [Mr. HAUGEN] did not make a motion.

Mr. DOWELL. Yes; he did.

The CHAIRMAN. Did the gentleman from Iowa [Mr. HAUGEN] submit any motion to the committee?

Mr. HAUGEN. I moved that all debate on the section and all amendments thereto now close.

Mr. BLANTON. And I make the point of order against that motion that it is out of order until there is debate on the section.

Mr. DOWELL. But there was debate, Mr. Chairman.

Mr. BLANTON. Not on this section.

Mr. DOWELL. There was debate on this section.

The CHAIRMAN. The Chair does not understand that any debate can commence until an amendment is offered. The Chair did not understand the gentleman from Iowa [Mr. HAUGEN] to offer any amendment or any motion until he moved that all debate be closed. Under those circumstances, he does not think the motion is in order.

Mr. DOWELL. Mr. Chairman, it is not necessary for one who desires to address the House to make a motion. If there is debate on the subject, he has five minutes within which to debate it; and if he addresses the House for any length of time, then he has the right to make such a motion.

Mr. BLANTON. But he could not address the House without offering an amendment.

Mr. JACOBSTEIN. Mr. Chairman, I have an amendment I wish to offer.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman from New York offered an amendment. He was entitled to recognition to speak for five minutes. At the end of that time it would have been in order for the gentleman from Iowa to make the motion which he has made. The one who offers an amendment is entitled to recognition. The gentleman from

Iowa interfered with his recognition. The gentleman from New York is clearly entitled to the floor for five minutes, and at the end of that time the gentleman from Iowa will be entitled to make the motion which he has made.

Mr. HAUGEN. I withdraw the motion.

The CHAIRMAN. The Chair thinks there was nothing before the committee until some motion was made. There was no motion made until the gentleman from New York [Mr. FISH] was recognized to make the motion and the Chair overrules the point of order and recognizes the gentleman from New York.

Mr. FISH. Mr. Chairman, I move to strike out the enacting clause.

The McNary-Haugen bill may or may not be a panacea for all the ills of the Middle West and southern farmers, but one thing is certain, it spells high cost of living, hardship, suffering, and increased family budgets for millions of poor people in the State of New York and throughout the East.

The McNary-Haugen bill is unconstitutional, vicious in principle, and conceived in propaganda and politics, and dedicated to raise the price of foodstuffs, and increase the high cost of living for a hundred million people. What of the millions in New York State and the Eastern States, who labor to earn their daily bread by the sweat of their brow? Will the Government be a party to assessing them on each loaf of bread and on each pound of pork? No government has ever dared or even attempted to take the money out of its treasury in time of peace to help raise the price of foodstuffs to the public, and that is what this bill is—a price raising bill—and that is its only intent and purpose. Take for example the State of New York, which contributes one-fourth of all the taxes; our taxpayers will have to contribute $50,000,000 of the $250,000,000 in the proposed revolving fund to put this bill into effect, and, in addition to that, practically all of the 11,000,000 people in the State of New York will be assessed 1 cent on every loaf of bread, 5 cents on every pound of pork, and an indefinite sum on their clothing. Furthermore, it means that the great dairy industry of New York State, probably the largest in the country, will have to pay more for their grain which they buy from the West, and this can only result in the dairymen selling their herds or increasing the price of milk to the millions of consumers in New York City, and work a great hardship on the women and children and poor of that city and of other cities.

In the olden days Rome attempted to reduce the price of bread, and even almost gave it away to the people, but no country has ever attempted in peace times to increase the cost of living to its own people by direct subsidies out of the Treasury.

The McNary bill could not possibly pass this House on its own merits. I congratulate the framers of the bill from the Corn Belt for taking in the cotton and tobacco people, thereby securing their votes to pass the bill. I do not question the good faith and sincerity of those Members from the Middle West who believe that this bill will help their own constituents; on the other hand I do most severely condemn the unholy alliance entered into by Members from the Middle West in a great committee in this House to barter and trade votes to kill the coal bill, carrying out the recommendations of the President, to protect the interest of the public in case of another coal strike. Such action is disgraceful, dishonorable, and dishonest and must cease if we are to uphold the dignity and prestige of the House of Representatives as a legislative body. The alliance between the coal barons and Representatives from agricultural States is not only unnatural and unholy but shows to what length the men behind the bill have gone to jam it through Congress.

I certainly hope in the next House that the rules will be changed so we can have a workable rule to discharge committees from further consideration of important measures which are in the interest of the public and not permit them to be stifled, chloroformed, or bartered away in committees.

It has been rumored about that the Democratic Members from New York City intend to vote for the McNary-Haugen bill in order to help line up southern and western delegates and thereby enhance the chances of Governor Smith to obtain the Democratic nomination for the Presidency. I am unwilling to believe that my colleagues from New York will vote against the interests of the people of New York State. Any Member of Congress from New York, who votes for the McNary-Haugen bill, betrays his constituents. [Applause.]

Mr. WEFALD. Mr. Chairman, during the last campaign it was considered so important to send a whole Republican delegation from my State to Congress that Mr. Theodore Roosevelt, jr., was imported into my district to speak against me. He pledged the unanimous support of the New York delegation to any farm-relief measure that was acceptable to the State of Minnesota. [Applause.] We have just had an answer in the speech of the gentleman from New York [Mr. FISH].

When the Haugen bill was before Congress the first time there was only one Member from the State of New York that had the courage to speak for it and had the courage to vote for it at any stage of the game, and he did not return to Congress.

We do expect to receive better treatment at the hands of New York this time, but the only aid we look for from that State is from the Democrats of New York and from the Independent Member, Mr. LAGUARDIA. I have heard my friend LAGUARDIA speak in the Northwest on the farmers' cause, and he did not voice the sentiment of Wall Street. No Progressive in Minnesota had any faith in Colonel Roosevelt's protestation of friendship for the farmers, and they were not mistaken. Republican New York speaks words of friendship for the farmers in the West with the voice of Roosevelt, but in Congress it speaks its true sentiment with the voice of Mr. FISH. At that, I doubt if Mr. FISH speaks the conviction of the toiling masses of New York. I am opposed to the motion of the gentleman from New York to strike out the enacting clause, which means to cut the head of the bill and to kill it with one stroke. This is equivalent to cutting the head of the farmer after he has been bled white.

When this bill becomes a law the farmer will talk to New York.

In only one other State of the Union would a member of the State delegation at this time dare in this House to make a motion of the magnitude of the motion made by the gentleman from New York, and that is the gentleman from Minnesota from the fifth district [Mr. NEWTON]. A few minutes ago the gentleman from Minnesota offered an amendment which if it had been carried would have cut the heart out of the Haugen bill. Why did he do it? Because he heard his master's voice. Here is a telegraphic petition sent every Member of my State delegation, except the gentleman from the fifth district; they did not send it to him because he did not have to be instructed, because he has always been consistent and always been wrong. [Laughter.] I wish I had the time to take up and discuss the petition. It cost $15 to send this telegram to me and $15 to sent it to each one of the rest of our delegation. The people that sent this petition have in the past spent hundreds of thousands of dollars in annihilating the Farmer-Labor Congressmen. It is a petition against the Haugen bill. The gentleman from Minnesota [Mr. NEWTON] always here claims to speak for the farmers, and he has told us that he has a township of farmers in his district. There is not the name of a single farmer on this petition. It is sent out by the representatives of big business that control Minnesota's fifth district and who keep Mr. NEWTON in this House.

The petition is signed by the small but powerful minority that control the business and credit situation in the State of Minnesota. It is signed by high railroad officials, by the grain gambler, by merchant princes, and by the big banks that furnish the grain gamblers with money so they can keep the game going. But the gentleman from the fifth district, speaking against this bill and trying to cripple it with amendment, does not truly represent even his own district. The gentleman spoke in this House against the Haugen bill on February 4. I followed him and had read a resolution passed by the Minnesota Farm Bureau Federation that rebuked the administration in stinging terms. On the 5th of February, or the following day, petitions were circulated in the city of Minneapolis in favor of the McNary-Haugen bill, and 480 business and professional men signed it. To counteract this move the big business interests sent this 6-foot-long telegram that I have shown you.

Yesterday the Minnesota Legislature passed a joint resolution that has been telegraphed to every Member of the Minnesota delegation to-day. It condemns the action of the Minneapolis crowd and stresses the necessity of action by Congress in the interest of the farmers of that State. It states that—

> the farmers of Minnesota are in dire need of relief legislation and the same should be speedily enacted into law.

This is the second resolution passed by the Minnesota Legislature in the present session urging the passage of the McNary-Haugen bill.

Minnesota is a storm center as far as farm relief legislation goes. I have also recently received a resolution passed by the Minnesota Federation of Farm Loan Associations, one paragraph of which reads:

> We especially and particularly desire to express our hearty approval of the McNary-Haugen bill, which is at the present time before our Congress for action, and commend the stand taken by all Congressmen

from this State in favor of this measure, with the single exception of the Congressman from the city of Minneapolis [WALTER H. NEWTON].

Mr. Chairman, I have supported the Haugen bills from the time the first one was introduced in 1924. I do not think this bill is perfect, nor do I dare at this time to estimate the benefit to flow from its enactment for the farmers. If it becomes a law, it will be just as necessary to send friends of the farmers to Congress for many years to come as it has been to have them here now, for it can be crippled by amendments in future Congresses and by administration. There have been so many eleventh-hour converts that I wonder how long they will stand with us. Of course, the eleventh-hour workers in the vineyard will be entitled to as much pay as those who have borne the brunt of the day.

This farmers' revolution that we see in this House to-day started in Minnesota in 1913, when that body investigated the Chamber of Commerce of Minneapolis. That investigation did not accomplish what it set out to do, but it unearthed a mass of evidence as to how the farmers were being bled by the grain gamblers. From Minnesota the movement surged into North Dakota, but it gained real momentum only after the farmers who came to the North Dakota Legislature to ask redress for certain grievances were told to "Go home and slop their hogs." They went home and slopped their hogs, but they slopped a lot of politicians, too. The movement surged back into Minnesota and spread to Iowa and other States, but only after bankruptcies and bank failures had rudely awakened the people of those States from their dreams of prosperity.

I hope that history will repeat itself to-day. This morning I read in the Washington Post the following:

The pigs are squealing for their swill,
So hurry up the hoggin' bill.

This is like an echo from North Dakota; it shows how much they think of the farmer, who feeds them all. We will "slop" a few to-day.

I support the McNary-Haugen bill for a few simple reasons. I believe that protection for all is protection for none. Many interests in our land are rolling in wealth to-day because they have protection and special privilege; the passage of this bill will be the best way of getting these interests down to the farmers' level, if the farmers can not come up to theirs.

Then, I believe in the establishment of the farm board to act for agriculture. The establishment of this board is the big thing in this bill. The bankers have a board—the Federal Reserve Board—to look out for their interests. The railroads have the Interstate Commerce Commission to look after their interests; and the manufacturers have two boards, the Tariff Commission and the Federal Trade Commission, to look after their interests and to protect them. All these interests were given laws under which they are guaranteed cost plus profit. The commissions that function for them see to it that they get cost plus profit, and I imagine that a farm board, named by the farmers, will look after the farmers' interests. The equalization fee has been the storm center in this debate. If, as some fear, it is unconstitutional, it will be stricken from the law; if it is constitutional, it will function as well as the tariff and the Pullman surcharge function in favor of other interests.

"All is well that ends well." I have now seen the steam roller in this House function in favor of the farmers. I here present for the RECORD the resolutions I have spoken of:

Be it resolved by the Minnesota Federation of National Farm Loan Associations (representing 180 local associations in this State with a total of 8,405 farmer borrowers located in every township in this State, in annual convention assembled at St. Paul, Minn., this 9th day of February, 1927):

1. That we fully approve of the conservative policy promulgated by the officers and directors of the Federal Land Bank of St. Paul, and commend the efficient manner in which the affairs of this bank have been managed during the trying times of these recent years.

2. That we are opposed to any legislation by the Congress of the United States which may in any manner whatsoever cripple the Federal farm-loan system as now operated by the Federal land banks, and that we are especially opposed to the so-called McLean-McFadden bill which is now awaiting action by Congress.

3. Believing that all persons who live in an agricultural community, without regard to business, profession, or occupation, are entirely dependent for existence upon the fruits of the labor of the man or woman who actually tills the soil; therefore we favor any legislation which will tend to give to the person who toils on the land a greater net return for his labor.

We especially and particularly desire to express our hearty approval of the McNary-Haugen bill which is at the present time before our Congress for action, and commend the stand taken by all Congressmen from this State in favor of the measure, with the single exception of the Congressman from the city of Minneapolis, WALTER H. NEWTON.

4. Believing that the entire Middle West is at a decided disadvantage because of the discrimination in the present transportation rates, therefore we fully approve of the proposed Great Lakes-St. Lawrence waterway project now before Congress and urge early action by Congress looking toward the completion of these vitally necessary enterprises: Be it further

Resolved, That a copy of these resolutions be forwarded by the secretary of this federation to the Senators and Representatives in Congress from this State, to the commissioner of the Federal farm loan board, and to the President of the United States, Calvin Coolidge.

G. O. HAGE, Crookston,
S. A. RASK, Blooming Prairie,
H. H. PEYTON, Proctor,
WILLIAM OLSON, Willmar,
J. B. GISLASON, Minnesota,
Committee.

On motion, these resolutions were unanimously adopted.

ST. PAUL, MINN., *February 16, 1927.*

Congressman KNUD WEFALD, *Washington, D. C.:*

I am herewith forwarding to you as per instructions a copy of a resolution adopted by the Senate and House of Representatives of the State of Minnesota on this 16th day of February, 1927, which reads as follows:

A concurrent resolution memorializing the President of the United States and the Representatives in Congress from the State of Minnesota, that it is the sense of the members of the Minnesota Legislature that agriculture in Minnesota is in dire need of relief legislation.

Whereas a group of Minneapolis business men have seen fit to inform the President of the United States and Minnesota's Representatives in Congress on the agricultural situation in Minnesota; and

Whereas such action was taken with the sole intent of defeating agricultural relief legislation now under consideration by Congress; and

Whereas the statement by the Minneapolis business men to the effect that agriculture in Minnesota will be hindered rather than helped if the legislation under consideration by the Congress of the United States is enacted into law is grossly misleading and is not based on knowledge of the true farming situation in Minnesota: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the House of Representatives concurring), That the President of the United States and the Representatives in Congress from the State of Minnesota are hereby memorialized that it is the sense of the members of the Legislature of the State of Minnesota that the farmers of Minnesota are in dire need of relief legislation and the same should be speedily enacted into law. Be it further

Resolved, That the secretary of the senate be instructed to send by telegram a copy of this resolution to the President of the United States and to the Representatives in Congress from the State of Minnesota as soon as the house does concur with the senate.

GEORGE PEACHEY,
Secretary of the Senate.

MINNEAPOLIS, MINN., *February 12, 1927.*

Hon. KNUD WEFALD,
House Office Building, Washington, D. C.:

We believe enactment of McNary-Haugen bill will set American agriculture back 10 to 15 years. It will stimulate wheat and cotton production on large scale. It will bring all marginal and distressed lands back into wheat. It will make Northwest one-crop section again, with all of its attendant ills. It will destroy great progress made in Northwest in diversified, efficient, and profitable farming during last five years. It will retard efforts to create balanced agriculture. It will place premium on inefficient one-crop wheat farming.

Even if McNary-Haugen bill were of benefit to wheat farmer as a whole, it would not be a benefit to wheat farmer of Northwest. Contrary, would actually cause him a direct money loss. Northwest grows premium hard spring wheat, none of which is exported. Neither does it become a part of surplus. Northwest wheat carries average premium of 15 cents per bushel, which goes to Northwest farmer. Equalization fee in McNary-Haugen bill, plus costs of operating vast governmental machinery, will easily cost all wheat farmers 15 cents a bushel. Northwest wheat grower who exports no wheat will thus be called upon to pay 15 cents a bushel to increase price of southwestern crop, about one-third of which is exported.

Will create still larger surplus of wheat. Northwest is now on right track in agriculture. If not handicapped by McNary-Haugen bill, will make tremendous strides in profitable and diversified farming. In last five years Northwest has turned from one crop—wheat growing—to diversified farming, with result that in North Dakota alone dairy products have increased in value from $29,000,000 to $44,000,000,

swine from $10,000,000 to $31,000,000, poultry from $8,000,000 to $18,000,000, and wool and mutton from $1,000,000 to $4,000,000. As result of diversified-farming campaigns, Northwest has created additional farm income from dairying alone of $200,000,000.

Diversified farming is now backed up by leading farmers and business men. We expect to raise present Northwest farm income of one billion and a half to three billion dollars in next five years. Not one Northwest farmer or business man in thousand understands McNary-Haugen bill.

Passage of bill will not increase soil fertility; will not eliminate losses from dockage; will not eliminate weeds, pests, and diseases which increase costs and diminish returns; will not change scrub dairy cows to profitable producers; will not build silos to protect from frost; will not counteract hot winds and droughts; will not build creameries and cream stations; will not increase acreage of sweet clover, alfalfa, and feed crops; and will do nothing to make our farming more productive.

We recall 20 years ago farmers and business men of Northwest gave time and money to bring about diversified agriculture. We recall that when war demand for wheat came hundreds of thousands of acres were thrown back to wheat. Diversification stopped. It is our opinion that development of agriculture was set back 10 to 15 years by the war demand. McNary-Haugen bill, if it does anything at all, will result in the same hysterical wheat growing. Aftermath will be the same.

As result of five-year diversified-farming program indebtedness of member banks to Ninth Federal Reserve Bank has been reduced from $115,000,000 to $3,500,000. Paper from closed banks acquired by Ninth Federal Reserve Bank has been reduced from $14,000,000 to $1,800,000. Loans borrowed by banks from War Finance Corporation have been reduced from $50,000,000 to $2,000,000. Total bank deposits in Northwest now are same as 1920. Aggregate value of farm products, in spite of short crops, is as great as six years ago.

Diversified farming responsible for Minnesota's position agriculturally. Minnesota now produces $174,000,000 worth of dairy products; $110,000,000 worth of butter. Northwest's dairy cow population has increased by 750,000, or 82 per cent of total dairy cow increase for United States; we have 30 per cent increase in swine; 30 per cent increase in corn; and corresponding increases in poultry, sheep, beef cattle, alfalfa, sweet clover, sugar beets, and honey production. To-day Minnesota's poultry crop alone valued at $50,000,000 annually.

One Minnesota county produces nearly $6,000,000 worth of butter; 2 counties more than $4,000,000 each; 6 counties more than $3,000,000 each; 6 counties more than $2,000,000 each; 27 counties more than $1,000,000 each; 20 counties more than $500,000 each. This will give an idea of how individual counties are falling into line. Such movement, if not checked, will be irresistible. Ultimately all our counties will be doing the same thing, and our goal of $3,000,000,000 farm income will be in sight. Similar progress being made in North Dakota, South Dakota, and Montana. Tremendous increases are being made this year in planting sweet clover and alfalfa, particularly in hot wind and drouth areas.

Purebred sire and cow testing association campaigns in full swing in all sections of Northwest for purpose of placing most profitable and productive animals on farms, eliminating unprofitable animals.

Losses from rust have been reduced from $76,000,000 in 1919 to $15,000,000 this year. Balance of losses should be eliminated in next two or three years. Campaigns for eliminating dockage losses amounting to more than $32,000,000 annually in wheat and flax and aggregating $100,000,000 annually for all small grains are now in progress actively. We believe that with proper methods every Northwest acre can produce gross profit of more than $25 annually.

North Dakota's present average wheat production less than 10 bushels per acre. South Dakota's figures still lower. If diversified farming program is not handicapped by McNary-Haugen measure, Northwest can be made to produce all wheat required on one-half acreage. Other half yielding other returns and revenues.

Farmers and business men in Northwest are now strong for diversified farming. Many prominent Nonpartisan League men strongly opposed to McNary-Haugen bill because they feel that passage will handicap efficient farming at expense of inefficient farming. Proponents of McNary-Haugen measure have worked strenuously for passage. Opponents, not believing that it would pass, have done nothing to oppose it.

We urge you on behalf of welfare of Northwest, on behalf of splendid progress that this section has made in right agricultural direction, on behalf of farmers and business men of Northwest who are now working together along business lines as they have never worked before, on behalf of great responsibility and great goal at stake, to vote against McNary-Haugen bill. By so doing you will have rendered not only Northwest but entire country opportunity to retain its economic independence; to work out own problems, which are problems of more efficient production and sounder organization in marketing, and to develop itself to maximum along effective and best business principles.

During past five years hundreds of thousands of dollars have been spent annually by Northwest business leaders, representing railroads, banks, manufacturers, newspapers, and many others, on educational work with Northwest farmers for promotion of diversified farming. We emphasize again that this educational work has created a new farm wealth of $200,000,000 a year in Northwest. We are just now getting our stride.

C. T. Jaffray, Soo Line; G. F. Williams, Powers Mercantile Co.; William Lahiff, Young-Quinlan Co.; W. S. MacGregor, Whitney-MacGregor Co.; Joseph Chapman, L. S. Donaldson Co.; G. N. Dayton, the Dayton Co.; F. H. Gibian, Maurice L. Rothschild Co.; L. H. Williams, Williams Hardware Co.; L. B. Barnes, Chevrolet Motor Co.; W. R. Stephens, Pense Automobile Co.; MacMartin, MacMartin Advertising Agency; Robert L. Brooks, Leader Mercantile Co.; F. M. Prince, First National Bank; W. H. Bremner, Minneapolis & St. Louis Railway; Claude H. Paxton, Willys-Overland (Inc.); C. B. Mills, Midland National Bank & Trust Co.; L. E. Wakefield, First National Bank; F. B. Wells, Peavy Grain Co.; E. W. Decker, Northwest National Bank; F. E. Murphy, Minneapolis Tribune.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and amendments thereto be now closed.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and amendments thereto be now closed. Is there objection?

Mr. LAGUARDIA. I object.

Mr. HARE. I object.

Mr. HAUGEN. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this section and all amendments thereto be now closed.

Mr. SCHAFER. Mr. Chairman, I move to lay that motion on the table.

The CHAIRMAN. That motion is not in order. The question is on the motion of the gentleman from Iowa.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from New York to strike out all after the enacting clause.

Mr. FISH. Mr. Chairman, I withdraw that motion.

Mr. LAGUARDIA. Mr. Chairman, the gentleman can not withdraw his motion without unanimous consent, and I object.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 1, noes 105.

So the motion to strike out all after the enacting clause was rejected.

Mr. HARE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HARE: On page 6, after line 21, add the following section:

"(f) It shall be unlawful for any member of said board, or any employee thereof, or any member of the advisory council hereinafter provided, or any employee, agent, or other person directly or indirectly connected with said board or council to purchase or sell for future delivery on any exchange any or either of the commodities or the products thereof named in section 6 of this act, and it shall be unlawful for any such person to divulge or furnish confidential information to any other person for such purposes, and any such person being found guilty of violating this provision of this act shall be subject to a fine not exceeding $100,000, or imprisonment for a period not exceeding 20 years, or both."

Mr. SCHAFER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SCHAFER. Will the CONGRESSIONAL RECORD show that the gentleman from New York [Mr. FISH] did not vote for his motion to strike out all after the enacting clause, which was recently defeated?

The CHAIRMAN. The Chair does not think that is a parliamentary inquiry.

Mr. HARE. Mr. Chairman, I understand that under the ruling no debate will be permitted on my amendment.

The CHAIRMAN. Not under the ruling, but under the motion made and carried in the committee. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. HARE) there were—ayes 61, noes 90.

So the amendment was rejected.

The Clerk read as follows:

GENERAL POWERS

SEC. 4. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia and such other offices in the United States as it deems necessary.

(c) Shall have an official seal, which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

Mr. TINCHER. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 7, line 17, after the word "board," insert a colon and the words: "*Provided*, That the board shall not appoint more than 25 experts for any one commodity, and in no case shall the salary of any expert exceed $10,000 per annum."

Mr. TINCHER. Mr. Chairman, I do not care to debate the amendment.

Mr. HILL of Alabama. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Kansas [Mr. TINCHER]. This House has voted down the Curtis-Crisp bill and the Aswell bill. There is only one thing to do now, and that is to pass the McNary-Haugen bill as it came from the Senate, and then send it directly to the President in order to secure action upon it before the Congress adjourns on March 4. [Applause.]

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate upon this section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I did not intend to speak at this stage of the bill, because I have an amendment which I am going to offer at the proper place, but I take this opportunity to state that as far as New York State is concerned we do not need any suggestion from the gentleman from Orange County [Mr. FISH], who says that any Member who happens to vote for this bill betrays his constituents. I resent the statement made by the gentleman from New York, typical as it is of him when he wants to make a grandstand play. The gentleman from New York [Mr. FISH], says that he is going to stand here in the next Congress and fight for a modification of the rules; but when he came here in the Sixty-eighth Congress, with a rule to require but 100 signatures to discharge a committee from further consideration of a bill, the gentleman from New York, the short-distance progressive, voted against it. [Applause.]

Mr. FISH. Mr. Chairman, that is a misstatement of the fact, and I want that to go into the RECORD. I did not vote for it.

Mr. LAGUARDIA. That is exactly what I said, the gentleman did not vote for it.

Mr. FISH. I mean that I did vote for the rule.

Mr. LAGUARDIA. The gentleman is as uncertain now as he was then. And when the gentleman from New York [Mr. FISH] speaks about the laboring people who earn their bread by the sweat of their brow, let me suggest to the gentleman that he is in no position to talk for the laboring people who work by the sweat of their brow. He might be able to speak for the strongly intrenched insurance interests who have made the burden of the farmers harder, but he can not speak for the laboring people of New York City. [Applause.] The gentleman from New York, of the insurance combine, suddenly becomes interested in the laboring people from New York City.

Mr. Chairman, the gentleman from New York has not even a speaking acquaintance with the honest laboring people of New York City, and let me say to the gentleman from New York [Mr. FISH] that he should not worry about the representatives from Tammany Hall getting votes for the Democratic ticket. All one has to do is to gaze upon the splendid spectacle presented by the gymnastics of the distinguished Representative from New York [Mr. FISH] and it will be understood why the Republican Party of New York State is constantly losing votes. [Laughter and applause.] Mr. Chairman, if the gentleman from New York voted as progressively in Congress as he talks sometimes in New York, then perhaps we would have a bigger following in our State.

Mr. Chairman, there are two sides to this bill, and no man ought to be criticized or threatened with being guilty of betrayal of a public trust if he happens to vote for the bill. The gentleman from New York [Mr. FISH], with all his connections and big talk, has not come forward to propose any substitute for it. I have heard no constructive suggestion from the gentleman from New York during all this time. It is true he did make a motion to strike out the enacting clause, but he did not have the nerve to go through with it. It got only 1 vote.

Mr. SCHAFER. And the gentleman from New York did not vote for his own motion.

Mr. LAGUARDIA. That makes no difference; he never does. As far as I am concerned, and as far as New York City is concerned, the people of New York City who work for a living want to see the farmers get a square deal; and if this bill will do it, we hope it will pass. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired. All time has expired. The question is on agreeing to the amendment offered by the gentleman from Kansas [Mr. TINCHER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SPECIAL POWERS AND DUTIES

SEC. 5. (a) The board shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(b) The board shall keep advised, from any available sources, of crop prices, prospects, supply and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products.

(c) The board shall advise cooperative associations, farm organizations, and producers in the adjustment of production and distribution, in order that they may secure the maximum benefits under this act.

Mr. HAMMER rose.

Mr. CLAGUE. Mr. Chairman, I move to strike out the last word.

Mr. PURNELL. The gentleman is a member of the committee, is he not?

Mr. CLAGUE. I used to be.

The CHAIRMAN. The Chair will recognize the gentleman from North Carolina [Mr. HAMMER].

Mr. HAMMER. Mr. Chairman, in answer to the contention that the State of Texas and other Southwestern States will have advantages in the growing of cotton over the South Atlantic States as a result of enacting the amended McNary-Haugen bill, I desire to say that the fear has been expressed within the past day or two by those who are considering the McNary-Haugen farm relief bill, that North Carolina and the South Atlantic States might suffer some hurt under the McNary-Haugen bill arising out of price fixing based upon the cost of production in Texas, which they say is cheaper than the cost of producing cotton in North Carolina. This fear is a strange one, and quite unaccountable, in view of the fact that there is not a line in the McNary-Haugen bill that undertakes to fix any price or any standard of cost of production.

The McNary-Haugen bill provides only that the surplus cotton shall be taken from the market and fed in an orderly way to the markets of the world at such times and under such circumstances, under the purpose of the bill, as will not break the market or make a market surplus. Under the McNary-Haugen bill the surplus will be sold at the highest price that can be obtained for it, and at the most propitious times. There being no tariff duty on cotton, the world price and the American price are always substantially the same, and there can not possibly be any dumping of cotton abroad at a price lower than the American market. If it were attempted even to dump cotton abroad at a lower price than prevailed on the American market, the American price would instantly drop to the price at which such cotton was dumped abroad. The charge that there will be dumping abroad that will hurt the American manufacturer is, therefore, of course, manifestly absurd.

The most astonishing thing with regard to the fears that have been expressed by certain gentlemen that a cost of production may be based upon the Texas cost and thus hurt North Carolina and the South Atlantic States, is that they, in some instances, express their willingness to support the Crisp bill, which is, in fact, the only bill that contains any provision at all that would furnish any basis whatever for the fears expressed by these gentlemen. The Crisp bill does provide, in section 10, subsection (a), on page 10 of that bill, that the corporation (to be set up by the bill) shall make purchases of such commodity, and so forth, only:

Subsection (a): When prices are below or, except for such purchases, may fall below, the cost of production to efficient producers.

The above section of the Crisp bill, which the gentlemen who entertain the fears refer to say they might support, does con-

tain a provision, it will be seen, as given above, that might, in some remotely possible event, furnish a pretext for the fears that have been expressed. In other words, under this section of the Crisp bill, it is remotely conceivable that a standard of prices might be considered upon the basis of the "cost of production" in Texas, which is probably the cheapest in the country and which might, therefore, be considered as being "the cost of production to efficient producers," as provided in the Crisp bill.

How strange it is, therefore, that these gentlemen express fears with reference to the operation of the McNary-Haugen bill, which contains no such price-fixing provision, while professing willingness to vote for the Crisp bill, which does contain such a provision.

Of course, what the gentlemen say they fear would never take place under either of these bills. The Texas farmer, because his cost of production was lower, would desire 25-cent cotton none the less, and his anxiety for a high price would not be any less, because his cost of production was not as high as that of others. There would never be any conflict in this matter, as there has not been in the past. If the Texas cost of production is lower than North Carolina's, or other South Atlantic States, it has not come about, nor will it come about, because of the McNary-Haugen farm relief bill or any other legislation. The McNary-Haugen farm relief bill will not change the cost of production anywhere, and if Texas will raise cotton more cheaply than North Carolina or other South Atlantic States in the future, why, the same situation has existed heretofore, and the McNary-Haugen farm relief bill will not change it or affect it in any particular. [Applause.]

Mr. CLAGUE. Mr. Chairman, I move to strike out the last word.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on the section read and all amendments thereto close in five minutes.

The CHAIRMAN. Does the gentleman from Minnesota yield to the gentleman from Iowa?

Mr. CLAGUE. Yes.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on the section read and all amendments thereto close in five minutes.

Mr. McDUFFIE. Reserving the right to object, Mr. Chairman, will it be the policy of those in control of this legislation to permit only five minutes' debate under any section of this bill?

Mr. HAUGEN. We would like to accommodate everybody, but we have been here now about a week in debate.

Mr. McDUFFIE. The gentleman from South Carolina [Mr. HARE] offered an amendment to prevent gambling in futures in commodities affected by this bill, yet you would not hear him. With a spirit almost of "mobocracy" an endeavor is being made to ram this legislation through Congress without permitting debate or proper and full discussion, and I think it is time to call a halt and realize you are defeating the very purposes of farm relief by these "steam-roller" methods.

Mr. HAUGEN. We are opposing any amendment that will defeat the purposes of the legislation.

Mr. McDUFFIE. Several Members have offered amendments proposing needed changes in this bill that will greatly improve it, and several of us will offer other amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa that all debate on the section read and all amendments thereto close in five minutes?

Mr. SCHAFER. I object.

The CHAIRMAN. Objection is heard. The gentleman from Minnesota [Mr. CLAGUE] is recognized.

Mr. CLAGUE. Mr. Chairman and gentlemen of the committee, there has been some talk in this House about how the State of Minnesota stood on farm-relief legislation. Our State legislature is now in session, consisting of 198 members. At this time I would like to have the Clerk read a telegram transmitting a resolution which has just been passed by the Minnesota Legislature.

The CHAIRMAN. Without objection, the telegram will be read.

The Clerk read as follows:

ST. PAUL, MINN., *February 16, 1927.*

Congressman FRANK CLAGUE,
Washington, D. C.:

I am herewith forwarding to you as per instructions a copy of a resolution adopted by the Senate and House of Representatives of the State of Minnesota on this 16th day of February, 1927, which reads as follows:

"A concurrent resolution memorializing the President of the United States and the representatives in Congress from the State of Minnesota, that it is the sense of the members of the Minnesota Legislature that agriculture in Minnesota is in dire need of relief legislation

"Whereas a group of Minneapolis business men have seen fit to inform the President of the United States and Minnesota's Representatives in Congress on the agricultural situation in Minnesota; and

"Whereas such action was taken with the sole intent of defeating agricultural-relief legislation now under consideration by Congress; and

"Whereas the statement by the Minneapolis business men to the effect that agriculture in Minnesota will be hindered rather than helped if the legislation under consideration by the Congress of the United States is enacted in law is grossly misleading and is not based on knowledge of the true farming situation in Minnesota: Now, therefore, be it

"Resolved by the Senate of the State of Minnesota (the House of Representatives concurring), That the President of the United States and the Representatives in Congress from the State of Minnesota are hereby memorialized that it is the sense of the members of the Legislature of the State of Minnesota that the farmers of Minnesota are in dire need of relief legislation, and the same should be speedily enacted into law; be it further

"Resolved, That the secretary of the senate be instructed to send by telegram a copy of this resolution to the President of the United States and to the Representatives in Congress from the State of Minnesota as soon as the house does concur with the senate."

GEO. PEACHEY,
Secretary of the Senate.

Mr. CLAGUE. Mr. Chairman, I am informed that this resolution was adopted with only a few opposing votes.

Mr. GARRETT of Tennessee. What were they for? That resolution does not say.

Mr. CLAGUE. The farm legislation that is now pending before Congress.

Now, I want to call attention to another matter. A letter was read in this House a few days ago from Secretary Mellon on the cost of carrying out the provisions of this bill, in which he stated that the administration would cost $800,000. The value of the farm property in the United States is more than the total amount that is invested in railroads and in all industrial plants.

We have appropriated this year for the Interstate Commerce Commission for carrying on the work of that commission $5,200,000. It takes over $1,000,000 for the maintenance of the Civil Service Commission. Even if it will take $800,000 for the administration of a bill of this kind, it is a small amount for the good it will accomplish.

There is another fact that I want to call attention to. The gentleman from Minnesota [Mr. NEWTON] says when wheat goes up in price the price of flour follows. Since 1923 there has been a fluctuation of about 100 per cent in the price of wheat, and yet there has been but little fluctuation in the price of bread. There has been a great fluctuation in the price of hogs within the last few years, and yet there has been but little fluctuation in the price of hog products. [Applause.]

Mr. ASWELL. Mr. Chairman, I ask to be recognized.

Mr. HAUGEN. Before that, I ask unanimous consent that the debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. SCHAFER. I object.

The CHAIRMAN. Objection is heard.

Mr. HAUGEN. Then I move, Mr. Chairman, that the debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this section and all amendments thereto close in five minutes. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The gentleman from Louisiana [Mr. ASWELL] is recognized for five minutes.

Mr. ASWELL. Mr. Chairman, on the Minnesota situation I ask that the Clerk read a communication that I have received.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

BUSINESS MEN PROTEST TO PRESIDENT AGAINST M'NARY-HAUGEN BILL

We believe the enactment of the McNary-Haugen bill will set American agriculture back 10 to 15 years. It will stimulate wheat and cotton production on a large scale. It will bring all marginal and distressed lands back into wheat. It will make the Northwest a one-crop section again, with all of its attendant ills. It will destroy the great progress made in the Northwest in diversified, efficient, and profitable farming

during the last five years. It will retard our efforts to create a balanced agriculture. It will place a premium on inefficient one-crop wheat farming. * * *

We urge you on behalf of the welfare of the Northwest, on behalf of the splendid progress that this young section of the country has made in the right agricultural direction, on behalf of the farmers and business men of the Northwest who are now working together along business lines as they have never worked before, on behalf of the great responsibility and the great goal at stake to vote against the McNary-Haugen bill. By so doing you will have rendered not only the Northwest but the entire country the greatest service of all time. You will have expressed the courageous convictions of all sound thinkers. You will have given American agriculture the opportunity to retain its economic independence; to work out its own problems, which are the problems of more efficient production and sounder organization in marketing and to develop itself to the maximum along effective and best business principles.

(Signed by 186 business men of Minneapolis, Minn.)

Mr. ASWELL. Note the following from the National Farmers' Union of Pawnee, Okla.:

OKLAHOMA DELEGATION IN CONGRESS,
Washington, D. C.:

Farmers' Union passed resolution asking that you vigorously oppose the Haugen bill. Its passage means the enslavement of the farmer to the dictation and exploitation of a political machine of lame ducks.

OWSLEY LONERGAN, *Secretary.*

P. S.: Show this letter to ELMER THOMAS and Senator NYE.

Mr. Chairman, one or two of the new converts to-day said that there had been no farm organizations asking for the passage of the Aswell bill. I would like to say this, that if you will eliminate the lobby for the Haugen bill, the professional farm advocates in the country and in this Capitol at the expense of the farmers, as a result of the vote this morning I am convinced that the Haugen bill would not receive exceeding 125 votes in this Chamber. And if you would give the Aswell bill one-tenth the publicity, one-tenth the propaganda, one-tenth of the trading to agitate public sentiment that the Haugen bill has used, my bill would pass almost by unanimous consent, because it is so clear, so definite, so direct, and so effective in its provisions. [Applause.]

I want to repeat that not a gentleman supporting the Haugen bill has yet dared explain a provision in that bill. In 18 hours of discussion they have been afraid to explain it. I have not the time and can not get the time or I would explain it myself now. During all of this struggle of 18 hours not a word of explanation has been heard from the gentleman from Iowa [Mr. DICKINSON], who is advertised as the leader of the farm bloc in Congress, whatever that is. I would like to know when, where, and by whom he was elected leader of any farm bloc in the House.

Gentlemen, I want to give notice of the roll call I propose to have on substituting my bill for this Haugen bill, and I give warning that all gentlemen will have a chance to vote on that roll call and on the final vote on the Haugen bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Louisiana has expired. All time has expired, and without objection the pro forma amendment will be withdrawn.

There was no objection.

Mr. SEARS of Florida. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Florida offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SEARS of Florida: Page 8, after line 6, insert:

"(d) The Federal farm board shall, in no event, permit the price of any agricultural product supposed to be protected to fall below the cost of production by the efficient producer."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. HOWARD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Nebraska offers an amendment which the Clerk will report.

Mr. HOWARD. Mr. Chairman, I did not offer an amendment. I just moved to strike out the last word.

The CHAIRMAN. All debate is closed. The Clerk will read.

CONTROL AND DISPOSITION OF SURPLUS

SEC. 6. (a) For the purposes of this act, cotton, wheat, corn, rice, tobacco, and swine shall be known and are referred to as "basic agricultural commodities," except that the board may, in its discretion, treat as a separate basic agricultural commodity one or more of such classes or types of tobacco as are designated in the classification of the Department of Agriculture.

(b) Whenever the board finds that the conditions of production and marketing of any other agricultural commodity are such that the provisions of this act applicable to a basic agricultural commodity should be made applicable to such other agricultural commodity, the board shall submit its report thereon to Congress.

(c) Whenever the board finds, first, that there is or may be during the ensuing year either (1) a surplus above the domestic requirements for wheat, corn, rice, tobacco, or swine, or (2) a surplus above the requirements for the orderly marketing of cotton, or of wheat, corn, rice, tobacco, or swine; and, second, that both the advisory council hereinafter created for the commodity and a substantial number of cooperative associations or other organizations representing the producers of the commodity favor the full cooperation of the board in the stabilization of the commodity, then the board shall publicly declare its findings and commence, upon a date to be fixed by the board and published in such declaration, the operations in such commodity authorized by this act: *Provided*, That in any State where not as many as 50 per cent of the producers of the commodity are members of such cooperative associations or other organizations, an expression from the producers of the commodity shall be obtained through a State convention of such producers, to be called by the head of the department of agriculture of such State, under rules and regulations prescribed by him. Such operations shall continue until terminated by the board. Any decision by the board relating to the commencement or termination of such operations shall require the affirmative vote of a majority of the appointed members in office, and the board shall not commence or terminate operations in any basic agricultural commodity unless members of the board representing Federal land-bank districts which in the aggregate produced during the preceding crop year, according to the estimates of the Department of Agriculture, more than 50 per cent of such commodity, vote in favor thereof and until the board shall become satisfied that a majority of the producers of such commodity favor such action.

(d) During the continuance of such operations in any basic agricultural commodity, the board is authorized to enter into agreements, for the purpose of carrying out the policy declared in section 1, with any cooperative association engaged in handling the basic agricultural commodity, or with a corporation created by one or more of such cooperative associations, or with processors of the basic agricultural commodity.

(e) Such agreements may provide for (1) removing or disposing of any surplus of the basic agricultural commodity, (2) withholding such surplus, (3) insuring such commodity against undue and excessive fluctuations in market conditions, and (4) financing the purchase, storage, or sale or other disposition of the commodity. The moneys in the stabilization fund of the basic agricultural commodity shall be available for carrying out such agreements. In the case of any agreement in respect of the removal or disposal of the surplus of a basic agricultural commodity, the agreement shall provide both for the payment from the stabilization fund for the commodity of the amount of losses, costs, and charges, arising out of the purchase, storage, or sale or other disposition of the commodity or out of contracts therefor, and for the payment into the stabilization fund for the commodity of profits (after deducting all costs and charges provided for in the agreement) arising out of such purchase, storage, or sale or other disposition, or contracts therefor. In the case of agreements insuring such commodity against undue and excessive fluctuations in market conditions, the board may insure any cooperative marketing association against decline in the market price for the commodity at the time of sale by the association, from the market price for such commodity at the time of delivery to the association.

(f) If the board is of the opinion that there is no such cooperative association or associations, or corporation created by one or more cooperative associations, capable of carrying out any such agreement, the board may enter into such agreements with other agencies.

(g) If the board is of the opinion that there are two or more cooperative associations capable of carrying out any such agreement, the board in entering into such agreement shall not discriminate unreasonably against any such association in favor of any other such association.

(h) During any period in which the board is engaged under this act in operations in any basic agricultural commodity other than cotton, or tobacco, the provisions of subdivisions (d), (e), and (f) of this section shall have the same application in respect of the food products of the commodity as they have in respect of the commodity.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word. I want to get the attention of the gentleman from Iowa for the purpose of securing some information. On page 8, beginning in line 10, there is a definition of basic commodities and it provides that as to tobacco the board may treat as basic each different type that is now recognized by the Department of Agriculture. May I ask the gentleman why it is the same rule can not apply to cotton?

Mr. HAUGEN. Will the same rule apply?

Mr. GARRETT of Tennessee. No; why can not the same rule apply to cotton?

Mr. OLIVER of Alabama. May I answer the gentleman? Middling is the basic grade on which all cotton is based. That is not true, as I understand, of tobacco, and the gentleman from Tennessee knows more about tobacco than I do.

Mr. WHITTINGTON. If the gentleman will yield, as to long staple cotton, there are no exchange quotations for such cotton anywhere in the country.

Mr. GARRETT of Tennessee. But there are staples recognized in the Department of Agriculture.

Mr. WHITTINGTON. Undoubtedly; but, as the gentleman from Alabama stated, everything is based on the middling short staple.

Mr. OLIVER of Alabama. Everything is based on one grade, and that is not true of tobacco.

Mr. WILLIAMS of Illinois rose.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois, a member of the committee.

Mr. WILLIAMS of Illinois. Mr. Chairman, I ask recognition in opposition to the pro forma amendment, and ask to have read in my time a short resolution passed by the Kansas Legislature indorsing the pending bill.

The CHAIRMAN. Without objection, the Clerk will read the resolution.

There was no objection.

The Clerk read as follows:

Senate Concurrent Resolution 4, relating to equality for agriculture

Whereas the question of equality for agriculture is a national problem that can never be settled by means of subsidies; and

Whereas the equalization fee would make the tariff effective on farm products, thereby giving agriculture the same relative advantages possessed by manufacturing and industry:

Be it resolved by the Senate of the State of Kansas (the House of Representatives concurring), That the Congress of the United States, at its present sitting, be, and the same is urgently petitioned and requested to enact such legislation, that will extend the protective system so that it may apply to American agriculture as well as to manufacturing and industry; be it further

Resolved, That this resolution be engrossed by the secretary of the senate and the chief clerk of the house of representatives of the State of Kansas, and signed by the lieutenant governor and speaker of the house of representatives, and copies thereof transmitted by the secretary of state to President Calvin Coolidge and to the Secretary of Agriculture, William Jardine, and to each Member of the Senate and House of Representatives of the United States.

I hereby certify that the above concurrent resolution originated in the senate and passed that body January 19, 1927.

D. A. N. CHASE,
President of the Senate.
ARTHUR S. MCNAY,
Secretary of the Senate.

Passed the house January 19, 1927.

JOHN HAMILTON,
Speaker of the House.
O. H. HATFIELD,
Chief Clerk of the House.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on the section and all amendments thereto close in 10 minutes.

Mr. LAGUARDIA. I object.

Mr. HAUGEN. Then I move, Mr. Chairman, that all debate on the pending section and all amendments thereto close in 10 minutes.

Mr. BANKHEAD. Whom does that include?

Mr. LAGUARDIA. The gentleman can not allot the time.

Mr. HAUGEN. I understand there are several Members who want recognition.

Mr. BANKHEAD. Mr. Chairman, I would like to be recognized if the motion prevails.

Mr. BOX. Mr. Chairman, I have not taken up any of the time of the committee since this bill has been under consideration and I would like to be recognized on this section.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this section and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. STRONG of Kansas and Mr. RAGON) there were—ayes 143, noes 51.

Mr. EDWARDS. Tellers, Mr. Chairman.

The CHAIRMAN. The gentleman from Georgia demands tellers.

Mr. EDWARDS. I withdraw the demand, Mr. Chairman.

Mr. LAGUARDIA. I renew it, Mr. Chairman.

Tellers were ordered; and the Chair appointed as tellers the gentleman from Iowa [Mr. HAUGEN] and the gentleman from New York [Mr. LAGUARDIA].

The committee again divided; and there were—ayes 130, noes 46.

So the amendment was agreed to.

Mr. LUCE, Mr. NEWTON of Minnesota, and Mr. BANKHEAD rose.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Amend subsection (e) of section 6, by striking out the period after the word "therefor" in line 5, on page 11, substituting a semicolon therefor, and inserting, "*Provided*, That no payment shall be made out of the stabilization fund on account of any loss, cost, or charge arising out of the sale of cotton to or for a foreign buyer or out of contracts therefor, at a price below that prevailing in the port whence the cotton concerned would naturally be exported, due account being taken of the cost of transportation to such port."

Mr. LUCE. This is a bona fide amendment, offered with no desire to harass or to delay, but to represent the interests of an industry employing 500,000 wage earners, consuming more than a billion dollars a year of cotton, now in distress by reason of fashion and the use of substitutes, and further threatened with ruin by the passage of this bill.

It is an antidumping amendment, and contemplates that a surplus of cotton shall not be sold to the cotton spinner in England, France, or Germany at a lower price than it is sold to the spinners in the mill within a quarter of a mile of my house or the mill 2 miles away, where the first power loom was operated in this country. It is an amendment offered for the safety, perhaps the salvation, of the cotton spinners of Lowell and Fall River and New Bedford, of Manchester and Nashua, of Biddeford and Lewiston, of Pawtucket and Woonsocket, of Putnam and Willimantic. If there be Members prejudiced against those who toil for a wage in my part of the country, let it be considered that this is offered also for the men and women who work in the cotton and cotton-goods factories of New York and New Jersey and Pennsylvania. If still such Members are determined to look with some strange doubt upon the interests of the northeastern part of this country, yet note that the situation remains of vital concern to the newer cotton mills springing up in North Carolina and South Carolina and Georgia.

The cotton industry, one of the greatest industries of the country, is threatened by this bill with a differential of from 2 cents to 5 cents a pound in favor of the textile manufacturers using cotton in England and Germany and France. By so much will be improved the opportunity for the manufacturers of Europe to compete with those on our Atlantic seaboard.

The half million people who are here engaged in this industry are the customers of the farmer. They make the goods that are sold in exchange for the food that the farmer produces. Let the farmer beware lest he kill the goose that lays the golden egg.

Surely I have the right, even though the parliamentary situation be such as it is, to raise my voice in protest against giving our competitors in England, France, and Germany this unholy advantage.

Also, I wish to point out that the bill as it stands will permit the creation of corners in classes and qualities of cotton whenever there may be a scarcity of this or that grade. This feature of the bill has not been discussed in debate save incidentally. It has not been brought out what enormous, tremendous, and perilous power this will put into the hands of a few men to create what so many abhor—monopoly. To show the danger, I will insert in the RECORD at the close of these remarks a letter from a clear-headed, far-sighted expert in these things.

It may be that this amendment will be voted down, in view of the determination to permit no change whatever in the bill, but at any rate, in behalf of the cotton workers of this country, I have entered my protest against a measure that threatens the completion of their ruin. [Applause.]

The letter is as follows:

TEXTILE WORLD,
Boston 9, Mass., February 15, 1927.

Hon. ROBERT LUCE,
House Office Building, Washington, D. C.

DEAR SIR: I have been unable to find in reading the Senate debate on the McNary-Haugen bill, as reported in the CONGRESSIONAL RECORD to and including the issue of February 10, any recognition of the apparent

fact that the bill would legalize a temporary "corner" in certain grades of the basic commodities that are covered by the bill, although some of the opposing Senators spoke of its monopolistic character. This "cornering" is made possible by the fact that in its operation "in the orderly marketing and the control and disposition of the surplus of agricultural commodities" covered by the bill it recognizes no difference in the grades of the commodities covered. For instance, the bill refers to cotton as cotton, despite the large number of grades tenderable and untenderable on futures contracts, their wide difference in value, and their varied uses in spinning and manufacturing.

Were the law now in operation, then under section 6, paragraph (c), of H. R. 15474, the board could not fail to declare "a surplus above the requirements for the orderly marketing of cotton," and under section 12 could authorize loans out of the revolving fund to any cooperative association engaged in the purchase, storage, or sale or other disposition of cotton, for the purpose of assisting such cooperative association in controlling the surplus of such commodity in excess of the requirement for orderly marketing.

For instance, if the Staple Cotton Cooperative Association of Greenwood, Miss., applied for a loan on 100,000 bales of cotton and qualified under the terms of the bill to receive such a loan, then it is to be assumed that the loan would be authorized without any consideration of whether this 100,000 bales was all or a major part of the unsold stock of certain grades of cotton held in this country. If this imaginary 100,000 bales of cotton were to consist entirely of hard western cotton of staple longer than $1\frac{3}{16}$ inches and of grades higher than low middling, it would, under present conditions, corner that character of cotton, would enable all shippers holding such cottons to exact an unwarranted advance in price, and be the result of serious loss to domestic spinners requiring such cottons. Furthermore, because there would be a surplus of all cottons, it would be legal to sell part of this scarce cotton for export and thus render the domestic scarcity more acute and advance the price to domestic spinners.

Incidentally, it may be stated that there is no evidence of recognition in the McNary-Haugen bill of the fact that in excess of $25,000,000 has already been advanced to cotton cooperatives and financing associations by the Government through the Federal intermediate credit banks. Apparently those cotton cooperatives which already hold loans of the intermediate credit banks could qualify for additional loans under the terms of the McNary-Haugen bill, thus compounding the danger of "corners" being manipulated in certain comparatively scarce grades of cotton. The financial statement of the Staple Cotton Cooperative Association, Greenwood, Miss., of October 31, 1926, showed that at that time they had borrowed from the Federal intermediate credit banks of New Orleans $5,100,000. It is my understanding that such loans may be renewed at the end of 6 and 12 months, and run as long as 18 months.

This is only one of the dangerous features of the bill, but is one that has not been referred to to my knowledge. It affords striking evidence of the loosely drawn character of the bill and of the probability that it has other equally dangerous defects that have not been discovered. It is possible that these and other defects might be eliminated or partially removed if its administrative features were clearly and properly defined.

It is possible, of course, that an honest, expert, and conservative Federal farm board, having expert and intimate knowledge of the handling and marketing of basic commodities affected by the bill, could be depended upon to administer the bill fairly, but in its interpretation the United States courts, and not the Federal farm board, would be the final arbiter. Congress writes and passes laws, but the courts make them.

The McNary-Haugen bill should be defeated, not so much because of its economic unsoundness as because of its indefiniteness, its liability to varied interpretation, its encouragement of monopoly of basic farm commodities, and its lack of administrative definement.

Yours very truly,

C. H. CLARK, *Editor*.

P. S.: Since writing the above, I have received copy of the McNary-Haugen bill as it was passed by the Senate, and which included an amendment that was added at the last minute, and that makes it stand out even more boldly than before as one of the rankest pieces of class and discriminatory legislation that was ever introduced in Congress. I refer to the insurance provision of section 12 that guarantees contracting cooperative marketing associations "for periods of 12 months against decline in the market price for such commodity at the time of sale by the association from the market price for such commodity at the time of delivery to the association." Assuming that it is wise or necessary for the Government to enter into competition with existing insurance companies for such business, then the Government should make such insurance available to any individual, firm, or corporation desiring and qualifying for such insurance.

If the cooperatives are to be guaranteed by the Government against losses arising from a possible decline in market prices, and will also extend to all cooperative associations engaged in the orderly marketing of basic agricultural commodities the same loan and credit privileges that are now made available to the cotton cooperatives through the Federal intermediate credit banks, what is the need of the McNary-Haugen bill or any other farm-relief measure, with their intricate and expensive administrative machinery?

Mr. NEWTON of Minnesota. Mr. Chairman, there are amendments that have been presented at the desk—germane amendments. Are we to understand that debate is limited and we are not to have the right to discuss amendments to this section? Do gentlemen think that that is carrying out the agreement that was entered into when we had the understanding as to general debate that we were to have ample time for debate under the five-minute rule?

The CHAIRMAN. That is a matter for the committee.

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I want to say to you that the gentleman from Massachusetts is unduly alarmed in connection with the amendment that he offers in relation to cotton. The statement was made by the gentleman from Louisiana [Mr. ASWELL] that under the Haugen bill they propose to dump in Europe cotton at a cheaper price than the price in America. As a matter of fact we export about 60 per cent of the cotton, and use in America about 35 or 40 per cent. We could not do that and make it profitable at all. There is nothing in the bill that proposes to do a thing of that kind. The gentleman from Massachusetts and his people seem to be so used to dumping under the tariff act which we now have that he seems to think that we can not pass any farm legislation unless we propose to dump something. [Laughter]. So he can tell the manufacturer in the New England States there is nothing in the Haugen bill that will provide for the dumping of cotton in European countries.

Mr. BULWINKLE. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. BULWINKLE. If you do not intend to do that, what harm is there in adopting the amendment?

Mr. FULMER. It is useless.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. LUCE) there were 61 ayes and 85 noes.

Mr. LUCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. LUCE and Mr. HAUGEN as tellers.

The committee again divided; and the tellers reported that there were 55 ayes and 119 noes.

So the amendment of Mr. LUCE was rejected.

Mr. BANKHEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 11, line 24, strike out the words "cotton or"

Mr. BANKHEAD. Mr. Chairman, I realize the futility of offering an amendment under present circumstances. While it is true I may vote for the bill on final passage, after I vote for Mr. ASWELL's motion to recommit, I have not reached the conclusion that we ought to surrender our opportunity to help correct the bill on its passage if possible.

The purpose of the amendment is to make the bill applicable to the processing of food products and cotton. We produce in the South $320,000,000 worth of cottonseed, and its value is for food products. Under this bill by indirection it forbids the processing or handling of cottonseed products, and for that reason I have offered this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The question was taken; and on a division (demanded by Mr. MCDUFFIE) there were—ayes 47, noes 92.

So the amendment was rejected.

Mr. FORT. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. FORT: Page 8, line 9, after the word "corn" strike out the word "rice."

Mr. FORT. Mr. Chairman, this bill has been before the House of Representatives for three months and before the Senate for approximately the same period. Neither in the hearings in either House nor in the debate in either House has any reason been given to the Senate, to the House, or to the people of the United States for the inclusion of rice as a basic agricultural product. I have offered this amendment because no such reason exists and because it is a travesty on legislation for the Senate and the House of Representatives to vote such a thing without any evidence of any sort or description in the RECORD.

Mr. NEWTON of Minnesota. The reason for its inclusion, I will say to the gentleman from New Jersey, is votes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. NEWTON of Minnesota) there were—ayes 50, noes 88.

So the amendment was rejected.

The CHAIRMAN. The Clerk will report the various amendments at the Clerk's desk.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 8, line 9, after the words "tobacco and," strike out the word "swine."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 8, line 13, after the word "tobacco," insert a comma and the word "wheat."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The amendment was rejected.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 8, line 24, strike out the word "swine."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 8, line 25, after the words "tobacco or," strike out the word "swine."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 9, line 11, after the word "associations," strike out the words "or other organizations."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 10, line 17, after the word "commodity," insert "*Provided*, That the board in entering into any agreement with a packer for the processing of swine shall not contract to pay to said packer as profit more than 25 per cent of the amount actually paid the producer for such swine."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TINCHER) there were—ayes 42, noes 82.

So the amendment was rejected.

The Clerk read as follows:

Amendment by Mr. TINCHER: Page 11, line 24, after the word "than," strike out the word "cotton."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. NEWTON of Minnesota: Page 8, line 10, after the word "commodities," strike out the balance of the line and all of lines 11, 12, 13, and 14.

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. FORT. Mr. Chairman, I have some amendments which I desire to offer.

The Clerk read as follows:

Amendment by Mr. FORT: Page 8, line 23, after the word "corn," strike out the word "rice."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

The Clerk read as follows:

Amendment by Mr. FORT: Page 8, line 25, after the word "corn," strike out the word "rice."

The CHAIRMAN. The question is on the amendment.

The amendment was rejected.

Mr. DEAL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. DEAL: Page 8, line 9, after the word "tobacco" and the comma, insert "peanuts."

The CHAIRMAN. The question is on the amendment.

The question was taken; and there were on a division (demanded by Mr. DEAL)—ayes 83, noes 121.

Mr. DEAL. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Virginia demands tellers. Those in favor of ordering tellers will rise and stand until counted. [After counting.] Not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Page 8, line 9, after the word "tobacco," insert "hay, apples, potatoes, vegetables, cranberries, onions, all dairy products, coal."

Mr. BLANTON. Mr. Chairman, I make the point of order that that amendment is frivolous and dilatory. That is not a bona fide amendment and I submit in all seriousness to the Chair that the time has come when the Chair ought to pass on that question, and stop this organized filibuster against this legislation. These frivolous and dilatory amendments may keep us here all night. There could be no end to them.

Mr. TREADWAY. There are many products in New England, and in addition to those is coal.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. HILL of Maryland. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: Page 8, line 9, after the word "tobacco," insert "lumber."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. McDUFFIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McDUFFIE. Has the time expired under this section?

The CHAIRMAN. It has, by the action of the committee.

Mr. McDUFFIE. I ask unanimous consent that the Clerk read the amendment that I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Alabama.

The Clerk read as follows:

Amendment offered by Mr. McDUFFIE: Page 9, line 13, after the word "through," strike out "State convention" and insert in lieu thereof "county convention."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama.

The question was taken, and the amendment was rejected.

Mr. SCHAFER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER: Page 8, line 9, after the word "tobacco," insert the word "barley."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 12, after line 2, insert the following as a new section:

"It is hereby made unlawful for any person, other than a cooperative association engaged as in this act described, willfully to destroy any agricultural commodity for the purpose of enhancing the price or restricting the supply thereof, knowingly to commit waste or willfully to permit preventable deterioration of any agricultural commodity in or in connection with their production, manufacture, or distribution; to hoard any agricultural commodity; to monopolize or attempt to monopolize, either locally or generally, any agricultural commodity; to engage in any discriminatory and unfair, or any deceptive or wasteful practice or device, or to make any unjust or unreasonable rate or charge in handling or dealing in or with any agricultural commodity; to conspire, combine, agree, or arrange with any other person (a) to restrict distribution of any agricultural commodity; (b) to prevent, limit, or lessen the manufacture or sale of any agricultural commodity in order to enhance the price thereof; or (c) to exact excessive price for any agricultural commodity; or to aid or abet the doing of any act made unlawful by this section."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. FISH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FISH: On page 8, line 9, after the word "rice," to insert the words "hay, apples, potatoes, onions, celery, all dairy products, poultry and poultry products"; and on page 8, line 23, after the word "rice," to insert the words "hay, apples, potatoes, onions, celery, all dairy products, poultry and poultry products."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. TYDINGS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TYDINGS: Page 9, line 21, after the word "any," strike out "basic" and insert "fundamental."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 8, line 9, after the word "swine," insert "soy bean."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, it is very evident that it will take at least an hour to vote on this bill after we finish it. I ask unanimous consent that the balance of the bill be considered as having been read.

Mr. SCHAFER. I object.

Mr. DEAL. I object.

The CHAIRMAN. The Chair thinks that ought not to be done under the rule. The Clerk will read.

The Clerk read as follows:

COMMODITY ADVISORY COUNCILS

SEC. 7. (a) The board is hereby authorized and directed to create for each basic agricultural commodity an advisory council of seven members fairly representative of the producers of such commodity. Members of each commodity advisory council shall be selected annually by the board from lists submitted by the heads of the agricultural departments of the several States within the Federal land bank district and from lists submitted by cooperative marketing associations and farm organizations determined by the board to be representative of the producers of such commodity. Members of each commodity advisory council shall serve without salary but may be paid by the board a per diem compensation not exceeding $20 for attending meetings of the council and for time devoted to other business of the council and authorized by the board. Each council member shall be paid by the board his necessary traveling expenses to and from meetings of the council and his expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while engaged upon the business of the council. Each commodity advisory council shall be designated by the name of the commodity it represents, as, for example, "the cotton advisory council."

(b) Each commodity advisory council shall meet as soon as practicable after its selection at a time and place designated by the board and select a chairman. The board may designate a secretary of the council, subject to the approval of the council.

(c) Each commodity advisory council shall meet thereafter at least twice in each year at a time and place designated by the board, or upon a call duly signed by a majority of its members at a time and place designated therein.

(d) Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, or to make oral or written representations concerning matters within the jurisdiction of the board, (2) to call for information from the board and to make representations to the board in respect of the commodity represented by the council in regard to the time and manner of operations by the board, the amount and methods of collection of the equalization fee, and all matters pertaining to the interest of the producers of the commodity, and, (3) to cooperate with the board in advising producers and cooperative associations and farm organizations in the adjustment of production in order to secure the maximum benefits under this act.

Mr. CANNON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CANNON. Has consent been given for the general extension of remarks?

The CHAIRMAN. Yes; under the order of the House.

Mr. CANNON. Mr. Chairman, a question is never settled until it is settled right.

Twice in the last three years bills embodying the McNary-Haugen principle have been considered by Congress and defeated. Even at the beginning of the present session prospects for farm relief legislation were decidedly unpromising. The powers that be in both House and Senate had turned down their thumbs. The President's opening message to Congress gave no indication of any change of sentiment from that expressed in his speech delivered at Chicago the year previous. A pseudo farm journal, catering to its advertisers rather than its subscribers, announced a straw vote of three to one against a garbled version of the McNary-Haugen bill. All opponents of farm relief, including the steering committee of the House, the Secretary of Agriculture, the United States Chamber of Commerce, and the boards of trade representing speculators in agricultural products, agreed unctuously and unanimously that hope of farm relief was dead, and the present happy arrangement, under which the farmer receives less than cost of production for what he sells and pays war-time prices for what he buys, would be continued indefinitely.

But it is now evident that they reckoned without their host. They failed to take into consideration the rankling sense of wrong pervading the rural sections of the country, the flagrant injustice of the economic system which occasions it, and the rapidly spreading organization of farm forces which are giving it expression. The obvious unfairness of this system is its own undoing. For seven years the farmer has operated at a loss, while every other industry has enjoyed unexampled prosperity. During these seven years, while industry has steadily increased its profits and labor has continuously advanced its wage scales, agricultural incomes have fallen year by year and month by month, until to-day—at a time when the industrial and commercial assets of the Nation break all records and labor commands the highest wage ever received—agriculture is receiving the lowest relative price ever paid for farm products and is on the verge of bankruptcy.

Between the census of 1920 and 1925 the farmers of America lost $20,000,000,000 in the value of their farm lands—a third of their capital investment. During that period their mortgage indebtedness doubled and their taxes increased more than 200 per cent. Their freight rates and all costs of production advanced exorbitantly; the fertility of their land declined; their equipment deteriorated; their livestock shrunk in value $6,000,000,000; and the standard of living on the American farm declined to the irreducible minimum. Never were prosperity and luxury so universal in the city, and never were want and poverty so prevalent on the farm. And rural resentment at the contrast grows as it becomes more and more apparent that this superprosperity of industry and labor is the direct outgrowth of privileges conferred by enactments of Congress, and that the distress of agriculture is the immediate result of Congress's refusal to give the farmer the same legislative privileges so long enjoyed by every other class and industry. It is further accentuated by the fact that this discrimination against the farmer has taken advantage of his patriotic contribution to the winning of the war and the generous prodigality with which he has since supplied the wants of the Nation in the time of peace.

When America entered the war the Government, realizing that the vital problem was to feed the Army and Navy and the people of our cities, sent out the message everywhere until it became a slogan, "Food will win the war." Farmers were urged to seed every available acre. The Food Administration promised for every 100 pounds of pork thirteen times the cost per bushel of the corn fed to the hogs. Every inducement was offered to secure maximum food production. And the farmers of America, in response to that call for help, went into the fields—men, women, and children—and, producing as no people ever produced, supplied food not only for our own needs but for the military and civil commissaries of the allied nations of Europe.

The first discrimination leveled at the farmer came when Congress arbitrarily fixed the price of wheat. Copper, steel, oil, and numerous manufactured products were just as essential and just as necessary to the winning of the war as was wheat, but the farmer was made the goat and the price of his product was fixed at a third the price he could have obtained in the open markets while the price of every other war essential went sky high. Wheat bought by Mr. Hoover's Export Grain Corporation for $2.10 a bushel, entailing a loss to the farmer of $3,500,000,000, was sold to the French, English, and Italian

Governments at a profit of $70,000,000 and by them retailed at $4 to $5 a bushel, giving these Governments an enormous profit, taken from the pockets of the American farmer.

Then came the armistice, and with it an orgy of prodigality on the part of Congress—to everybody except the farmer. Both Democrats and Republicans voted practically unanimously to reimburse every industry that was producing goods for war purposes, and as most of them were supplying war materials in one way or another great numbers lined up at the Public Treasury and were paid fabulous sums. So ill conceived was this legislation that many firms, to their everlasting credit, refused to take the gratuity. The Eastman Kodak Co., for example, sent back to the Treasury a check for $60,000, and Henry Ford, who was down on the books to receive millions, refused to take a cent. But most of them took all they could get. The railroads alone grabbed off half a billion dollars. What amends were made to the farmer, who had also depended on the Government's representations in producing war supplies? While industry and labor were working under a cost-plus system and making unheard-of profits, he was working under incredible handicaps. The young men were gone. Farm labor could hardly be secured at any price. Costs of production climbed to dizzy figures. Utilizing every resource and taxing every energy, the farmer produced food at steadily mounting expense, under the Government's promise that he would be paid for it. He carried out orders. He made victory possible. American food produced by American farmers on American farms was a vital factor in winning the greatest conflict in all history, and his loss occasioned by the sudden cessation of the war was as great as that suffered by industry. But the attitude of the Government toward the farmer was quite different from that exhibited toward industry and big business. No provision was made to compensate him for his loss, and he received about the same gratitude that the United States is receiving from Europe to-day. Hardly had the war closed before the Government, moving deliberately, threw into the market enormous quantities of food and supplies which might have been released only as required or exported; and the market promptly collapsed. Food produced at exorbitant expense in costly machinery, fertilizer, labor, and manufactured supplies, was sacrificed at half its cost. Mr. Hoover's food administration, in violation of its solemn agreement to pay for pork at the widely advertised 13 to 1 ratio, refused to liquidate at a higher ratio than 11 to 1. Every promise made to manufacturers and contractors was kept, at an enormous cost to the Government, while the contract with the farmer was deliberately violated in order to furnish ruinously cheap food for both European and domestic consumption.

But this was merely the beginning of the legislative exploitation of the farmer. No sooner had peace negotiations been finally concluded and all danger of further conflict removed than the great industrial leaders began to agitate for a return to a "pre-war basis," a "deflation of prices." "Back to normalcy" was the cry, and at the earliest opportunity governmental agencies, created and empowered by law, loosed upon the helpless farmers a further ruthless and merciless reduction in prices and income.

Federal reserve banks not only raised the discount rate abnormally but directed member banks that where agricultural products were being held off the market for the purpose of procuring a fixed price, such paper should no longer be discounted. Incidentally, this is an interesting sidelight on the attitude of one of these great law-established, Congress-created agencies toward the cooperative movement so strongly commended to the farmers by the Agricultural Department and administration economists as the ideal panacea for all farm ills.

The effect of this program of deflation on farm prices was instantaneous and drastic. The price of wheat fell from $2.40 to 75 cents per bushel; corn from $1.73 to 64 cents per bushel; hogs from $15.88 to $9 per hundredweight; cattle from $15.78 to $8.66 per hundredweight; and all other farm products in proportion. In striking contrast, industrial products not only remained at war-time prices but actually advanced, until the Secretary of Commerce last year reported that manufactured products had increased in price 65 per cent since the close of the war. Labor, compactly organized and equally favored by fostering legislation, not only resisted fiercely any suggestion of a reduction in war-time wages, but actually advanced its wage scales, until the Secretary of Labor announced recently that organized labor in the United States is to-day enjoying a wage of greater purchasing power than any ever previously paid in the history of the world.

The farmer has been left with the bag to hold. He has produced more efficiently and fed the world more generously in the last seven years than ever before. But it has been a thankless and unrequited service. The truth is that he has been too generous. When he raised a small crop he has been better paid than when he produced a surplus. Bigger and better crops have merely meant bigger and better debts and bigger and better mortgages.

In 1925 he raised 558,000,000 bushels of corn more than he raised in 1924, and yet he was paid $314,000,000 more for the small crop than for the large crop. In 1925 he raised 100,000,000 bushels of potatoes less than he raised in 1924 and yet he received $350,000,000 more for them than he received for the big crop of the previous year. It is not unsual to hear denizens of the great city office buildings, who spend two hours in their office and four hours on the golf links, announce oracularly that if the farmer would work more and spend less time in his flivver there would be no agricultural problem. As a matter of fact, if the farmer had worked less and loafed more and raised half the crop he produced last year, he would have doubled his income. It is the bumper crop—the surplus above the requirements of the domestic market—that demoralizes farm prices, and as it is utterly impossible for farmers to adjust one year's production to one year's demand, a surplus in average years is inevitable. It is now universally admitted that even a small surplus fixes the price of the farmer's entire crop, and it is this ruinous surplus that the McNary-Haugen bill proposes to affect.

At the risk of being tedious, I wish to show just how the Senate bill which has been substituted for the House bill will operate, and how it will serve both the consumer and the producer by removing from the domestic market unneeded surplus supplies and thus leave supply and demand fairly and evenly balanced in the home markets.

The bill proposes to do this by creating a farmer-controlled Federal board which operates through producers' cooperatives and other agencies which will, by sound commercial methods, remove the surplus from the domestic market by storage or export. These large-scale market operations involve possibilities of loss, which under the bill will be paid out of funds derived from the commodity itself and assessed ratably against the total production—thus distributing the costs as widely as the benefits.

When the board through producers and other agencies shall have removed the surplus from the market, by storage or export, the regular supply will remain, and being in fair balance with demand, fair and equitable prices will result through the normal operations of the law of supply and demand.

It should be borne in mind that the Federal farm board and the agencies through which it will operate will be authorized by this bill to deal only with the surplus. This will leave the regular supply to be handled by regular agencies in the regular way.

There is nothing mysterious or esoteric about this legislation. It simply creates an opportunity for millions of scattered producers to act unitedly in dealing with an economic problem beyond the capacity of the individual acting separately. It has just one aim—to prevent an unneeded supply from breaking the market below the cost of production for the whole crop.

Farmers are amply protected by provisions of this bill which prevent the application of the plan until operations are favored by a majority of the producers. Legitimate private agencies of trade are protected by the fact that the board will deal only with a surplus, leaving the regular supply to be handled by private agencies, cooperatives, or otherwise. This will result in the development of producers' cooperative associations, provided they can handle the marketing and distribution of the regular supply more efficiently and economically than private commercial agencies. If the latter can perform this service more efficiently and economically than the cooperatives, they will survive and the latter will fail.

Consumers of farm products are amply protected against extortionate prices by our present antitrust laws and by the provisions of the Capper-Volstead law, which forbid undue enhancement of prices by farmers' cooperatives. This law further provides that if at any time producers' cooperatives unduly enhance prices, the courts shall interfere and prevent it.

Now, let us presume conditions under which the benefits of the law might be invoked. Suppose, for example, that producers' organizations representing the majority of wheat producers would come to the farmer-controlled board, or would be sent for by the board, to consider an operating period in wheat. The best information obtainable indicates that there will be a surplus of wheat. The wheat advisory council of seven, selected by the board from lists of names submitted by farm organizations and cooperative associations, agree with the board and the farmers' organizations that operations in wheat are necessary. Members of the board representing land-bank districts producing more than 50 per cent of the wheat vote for operations and a majority of the board concur in these find-

ings. The board will then publicly declare its findings and commence operations upon a date to be fixed by it. In this announcement the board will publish the amount of the equalization fee to be collected during the period and the point at which it will be collected. Conditions precedent have now been complied with; it has been decided that there is a surplus of wheat and that operations shall commence.

The problem now is to remove this surplus from the domestic market by storage or export, or both, either in the form of wheat or its manufactured products, leaving domestic supply and demand evenly balanced. It is not expected that the surplus can be acquired at once, but it will be controlled by the acquisition from time to time of supplies coming into the market. It may be decided by the producers' organizations, the advisory council, and the board that it is desirable to remove as much as possible of the wheat in the form of flour, and an agreement to that effect may be entered into with millers at the request of the producers' advisory council. Included in this contract with millers may be provisions to aid the extension of American flour exports by finding outlets in new and previously unoccupied foreign markets, which millers by individual initiative have not been able to enter.

Nothing in the bill gives any justification for the charge that the board will guarantee that the business of a miller shall be conducted at a profit. The board is given the authority to enter into an agreement to secure the handling of the surplus in the interest of the producer. The board will, of course, enter into an agreement with the miller to pay him an agreed amount for the service of milling and exporting the agreed quantity of wheat. The amount agreed upon is taken out of the stabilization fund made up from the collection of the equalization fee on wheat. With the surplus out of the way, demand will absorb the remaining supply in the domestic market at prices justified by balanced supply and demand and in line with general domestic business conditions.

That the law is both workable and practicable, and that its operation would be successful, is indicated by the experience of the California rice growers, who have worked out for themselves an export scheme for handling their surplus strikingly similar to the plan provided in the pending bill. Eighty per cent of the rice growers of California are in their own cooperative. Last year the California market was overstocked with their rice. Something had to be done with the surplus. Every member of the rice cooperative agreed to bear his pro rata share of the loss if the surplus were shipped to Japan and sold there for what it would bring. In other words, they agreed to the imposition of an equalization fee. The dumping was carried out successfully and the Pacific coast rice market was helped tremendously. The members of the cooperative were paid several times over for the loss which they took on the rice dumped in Japan. Not a single member of the cooperative objected to the fee as a tax, and up to this time no one has been heard to suggest that the plan was uneconomic. Of course, the 20 per cent of the rice growers which are not in the cooperative benefited even more, because they got the increased price and were not required to contribute to the loss on the surplus. Unfortunately there are always those willing to profit at their neighbor's expense. Under the pending legislation, all producers will share equally in the expense of the plan and in the benefits derived from its operation, which is only just and fair, and is in keeping with the Jeffersonian doctrine of equal rights to all and special privileges to none.

Now, let us consider some of the objections so industriously urged against the bill by its opponents both in and out of the House. Foremost among them is the charge that it is uneconomic—that it interferes with the sacred law of supply and demand. This cry was raised at the first suggestion of farm-relief legislation, and has been repeated parrot-like in the criticism of every farm bill that has since been brought before Congress. Those interests which themselves have profited most by the same class of legislation seem to be most vociferous in their assertion that it is "uneconomic."

The interpretation of the law of supply and demand as applied to present conditions and invoked in opposition to this bill, is the most monumental sophistry of the age. Industry and labor have defied the law for years. When the first tariff was passed the law of supply and demand was modified. When Congress passed the Fordney-McCumber Tariff Act, shutting out the supply of manufactured commodities from abroad; when it passed the Webb-Edge-Pomerene Act, giving immunity from persecution as trusts to all associations or combinations engaged in export trade; it drastically curtailed the operation of the law of supply and demand and promoted the welfare of the manufacturing interests at the expense of the farmer and other consumers who must pay the extra dividends which these great industries have been declaring every year since these laws went into effect.

When Congress passed the immigration act, restricting the flow of labor into the United States; when it passed the Adamson Act, advancing railroad salaries and increasing freight and passenger rates to pay them; when it passed the eight-hour law, decreasing the hours of labor from 10 and 12 hours per day to 8 hours per day, thereby increasing the wages paid labor $237,000,000 the first year it was in operation, it decreased supply and increased demand in the labor markets of the country and charged the increased expense, as usual, to the farmers and other consumers.

When Congress passed the Esch-Cummins Transportation Act, insuring railroads a return of 5¼ per cent on a valuation of $18,900,000,000, of which $7,000,000,000 was water; when it passed the interstate commerce act, establishing a commission to regulate rates which always regulates them upward, and which has made millions for the railroads; it drastically interfered with the operation of the much vaunted law of supply and demand, and, of course, at the expense of the farmers who pay the freight on all they ship out and on all they ship in.

When Congress passed the Federal reserve act, giving the great banks of the country a wider control over money and credits, and creating an agency which was the direct instrument utilized by big businesss in deflating farm prices in 1920, it did for finance and commerce exactly what the farmers are asking Congress to do for them in the enactment of the McNary-Haugen bill.

When Congress passed these laws stabilizing the manufacturing interests, the labor interests, the railroad interests, and the banking interests; when it benevolently placed its sheltering arms about these infant industries, leaving the farmer, who as the ultimate consumer, must pay for the special privileges granted them by virtue of law, its enactments were, in the opinion of these great interests, both constitutional and economically sound. It is only when agriculture, the last great industry in the country left to shift for itself, and the one least prepared to take care of its interests through organization, asks for a helping out of the same dish, that such legislative favors become "uneconomic." Every agency of business and financial activity except agriculture has been aided by Congress at one time or another through enactments interfering with the law of supply and demand. And yet when the farmer presumes to ask for similar modifications of the law in the interest of agriculture, a great many of our protected industries think he got the notion from Moscow. He did not. He got it from Massachusetts. Are our friends who cry "uneconomic" at the McNary-Haugen bill willing to wipe off the statute books our tariff act, our immigration law, our Federal reserve act, our Adamson Act, and our other acts modifying economic law? They should at least be consistent. They should be willing to give up their enactments modifying economic law in their favor or they should be willing to accept the alternative and allow the farmer the same privilege.

Equally popular among opponents of farm legislation with the theory that the McNary-Haugen principle is subversive of economic law, is the contention that it is unconstitutional. I have been on the floor of the House for 16 years, and one of the first things I learned was that when a Member opposed a measure but for some good reason preferred not to state his real objection, he took refuge in the hackneyed charge that it was unconstitutional. Long observation has confirmed that deduction, and it is possible that the debate on the present bill is no exception to the rule. Laws granting special legislative privilege to other great business interests of the country when presented on this floor are characterized as triumphs of statesmanship; they are both economic and constitutional, but when the farmer, impoverished by high tariffs, burdened with exorbitant freight rates, exploited by deflation of the prices of his products, and penalized for efficiency and industry in the production of a surplus food supply for the Nation, makes a belated appeal to Congress for legislation granting him exactly the same privileges, the high priests of big business, lifting their faces to Wall Street whence cometh their strength, make the welkin ring with the cry that it is "unconstitutional."

If these learned gentlemen had read that historic document since leaving the grade school they would know that it is not the duty of Congress to interpret the Constitution. That is not a function of the legislative branch of our Government. When the fathers wrote that immortal instrument they wisely provided that the legislative branch of the Government should enact the laws; that the executive branch of the Government should enforce the law; but that the judicial branch of the Government should pass upon their constitutionality. A majority of the lawyers in both the House and the Senate believe

this law, if enacted, is constitutional, but that is a question for the Supreme Court to decide—opinions of gentlemen who are willing to assume the prerogatives of both the legislative and judicial branches of the Government on their Atlas-like shoulders to the contrary notwithstanding.

However, there is not one of these supertechnical hair-splitting barristers who would not concede that every party litigant is entitled to his day in court. Surely the farmer is entitled to equal rights with a criminal at the bar. He is entitled to have the court pass upon his contention and determine the constitutionality of this bill. Those who refuse to pass the bill on the ground that it is unconstitutional would forever deny the farmer his day in court. They would refuse him the poor privilege which has been the universal right of even the lawbreaker for time immemorial. Let us have done with this byplay and sweep aside this camouflage. Let us do what we can to alleviate the distress of the most wronged and most deserving class in America to-day, and leave the question of constitutionality to the great court to which it properly belongs.

We come now to an objection on which there is, perhaps, room for an honest difference of opinion—the claim that the passage of this bill would raise the price of food and increase the cost of living. It is, perhaps, the impelling reason behind much of the opposition to this measure. Let me reassure any anxious consumer who fears to give the man who feeds him as good a wage as he himself receives. A careful study of the McNary-Haugen bill will convince even the most timorous that, once in operation, it will, through improved service and stabilized markets, benefit the consumer as well as the producer.

It may surprise the average consumer to learn that the price of wheat has practically no influence on the price of bread, and that the price of cattle has little or no relation to the price of beef. Fluctuations of 100 per cent in the price received by the farmer for his wheat do not change the price of bread one penny. In fact, variations in the price of wheat greater than 100 per cent have in the last seven years exerted no appreciable effect on the price of a loaf of bread.

In the spring of 1920, when wheat sold for $2.80 per bushel, the price of bread was 10 cents per loaf, and in the fall of 1921, when wheat was selling for 75 cents per bushel, the price of bread was still 10 cents per loaf. To-day, with wheat selling at $1.20 per bushel, the price of bread in my home town, in the heart of the wheat belt, is still 10 cents per loaf. In Kansas City, one of the great wheat centers of the world, the Government's statistical bureau reports that while the wheat-price levels have dropped more than 25 per cent since the war, the price of bread in that city has increased 66⅔ per cent. It is evident that both the producer and the consumer are being mulcted under this worthy system which some of our friends are so anxious to retain. If the cost of a loaf of bread fluctuated in response to the rise and fall of the price of wheat, the price of bread would be quoted every morning in the daily papers, announced every day over the radio, and posted every hour on the bulletin boards. You would never know until you got to the bakers the price you were to pay for the staff of life. As the price of bread remains stable, no matter what the price of wheat may be, it is quite evident that it is controlled by influences entirely outside of the cost of the wheat, which enters into its production and which is its principal ingredient. And this when they are turning out bread cheaper than ever before. They have organized and standardized the process and have adopted Henry Ford's plan of mass production. They can bake and market a loaf at less cost to-day than it has ever been baked and marketed since Joseph garnered the wheat of Egypt for the seven years of famine. And yet the price of wheat goes down and down and down while the price of bread goes up and up and up. The farmer could be paid 50 cents or even a dollar more per bushel for his wheat, and his prosperity and buying power restored, and the added cost per loaf would be so infinitesimal that it would not be reflected in the price at the bakery. As a matter of fact, the standardization of the price of wheat throughout the year and the institution of direct service which would naturally follow would work such material economies that the farmer could be paid a living price for his grain and the consumer buy bread at less than the price paid to-day under the present antiquated and wasteful system.

Similar economies would be effected in the production and distribution of meats. On December 20, 1926, prime steers sold in the National Stockyards at East St. Louis for $9.50 per hundredweight. On the following Monday they sold at $8. In January, 1927, the same steers brought $10.25. I know because I had steers from the same herd on the market on these dates. And yet a survey of the markets in both St. Louis and Washington showed that the price of beef on the block did not vary a fraction of a cent on those three dates. On another occasion the price of sliced bacon advanced 6 cents per pound on the retail market simultaneously with a drop of $2 per hundredweight in the price of hogs in the stockyards. The consumer can draw his own conclusions.

Again, the price of raw cotton dropped from 30 cents per pound to 11 cents per pound during a recent period of readjustment in cotton prices, apparently without a benefit of anything like that amount to the ultimate consumer. And while the farmer received $1.74 for his rice in 1925 and only $1.19 for it in 1926, and notwithstanding rough rice was quoted last year at $6.50 per barrel and this year at $4 per barrel, a careful inspection of most of the retail stores within walking distance of the Capitol, including several chain stores, shows that the retail price of polished rice had not changed a penny in the last 12 months.

There is a spread of $20,000,000,000 between the field and the dinner table. Last year, according to the estimates of the Department of Agriculture, the farmers received approximately $10,000,000,000, while the consumer paid $30,000,000,000 for the same products. A charge of $20,000,000,000 to distribute $10,000,000,000 worth of commodities is too much, and the orderly and efficient marketing of farm products provided for in the McNary-Haugen bill will take up the slack and pay the farmer a reasonable price without increasing the cost to the consumer.

The bill will further benefit both the producer and the consumer and bring them closer together, to their mutual advantage, by initiating economies and eliminating many unjustifiable practices.

There are at present 30 marketing agencies selling our surplus products abroad. Under the bill the surplus would be sold through a single agency, at an obvious saving to the farmer, and under advantageous conditions which would naturally follow the removal of 29 concerns in competition in the same market.

The coordinated system of marketing provided by the bill would also weed out many objectionable practices now followed in grading. It not infrequently occurs that grain is bought at a low grade and sold at a higher grade, to the manifest disadvantage of both the producer and the consumer, and there have been numerous instances in which low grades, and even screenings, have been mixed with higher grades and sold as No. 2 grain. One company is said to have exhausted an entire sand pit mixing it with grain to increase the weight, and many European buyers discriminate against American products because they have found screenings and sweepings in shipments billed to them as prime grain.

A Federal marketing board would also secure immediate advantages by routing commodities to their most accessible market. Buffalo is across Lake Erie from the great potato-growing State of Michigan, but buys seven times as many potatoes from North Carolina as from Michigan, and more from Virginia than from any other State. Washington, D. C., just across the Potomac from Virginia, buys potatoes from 13 different States, and more of them from Michigan than from Virginia. The routing of apples and other farm products is just as irrational and wasteful and expensive. A Federal board charged with a general oversight of national marketing would promptly readjust such costly crosshauls, retracings, duplications of service, and useless dealings.

The stabilization of price provided for by the bill would effect immediate savings both in the field and in the market. The violent fluctuations in prices inevitable under the present system is the source of loss to both farm and city. In 1924 the short corn crop sent the price of corn up to $1.25. Hogs were plentiful, but corn was too high to feed, and the farmer sold his hogs as low as 7 cents and 8 cents. Even immature pigs were thrown on the market at tremendous economic waste. Then came the great corn crop of 1925, but there were no hogs to eat it. They had been sacrificed in the price debacle of the previous year. Naturally corn went down to half price and hogs took a corresponding jump, and the farmer was unable to secure hogs to feed or to market his corn at what it had cost him to grow it. The result was a loss to both the farmer and the consumer. The present outgrown system encourages just such economic wastes—wastes which no other industry would tolerate.

Closely connected with the violent fluctuations in the prices of farm products, and serving both as cause and effect, is the speculative operations of the market gamblers on the boards of trade. During the calendar year of 1925 more than 21,000,000,000 bushels of wheat were sold on the wheat exchanges—more than thirty times as much wheat as was produced that year in the entire United States. Under these circumstances it is apparent that legitimate supply and demand are largely

superseded by these fictitious operations on the exchange. Both the farmer and the consumer lose, and the gambler is the only beneficiary.

This rigging of the wheat market is not confined to our own speculators, but is extensively followed by foreign manipulators. The reporting of misleading estimates and summaries by foreign government officials has become notorious. Russia in the spring of 1925 reported that she had once more reached an export basis and would that year put some millions of bushels on the market. As a matter of fact, she did not have a single bushel to sell, and Bolshevist officials in the frame-up made large sums on the Liverpool, New York, and Chicago markets selling wheat on the rise occasioned by the report.

In December, 1925, the official report from the department of agriculture of the Argentine Republic was that Argentina had a crop yield of 215,000,000 bushels of wheat, permitting an exportable surplus of 141,000,000. As a matter of fact it later appeared that the Argentine crop was less than 180,000,000 bushels with a marketable surplus of less than 93,300,000 bushels, and the misleading reports were made in order to permit the cashing of enormous profits by certain Argentine officials on the boards of trade of the United States.

On another occasion, also in December, 1925, the official government report fixed the damage to portions of the Argentine wheat crop at 18.6 per cent in certain provinces, whereas private and reliable reports indicated that it would run as high as 70 per cent. As usual, large sums were made on the manipulation of wheat futures influenced by the misleading report.

It will also be remembered that early in the war the Italian Government profited to the extent of millions of dollars by unexpectedly releasing options on large quantities of wheat on the American exchange. The American markets, as usual, paid the price of this clever raid, and American farmers lost it. The enactment of the McNary-Haugen bill and the consequent stabilization of prices on the boards of trade would protect both the American farmer and consumer from such raids by foreign manipulators as well as against the depredations of our domestic buccaneers.

The last objection urged against the bill is that it will result in overproduction and so glut the market that in the end the price of farm commodities will be lower than ever and the condition of the farmer worse, if possible, than at present. This argument diametrically contradicts the objection that the bill will increase the cost to the consumer. One argument refutes the other. If there is overproduction, a glut of the market and lower prices will inevitably follow and the cost of living will be lowered instead of raised. You can not have overproduction and higher prices simultaneously, and the inconsistent gentlemen advancing these two plausible objections against the McNary-Haugen bill are in error on either one or the other of them. As a matter of fact they are wrong on both of them. The bill will neither unduly increase production nor increase the cost of living. Low prices tend to increase rather than decrease both acreage and production. Observation has shown that the farmer works 16 hours a day when in stringent financial circumstances and 10 hours a day when prosperous. When the price of his product declines to the point where his income will not take care of taxes, interest, insurance, and other indispensable overhead expenses, he must, of necessity, strain every resource to increase acreage and production to meet these fixed charges. When his prices return him an income sufficient to carry the overhead, he plants a moderate crop.

The records show that increased acreage and high production are coincident with low prices, and that moderate acreage and average production follow in the wake of fair prices. This principle governs in all lines of business activity. Labor has decreased instead of increased production since the 14-hour day became an 8-hour day. Men will not work 16 hours a day when they can secure a fair income by working 10 hours a day or less, and the farmer is no exception to the rule. With the necessity of increasing production to meet fixed charges removed, with the variation in the equalization fee automatically regulating prices, and with the farm organizations cooperating to maintain production at a level warranted by market requirements, there need be no fear of a permanent state of overproduction.

The text of the bill itself answers all objections. It will neither glut the market nor inflate the cost of living. It is not a subsidy, for under its provisions the farmer pays his own way as he goes. It does not put the Government in business, but merely gives the farmer control of his own business. It is not a price-fixing proposition, but merely gives the farmer the same right to collectively bargain for fair prices that the tariff act, the Federal reserve act, the Adamson law, the transportation act, and similar laws already on the statute books have given every other industry and by virtue of which they have long enjoyed unexampled prosperity at the farmer's expense.

In fact, the bill is in effect a measure designed to promote fundamental national welfare. Slowly but certainly the baleful effects of farm insolvency are spreading upward through the business structure of the country. Country merchants and local bankers have been the first to feel its blighting influence. Four thousand country banks have failed in the last five years, and the number of bankruptcies among local tradesmen surpasses all previous records. The purchasing power of agriculture is a vital factor in the industrial and commercial life of the Nation. The American farmer normally buys from American industry about $6,000,000,000 worth of manufactured goods annually, and in addition pays ordinarily about $4,000,000,000 for other American service each year. And he supplies a large part of the tonnage carried by our railroads. It is self-evident that if his prices remain below the cost of production and his purchasing power continues to fall, or even remains at its present low level, the entire economic and business structure of the country must eventually and inevitably suffer with him.

It is not farm legislation only. It is not class legislation. It is not merely vocational legislation. It is national legislation—legislation which must be enacted and enacted immediately if we are to avoid national catastrophe. Let us live up to the American ideal of the square deal. Let us make it possible for the farmer to enjoy, along with other industries, the assured fruitage of honest toil. Let us protect the farm as well as the factory, and in insuring farm prosperity we will insure national prosperity.

Mr. BLACK of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK of New York: Page 12, line 7, after the word "commodity," insert "and seven members fairly representative of the public, selected by the President of the United States."

Mr. BLACK of New York. Mr. Chairman and comrades—now that Congress has become a soviet I shall have to address you as comrades—the farmer who drafted this bill certainly knew his groceries. The ethics of the bill are only equaled by the ethics of its promotion and legislative manipulation. The bill is to raise the price of products; and so it is not price fixing, because there is no top to the prices. It is the new blue sky bill; the sky is the limit for farm prices. While it creates a charge on all the people through a Government superagency, it is not a tax, because the farmers get it.

The Haugenites tell us they weeded the bill of old objections. For instance, they say the old equalization fund does not exist in the current edition of "Congressmen Prefer Farmers," because it is now called the stabilization fund. It will be the hallucination fund as far as the Government is concerned. We are told that the farmers are so broke that they can not pay their current bills, but if Uncle Sam loans them $250,000,000 more he will surely get it back. No; it is not a subsidy, not a bounty; it is just a sound investment in a surplus that we are going to give away to Europe.

It creates a farm board with more power than the official spokesman, because it absolutely controls the food supply of the country. It throws the Constitution in the silo and the bill of rights in the ditch. We have minority control of morals, and now we are to have minority control of economics. The American farmer is to gouge the American consumer to play Santa Claus to the Europeans. It is the anti-antitrust law.

If this becomes a law, rice will actually become a basic commodity. Why did not they put beans in the bill and line up GALLIVAN and TINKHAM? [Laughter.]

The Democrats think they will put "Cal" in a hole; well, that is the little hole through which he will crawl to a third term while Professor Butler tears his hair. [Applause.]

The Anti-Saloon League told the farmer he must not turn barley and hops into beer and corn into liquor, so he turned out too much wheat and too much mortgage with too much interest; now he is trying to turn out too much law to get too much money for too much commodity. It is much too much. [Applause.]

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

Mr. BLACK of New York. I have an amendment pending.

Mr. GARRETT of Tennessee. Mr. Chairman, I have an amendment to offer that is vital to the bill.

Mr. HAUGEN. How much time does the gentleman from Tennessee desire?

Mr. GARRETT of Tennessee. I do not desire any time, except that I want to offer an amendment. I should like to have five minutes on it.

Mr. BLACK of New York. I understand I have a couple of minutes left of my time. I would like to yield it to the gentleman from Tennessee.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

Mr. MACGREGOR. I want five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in five minutes. Is there objection?

Mr. SCHAFER. A point of order, Mr. Chairman.

Mr. GARRETT of Tennessee. Will the gentleman from Iowa [Mr. HAUGEN] withhold his request until the amendment I have offered is read?

Mr. HAUGEN. I will withhold it; yes.

The CHAIRMAN. Is the gentleman's amendment an amendment to the amendment offered by the gentleman from New York?

Mr. GARRETT of Tennessee. No; it is not.

The CHAIRMAN. The Chair suggests that we dispose of the amendment offered by the gentleman from New York. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. BLACK].

Mr. SCHAFER. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The Chair does not think he can recognize the gentleman under the circumstances. The question is on agreeing to the amendment offered by the gentleman from New York [Mr. BLACK].

The amendment was rejected.

Mr. GARRETT of Tennessee. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Tennessee offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARRETT of Tennessee: On page 13, line 19, after the word "board," strike out "the amount and methods of collection of the equalization fee."

Mr. GARRETT of Tennessee. Mr. Chairman, if this amendment should prevail I shall then move to strike out the equalization fee provision at every other point in the bill. This is the heart, in a way, of the measure. This is the revolution. This is the thing that is going to cause the trouble. This is the thing that will—well, I do not know what it will do. I know it is a departure from all sound constitutional principles and from all sound economic principles. Many gentlemen do not agree with me. It is the thing that is going to create trouble possibly 10 years from now if the bill passes. Of course, I have a motion to strike out the equalization fee in all other parts of the bill, but that is not interesting at this particular time. The thing I am striking at here is the vital principle of the bill.

Mr. BOX. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will.

Mr. BOX. May I read in the gentleman's time a statement by the head of the agricultural department of Texas on the very subject which the gentleman is talking about?

Mr. GARRETT of Tennessee. Yes.

Mr. BOX. This is the statement to which I desire to call attention:

I have written to you heretofore that I was opposed to this bill, and it is my candid judgment that practically all the farmers in Texas oppose it except the members of the farm bureau and Texas Farm Bureau Cotton Association. These people have been very active in its support, but they constitute a very small percentage of the people of Texas.

I do not believe this bill will be of any benefit to the producers in the marketing of their surplus crops, and I believe that it will be impossible to collect the equalization fee.

And may I state that I know this gentleman. He is an honest-to-God farmer; he does not live around the towns and cities and lobby for measures in order to get to live off of the victimized farmers. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman, that letter is fine. Here is the evil thing about this bill, that it is going to change the whole agricultural life of this country without knowing where you are going. I do not want to make any parliamentary effort to defeat the gentleman's bill but I wonder whether the gentleman from Iowa would be willing for the committee to now rise——

Mr. HAUGEN. No; I would not be willing to do that.

Mr. GARRETT of Tennessee. Then, Mr. Chairman, I will insert at this point the amendments I will offer in the event this amendment prevails.

The matter referred to follows:

Page 13, line 19, strike out "the amount and methods of collection of the equalization fee."

Page 14, strike out section 8.

Pages 14 and 15, strike out section 9.

Pages 15 and 16, strike out section 15.

Page 16, line 25, strike out "and the equalization fees."

Page 17, line 3, strike out "the collection of the equalization fees and."

Page 17, line 16, strike out "to equalization fees collected by any person and."

Page 18, line 17, strike out "fees or."

Page 18, line 9, strike out subdivision (e).

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. HAUGEN. Mr. Chairman, I renew my request that all debate on the pending section and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in five minutes. Is there objection?

Mr. SCHAFER. I object.

Mr. HAUGEN. Then, Mr. Chairman, I move that all debate close in five minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this section and on all amendments thereto close in five minutes.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Chairman and members of the committee, I have not taken any time on this proposition. I think it is going to be very disastrous to our Nation. It is not called for by the so-called dirt farmers, but by the farmers of the farmers. I can not express my opinion more clearly with reference to it than by quoting the poem of a poet who is quite familiar to you, Sam Walter Foss. It seems so apropos that I want to read it to you:

ON TO WASHINGTON

By Sam Walter Foss

Oh, let us march to Washington
And ask for legislation,
To make the trees grow greenback leaves,
To make the clouds rain pure milk,
To make nutritious, wooden beeves,
And strong, tenacious cobweb silk,
For each man in the Nation.

Oh, let us march to Washington
With a polite petition,
That Congress change red sand to meal,
And make the pieplant bloom with pie;
Or else make all the common weal
Be satisfied and nourished by
Spontaneous nutrition.

Oh, let us march to Washington
And ask our legislators
To make pure air a legal food,
To make all apples without core,
And that all pebbles that are strewed
Along the misty ocean shore
Be changed into potatoes.

Oh, let us march to Washington
And urge with force and reason
That Congress make all labor crime,
And abrogate old Adam's fall,
And make all hours dinner time,
All work unconstitutional
And industry high treason.

[Applause.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee to strike out the equalization provision.

The question was taken; and on a division (demanded by Mr. ABERNETHY) there were—ayes 87, noes 116.

Mr. GARRETT of Tennessee. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed as tellers the gentleman from Iowa [Mr. HAUGEN] and the gentleman from Tennessee [Mr. GARRETT].

The committee again divided; and there were—ayes 114, noes 139.

So the amendment was rejected.

The Clerk read as follows:

SEC. 8. In order that each marketed unit of a basic agricultural commodity may contribute ratably its equitable share to the stabilization fund hereinafter established for such commodity; in order to prevent any unjust discrimination against, any direct burden or undue restraint upon, and any suppression of commerce with foreign nations in basic agricultural commodities in favor of interstate or intrastate commerce in such commodities; and in order to stabilize and regulate the current of foreign and interstate commerce in such commodities—there shall be apportioned and paid as a regulation of such commerce an equalization fee as hereinafter provided.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 14, line 3, after the word "commodity," insert the words "except wheat."

Mr. NEWTON of Minnesota. Mr. Chairman, the purpose of this amendment is to except wheat from the payment of any equalization fee. Something like ten days or two weeks ago, I endeavored to show the House by reliable tables and charts that this legislation discriminated against the spring-wheat farmer. The average annual wheat crop in the United States for the years 1920 to 1924, inclusive, amounted to 834,900,000 bushels. About 20 per cent or, to be exact, 153,800,000 bushels, was red spring wheat, which is grown in my part of the country. This spring wheat is practically all raised in Minnesota, the two Dakotas, and Montana. What is done with it? All but 11,300,000 bushels per annum were consumed in this country. In other words, the average export of red spring wheat during that period was 11,300,000 bushels per annum. The average total wheat exports of all kinds during the same period was 186,200,000 bushels annually. It will, therefore, be seen that, while spring wheat constitutes about 20 per cent of our production, it only constitutes about 6 per cent of our total wheat exports. Red spring wheat stands on a different basis than some of the other wheats produced in this country. Most of our wheat, which is exported, comes from either the Pacific coast or certain portions of the Southwest. Most of the exported wheat is produced for export. Practically all of this spring wheat is produced for consumption in this country. Why should the spring-wheat farmer then be called upon to pay the same as his competitor who, with knowledge, produces primarily for export? He knowingly produces a surplus.

When tobacco was included in this legislation over in the Senate a special provision was inserted making it possible to levy the equalization fee on one type or class of tobacco and to leave it off from the others. No such exception has been made in reference to wheat, and presumably if any such exception was intended, it would have been included in the bill. Otherwise special pains would not have been taken to make an exception in reference to certain types and classes of tobacco.

This is just another evidence of the discrimination that is being made in order to get this bill passed regardless of what provisions it may contain or how unfair it may be to certain parts and portions of the country. I offered an amendment to strike this exception pertaining to tobacco from the bill, but it was defeated just like some of the other amendments were defeated.

I showed by the tables and charts and using the last three years of 1923 to 1926, inclusive, that the tariff of 42 cents per bushel on wheat was substantially effective during that period. The yearly averages showed No. 1 dark northern to have been 34½ cents, 26 cents, and 36½ cents, respectively, above No. 3 Manitoba at Winnipeg. I said that the spring wheat farmer would have to pay the equalization fee and would derive no benefit from those payments. I shall now show just how it would work out. Of the total production of spring wheat, amounting to 153,800,000 bushels, let us assume that the spring wheat farmer uses up in seed, and so forth, 28,800,000 bushels. He would have left to sell in the market 125,000,000 bushels. Suppose he is called upon to pay an equalization of 10 cents per bushel. This would be a very modest fee, and the chances are it would be double that amount, but we will assume this for purposes of illustration and to be conservative. On this basis the spring wheat farmer would pay in $12,500,000. His small surplus is sold abroad for no more than it is now sold, and as he obtains substantial benefit from the tariff already, he would receive little or no more for the wheat sold in this country than he is now receiving. However, at the end of the year he will find that he has paid out $12,500,000 in equalization fees and that it is all practically a distinct loss to him. I wonder how long the spring wheat farmer would stand for this?

The gentleman from North Dakota [Mr. BURTNESS] said I should have used the average weekly cash price instead of the average weekly high cash price. I used both. In the tables and charts making the comparison with the Canadian, Minneapolis, Kansas City, and St. Louis markets for the years 1925–26, I used the average weekly cash price and not the average weekly high price. The differential throughout the year was 27 cents in favor of the spring-wheat farmer. I used the average weekly high price for the comparison of Minneapolis and Winnipeg markets, because Minneapolis is a premium market and bids high for high-protein content wheat. It is obvious that the "high price" tempts the Canadian wheat over the line. The tables and charts used therefor showing the average weekly high price are fair because, as I have said, it is the high price that brings the wheat over.

However, let us consider the average weekly cash price between the Minneapolis and Winnipeg markets. For figuring on this basis, as the gentleman from North Dakota frankly stated, substantial benefit is received from the tariff.

Suppose the spring wheat farmer as a result of this control and the payment of a 10-cent equalization fee gets 10 cents per bushel more on the spring wheat sold and consumed in this country. If 11,300,000 bushels were shipped out there would be consumed in this country following sales 113,700,000 bushels. At 10 cents more per bushel this would mean $11,370,000 to the spring-wheat farmer. But in the meantime in order to get this he pays out in equalization fees $12,500,000. He certainly would lose on this transaction.

Suppose he received 15 cents more in this country—this would be the difference between the average weekly cash price for the year 1925–26 of 27 cents and the tariff of 42 cents—he would then receive less than 3 cents per bushel more than he is now receiving and that is figuring nothing for the payment of expenses of administration of the board and for the losses sustained in exporting the surplus.

Gentlemen, the spring-wheat farmer can not make anything on this plan. My amendment taking this wheat out should be accepted by this committee, for you accepted the provision without debate or discussion in your committee of the provision in the Senate bill which makes it possible to levy an equalization fee on one kind of tobacco and not on another.

I have a chart prepared, which graphically shows just what the spring-wheat farmer would lose if the provisions of this bill were put into effect on wheat. However, the committee has seen fit to practically foreclose any debates on the sections as they are read, and as a result there is no time to exhibit and discuss the chart.

The gentleman from North Dakota [Mr. BURTNESS] questioned my statement that No. 3 Manitoba northern wheat was comparable to No. 1 dark northern. The railroad and warehouse commission of the State of Minnesota is one authority for my statement. Another authority is the Wheat Studies of the Food Research Institute of Stanford University. On pages 10 and 11 of their November, 1926, number, in comparing the relative qualities of Canadian and American wheat, they say:

Apart from cleanness, high percentage of vitreous kernels, and low count of deteriorated kernels, the chief superiorities of Canadian wheat for millers lie in the heavy weight and the high protein content. On the average, Canadian hard spring wheat is several pounds heavier per volume bushel than American hard spring wheat. Hard spring wheats sold on the sample market in Minneapolis are in ordinary years rarely overweight; at Winnepeg elevator-run wheats are often, indeed in good years usually, overweight, the exact weight, however, being known. This high weight finds direct expression in a heavier yield of flour, which has the effect of making the heavier wheat cheaper for the miller.

Average No. 1 Manitoba northern will yield per 5 bushels in different years from 11 to 15 pounds more straight flour than may be secured from average No. 1 dark northern spring; average No. 3 Manitoba northern will yield about 4 to 6 pounds more straight flour per 5 bushels than average No. 1 dark northern. Not only are the specifications for weight consistently higher in the case of Canadian wheat, but overweight is common in Canadian wheat and uncommon in American wheat. The high-protein wheat gives stronger flour so that the net result is a larger yield of a stronger flour to the unit of wheat. For practical purposes, we may say that Manitoba

northern wheats are purchased and milled on the basis of official grades, whereas most dark northern wheats are purchased and milled on the basis of premiums for qualities lying outside of the grades. The influence of this state of affairs on merchandising practices is obvious.

Within the official grades, year in and year out, No. 3 Manitoba northern is comparable with average No. 1 dark northern, usually with a slight superiority on the side of the Canadian wheat. It is commonly heavier, has a higher percentage of vitreous kernels, is cleaner, and gives a somewhat larger outturn of comparable flour. When an American miller contemplates an importation, he first considers No. 3 Manitoba northern as alternative to average No. 1 dark northern spring.

It will appear, therefore, that as a matter of fact for milling purposes over a period of years, that No. 3 Manitoba northern is a slightly better milling wheat than No. 1 dark northern. In other words, the grades were fairly comparable but with the advantage to the Canadian wheat. My comparison, therefore, according to these two authorities, was a very fair one.

But, Mr. Chairman, I am opposed to this equalization fee for another reason, because, in my judgment, it is clearly in violation of the Constitution. There appears to be some question as to whether or not the equalization fee is a tax. A year ago it was quite generally claimed by the advocates of the bill that it was a tax. Now, this position appears to be abandoned to a considerable extent by supporters of the bill. In my judgment, the equalization fee is a tax. The purpose of the collection of this equalization fee is to raise revenue to be used to reimburse the stabilization fund, which in the first instance is created by moneys from the Federal Treasury. The proceeds of this fee are to be used to pay the general expenses of the Federal farm board, its employees, and so forth. Included among these expenses are the costs, losses, and charges of handling the surplus.

Congress is given the power to levy and collect taxes. In the exercise of this sovereign power to levy taxes it can not delegate that power in the manner set forth in the terms and provisions of this bill. The failure to set forth this delegation of power to the Federal farm board to fix, levy, and collect this tax in appropriate and well-defined terms and limitations vitiates this important portion of the bill.

Some say that this equalization fee can be levied under the commerce clause of the Constitution. Congress has power to regulate commerce with foreign nations and among the several States. It has no power to regulate commerce wholly within a State. The levying of the fee under the terms of the bill is upon the "sale, process, or transportation" of the commodity. No distinction is made as to sale or transportation in interstate and foreign commerce. A sale can be a wholly intrastate transaction or it may involve a transaction in interstate or foreign commerce. Under the terms of this bill the board is given the right to collect the fee on any sale, whether involving intrastate, interstate, or foreign commerce.

Processing is manufacturing. The Supreme Court has repeatedly held, from the Knight case (156 U. S. 1) on down, that manufacturing is not interstate commerce. I quote:

The fact that an article is manufactured for export to another State does not of itself make it an article of interstate commerce, and the intent of the manufacturer does not determine the time when the article or product passes from the control of the State and belongs to commerce.

As manufacturing is intrastate commerce, Congress is without jurisdiction to regulate it by equalization fee or otherwise.

The fee may be levied on the transportation of the commodity. This, of course, is a wholly impractical proposition as I explained the other day. So far as the bill is concerned, the board is given the right to levy the tax, whether the transportation is intrastate, interstate, or foreign commerce. Any effort to levy this tax upon intrastate transportation would be in violation of this same constitutional provision.

There is one further point in connection with this section. The equalization fee provision is as follows:

SEC. 8. In order that each marketed unit of a basic agricultural commodity may contribute ratably its equitable share to the stabilization fund hereinafter established for such commodity; in order to prevent any unjust discrimination against, any direct burden or undue restraint upon, and any suppression of commerce with foreign nations in basic agricultural commodities in favor of interstate or intrastate commerce in such commodities; and in order to stabilize and regulate the current of foreign and interstate commerce in such commodities—there shall be apportioned and paid as a regulation of such commerce an equalization fee as hereinafter provided.

One of the purposes herein announced for the levying of the fee is to prevent any unjust discrimination against interstate or foreign commerce. There has been no claim in this debate that there is any unjust discrimination against interstate or foreign commerce. The primary purpose of this bill as the debate shows, from beginning to end, is to effect the price of these commodities wherever they are sold or manufactured in this country. The purpose is to get better prices, not to remove any discrimination. Congress has the right to regulate intrastate commerce when necessary to remove a direct burden or undue restraint upon interstate or foreign commerce, but there is no contention other than what was in this declaration that there is any such burden or restraint. Neither is there any claim that there is suppression of foreign commerce to be removed. The fact is that the levying of this equalization fee will constitute a burden and a restraint upon both intrastate and interstate commerce. The foreign buyer will probably purchase his commodities cheaper, but that is not removing a suppression that exists in foreign commerce. There is none. Furthermore, if manufacturing is interstate or foreign commerce merely because eventually it may reach those channels so would the growing and production of grain be interstate or foreign commerce, and thereby subject to the regulation of Congress. I can not assent to any such proposition. The entire section should go out of the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken; and on a division (demanded by Mr. NEWTON of Minnesota) there were—ayes 47, noes 90.

So the amendment was rejected.

Mr. BOX. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 14, line 3, after the word "commodity," insert the words "except cotton."

Mr. BOX. Mr. Chairman and gentlemen, this is the third extended period of serious, earnest discussion of the distressing plight of the American farmer and of this line of proposed remedies for his condition. Some of this discussion has been unprofitable, but much of it has helped to bring out important facts and principles.

One thing has become better known to the American Congress—that is, that American agriculture is in dire distress. I wish this tremendously important fact could become still better known. My own conviction is that this part of the situation has not been overstated in this debate. I doubt if these facts, with all their meaning and consequences, are yet fully appreciated.

The vitality of America is now such that a full recognition of this apalling fact may make an intelligent people look ahead for the consequences. The results may be more frightful to a patriotic man than the present situation, bad as it is.

Anything like an adequate recognition of the seriousness of these developments to date should make such a people as ours search for their cause. I doubt if anything else but dire distress will compel a sufficient measure of attention to make the public mind search out and fix upon the things which brought this situation into existence. It is to be hoped that this distress may arrest the attention of the American people and direct it to the things which have produced this widespread, continuing, and increasing calamity. If it continues, this condition will produce a train of consequences more dreadful still.

I have not now the time to attempt a full discussion of these causes and probable consequences, but I feel impelled to make some pertinent observations.

American farmers have been falling deeper and deeper into comparative poverty for many years. There have been fluctuations in the tide which have for brief times or in restricted areas lifted them on their temporary or local waves, but the main course of agricultural life has shown a comparative decline through succeeding decades. This decline has been evidenced by a relative decrease in farm population, which has gone forward until what was an overruling majority has become a weakening minority of our population. Socially and politically, the agricultural element has steadily fallen behind. Financially, its position has become still more disadvantageous. The great number of abandoned farms; the dilapidation of many farms still cultivated after a fashion; the drift of many of the brightest of American youth of both sexes to the towns and cities—all evidence the relative deterioration of American farm life. I regret that circumstances do not permit me to make something like a report of the survey of all phases of the condition of American farm life, which I have attempted in my study of this momentous question. Tested by nearly all the main standards of American life, our farmers have been losing ground.

Reduced to details, the causes of this relative decline of American agricultural life are many; but nearly or quite all of these particular causes are embodied in one system which was gradually adopted many years ago and became a para-

mount element of American political and economic policies some decades back. That policy is one of overbuilding, at the expense of agriculture, the industrial and financial elements of the Nation's life. We have given unfair advantage to manufacturing, banking, railway, and other fortunate and favored interests, until they have acquired much more than their proportionate share of the numbers, wealth, and social, economic, and political power. This overstimulation of one side of the Nation's life has been accomplished by drawing the substance from the life of agriculture and giving it to these favored interests. The Government has had no wealth to bestow on its favorites except such as it has taken from victims among its own people. Agricultural people have been the main victims. The interests mentioned have been the favorite "big boys" who have been fattened and overgrown on the substance taken from the less organized and now weaker and less numerous element of our population.

I enumerate some of the specific causes of the farmer's impoverishment and of the overfattening of the industrial, financial, transportational, and commercial groups:

First. Our so-called protective-tariff system is intended and has operated to enrich manufacturers by making consumers, the greater portion of whom were farmers and their families when the system was inaugurated, pay higher prices to the interests favored by the system. The American farmer will never be redeemed from his poverty and given his rightful place so long as this system stands.

Second. The banking and financial system of the Nation is organized and conducted and favored by law in such a manner as to give and continue to it undue advantage over the classes of which the farmer has always been a major element. The farmer's credit, interest rates, and many other elements could be reviewed as a part of this phase of the great régime under which he grows relatively poorer, while his favorite big brothers grow unjustly and dangerously rich. The Federal reserve system and farm-land banks, as originally designed and established, marked a turn for the better in this respect, but there is now an effort, meeting with some success, to pervert these institutions and defeat their purposes. The intermediate-credit banks should be credited with substantial service in the right direction.

Third. Freight rates made too high by law and boosted by computation on fabulous amounts of capital never invested in transportation lines, and in many other ways, make their big contribution to the great régime of favoritism under which the group of favorite interests are enriched and farmers are impoverished. The so-called Esch-Cummins Act of 1920 pushed further the system of injustice inflicted upon the people by the great systems of railway carriers of which I am complaining in behalf of farmers and others situated like them. I said at the time:

> It [the Esch-Cummins Act] lays heavy and unjust burdens on the public for the financial advantage of the owners of railway investments. * * * (CONGRESSIONAL RECORD, 66th Cong., 2d sess., vol. 59, p. 8851.)

I said that seven years ago. Since then I have seen the Fordney-McCumber Tariff Act passed and many other bad things done which have carried the system of favoritism forward by giving privilege to the favorites and adding to the burdens of farmers and other consumers.

Fourth. Taxes are progessively oppressing the farmer, because they are becoming more numerous and their rates are increasing. Road taxes, school taxes, city taxes, State taxes, and, greatest of all, Federal taxes, are sapping the substance of the people. The farmer pays more than his share of the direct taxes because his farm and livestock are visible and harder to hide than stocks, bonds, and intangible values. Many of the indirect taxes levied by the Federal Government operate more or less unfairly to the disadvantage of farmers and other consumers. All of these taxes together are exceedingly burdensome. Heavy taxes are felt most keenly by those whose margins of income are narrowest.

Increasing extravagance in government contributes to all this. Municipal, State, and National Governments continuously join in it. For instances, during 1925 Congress increased the salaries of Members of the House of Representatives and of the Senate from $7,500 to $10,000 per annum, and increased the salaries of Cabinet members, the Speaker of the House, and the President of the Senate, from $12,000 to $15,000 per annum. The first bill passed by this session of Congress increased the salaries of the Chief Justice of the Supreme Court of the United States from $15,000 to $20,500 per year; that of Associate Justices of the Supreme Court of the United States from $14,500 to $20,000; the circuit judges from $8,500 to $12,500; the district judges from $7,500 to $10,000; the chief justice of the Court of Claims from $8,000 to $12,500; other judges of the Court of Claims from $7,500 to $12,500; the chief justice of the Court of Appeals of the District of Columbia from $9,000 to $12,500; other justices of the Court of Appeals of the District of Columbia from $8,500 to $12,500; that chief justice of the Supreme Court of the District of Columbia from $8,000 to $10,500; the associate justices of the Supreme Court of the District of Columbia from $7,500 to $10,000; the presiding judge of the United States Court of Customs Appeals from $8,500 to $12,500; other judges of the United States Court of Customs Appeals from $8,500 to $12,500; and members of the Board of General Appraisers, which board functions as the customs trial court, from $9,000 to $10,000 per year.

In an effort to help check this oppressive tendency of the National Government I opposed the two bills just mentioned and have taken the same attitude on kindred measures. Before the World War the expenses of the National Government ranged around $1,000,000,000 per year. Though the World War closed more than eight years ago, present governmental expenses amount to more than $4,000,000,000 annually, an increase of peace-time expenditures by fourfold in about 10 years. They are now steadily increasing. The same tendency is shown by State legislatures and governments.

Fifth. Frankness compels me to say that America's growing habit of extravagance has not been escaped by the farmer. He has not been as prodical as other classes, but his more limited expenditures have hurt him worse, because his other burdens and the limitations upon his income have made even small extravagance more hurtful to him than the larger wastes have been to more prosperous people.

Sixth. The policies of the National Government, diplomatic and legislative, have much to do with foreign markets. A conflict has developed between agricultural producers and manufacturers for the advantage in the policies of the Government influencing foreign markets. The strong favorite elements in our financial and political life have gotten the advantage of the farmer in this struggle as elsewhere. In making sure that American manufacturing interests should profiteer upon the farmers as a major element of American consumers our "tariff-wall" policies have seriously impaired the foreign markets for American agricultural products. The same disadvantage has been suffered by farmers as a result of the diplomatic policies of the country during the last half dozen years. These things have resulted in a serious impairment of the farmer's foreign market.

Seventh. Under the inexorable law of supply and demand overproduction of many agricultural commodities has helped to bring the American farmer to grief. This is true of cotton and rice. Though overproduction is already causing distress, the Government is being asked to spend enormous sums on new irrigation and reclamation projects. It unwisely gives preference to "skilled farmer" immigrants trying to come from Europe. I have helped to prepare and report and hope to help pass an amendment to the immigration law checking this folly. I would end it if I could.

Tens of thousands of Mexican peons are being brought to grub and break and cultivate semiarid and other western and southwestern lands to raise cotton. This produces a situation in which, if the farmer who lives with his family on the farm would raise his price by limiting his own production, peon and serf labor, working for absentee landlords, will raise hundreds of thousands of bales at a price on which the American farmer and his family can not live, and thus destroy the rewards of the farmer's own self-restraint. If you take money from the Treasury and make the farmer pay an equalization fee of $5, $10, or $15 on each bale of cotton to increase or hold up the price, and it results in any net profit, you will only encourage more of this kind of cotton production and aggravate present bad conditions.

The foregoing partial enumeration of the many causes of the impoverishment of American agriculture omits many contributing causes. Neither enumeration of all of them nor an elaboration of each of them is possible here.

What will be the consequences of the decay of American agriculture I do not wish to forecast. No patriotic American should want to see them. They do and will involve lasting injustice to the element which has contributed most to the Nation's life. Farmers and their sons won the Revolution, fought the early wars of the Republic, and made the larger contributions to its statesmanship and all lines of its beneficial leadership. In the meantime they have opened the farms, pioneered the ways for railways and commercial centers, have fed and clothed the Nation, helped largely to feed and clothe the world, and contributed mightily to the Nation's development, commerce, and wealth. It is cruelly unjust for a people

who have contributed so much to the Nation's development and life for it to oppress them or permit them to be oppressed now.

I fear that our Constitution, written and made good in legislative halls, on battle fields, and in the life of the Republic, will be irreparably injured, if not ultimately destroyed, by this course. The Constitution was not written for a great aggregation of industrial and metropolitan centers filled with mongrel mobs, sensational pleasure seekers, mammon worshippers, paupers, millionaires, and billionaires, threatening to overbalance their wholesome life. When these are further overbuilt and the American farmer is changed into a peon or a peasant, America will become a different country, nothing like so good as it is. Both love of justice and patriotism demand that our main course in dealing with agricultural interests be reversed.

The Haugen bill has been abandoned and the Senate, or McNary bill, originally identical with it but materially changed in the Senate, has been substituted in its place.

Does this bill propose that? Nothing like it. It proposes to continue everyone of the bloodsucking processes by which the substance of agriculture is drawn from it and injected into the favorite groups which I have named. With these causes in continuing operation, it is pretended that this is a relief measure. I am convinced that this bill would never pass through Congress but for a belief that it can not become a law. This belief on the part of Members is based partly upon a conviction that its unconstitutionality will destroy a substantial part of it, and partly upon a belief that the President will veto it. In this situation men can seem to be granting relief with not much prospect that their so-called relief measure will end in anything but a legislative fizzle.

As showing the views held by other thoughtful friends of agriculture as to this phase of the bill I quote a paragraph from a letter written to me by Hon. George B. Terrell, commissioner of agriculture of the State of Texas, under date of February 14, 1927:

> Furthermore I believe that this fee or tax is contrary to the Federal Constitution, as it is nothing but a tax upon farm products, and there is not a syllable or line in the Constitution authorizing the collection of such a tax on farm products, and I believe it will be declared unconstitutional should it ever reach the Supreme Court of the United States.

If circumstances permitted I would like to discuss in detail the provisions of this bill, but I can not do that. I must content myself with making a few observations about it.

I sincerely hope that no farmer, especially no Texas farmer, will be mislead, by the propaganda that has gone out or by the procedure here, into taking this legislation seriously as promising to raise the price of cotton and sustain it at a profitable figure. The farmers are now preparing their lands for planting. They are working down there in the dust or mud, heat, cold, dew, or rain, not living at high-priced hotels and getting their expenses paid, as are some now engaged in working farmers and working Congressmen. [Laughter.] If they take this legislation seriously, they will increase their acreage, and if they do that it will be a serious calamity.

One other protest I must make, and that is against the effort to conceal the equalization fee. If you mean to levy a tax against the farmer, tell him so. There have been two methods proposed here to hide that; one was to defer it and get him into the trap and then do it, but they want the money sooner and probably will not defer the tax. Another has been a very thin and transparent effort to hide the equalization fee on cotton in the bill that comes to us. That will probably be followed.

Gentlemen, the farmer has been victimized for a long time and this shows that the game is still on. If you are going to tax him, look him in the face like a man and tell him so. [Applause.] This is adding insult to injury. The American Congress ought not to stoop to such a thing.

On the political phase of our action and the situation created thereby, I take the liberty to address myself to men of my own party who are more practiced and skillful in the great game of politics than I am. My judgment is that there are many men in this House—and I have heard much talk, because you are very frank with your colleagues—who would not vote for this bill but for the belief that the President will veto it. [Applause.]

Gentlemen, I was elected to fill a very high place here, but I would voluntarily assume a very lowly place if I voted on the people of America, including the people who have trusted me, legislation that is unsound and dangerous, hoping that the President would protect them and the country from my folly and from so little a game of politics. [Applause.] The condition of farmers and the interests of the Nation are too serious to permit me to engage in any such a play.

It is my judgment that President Coolidge is one of the luckiest of men, and that he is lucky in the kind of game you are putting up to him now. The American people have sound sense and judgment. We have periods of agitation, produced in part by unjust and unsound policies and in some measure by unpreventable causes. The protests which such conditions and periods provoke are usually made futile by a lack of soundness and sanity in their leadership. After all this agitation and noise and after the attendant foolishness shall have passed away and the President shall have written a clear message reminding us and the country that this act vainly pretends to repeal economic law and that the provisions of the bill are contrary to the spirit of our institutions and our Constitution he will be exalted and we will be abased. [Applause.] Then American farmers will wonder whether we tried to remedy their condition or played a little game of politics here in passing an act which we believed the President would veto and which could not be passed over his veto, and which we further believed would be nullified by the Supreme Court of the United States because of its violation of the Nation's fundamental law, its Constitution, which farmers, like other patriots, love and revere.

I oppose this measure because it does not go to nor seek to deal with the causes of the trouble nor intelligently try to counteract them. It is contrary to every principle of economic law and constitutional government, as I conceive them. It will not increase or hold up to a profitable figure the price of the products named in it. This is especially true with the price of cotton. It will, if it works at all, tend to increase overproduction and its bad consequences, and expose growers to a burdensome tax on these products. Strife, bitter disappointment, a demoralized market, and serious injury to agriculture would result from its enactment and attempted enforcement. It tries to deceive the farmer by pretending to give him relief, when it is improbable that even this pretense at relief can ever reach him, serving only as an excuse for failure to do what might be done in his behalf. It tries to deceive him by hiding the tax on cotton which he is to pay. The farmer has asked bread and been given a stone. He has asked for a fish and, upon the urgings of self-serving lobbyists, been offered a serpent, which, unless the President interferes, will disappoint and bite him.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate upon the paragraph and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. Box].

The question was taken, and the amendment was rejected.

Mr. BULWINKLE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

> Page 14, line 13, after the word "collection" strike out the period and insert a colon and add the following: "*Provided*, That in the case of cotton the equalization fee levied herein shall in no event exceed the sum of $5 a bale per year."

Mr. ALMON. Mr. Speaker, I make the point of order that that would properly come in at the end of section 10, and not section 8. I have a similar amendment to offer at the end of section 10. That is where it was in the Haugen bill of 1926.

Mr. BULWINKLE. It is offered in the right place, limiting the equalization fee. I am not speaking of the collection, I am speaking of the levying.

The CHAIRMAN. The Chair thinks it is germane to this section.

Mr. BULWINKLE. Mr. Chairman, last Saturday I spoke in the House and stated that the equalization fee exclusive of transportation would be $9.45 on a bale of cotton. Shortly thereafter word came to me from one of the cooperatives through another Member that it would never be over $5 a bale. In order that I may take him at his word I wanted the House to adopt this amendment because it is useless in having an unlimited tax when it is unnecessarily placed on the farmers of the South.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina.

The question was taken; and on a division (demanded by Mr. BULWINKLE) there were—42 ayes and 112 noes.

So the amendment was rejected.

The Clerk proceeding with the reading of the bill, read as follows:

AMOUNT EQUALIZATION FEE

SEC. 9. Prior to the commencement of operations in respect of any basic agricultural commodity, and thereafter from time to time, the board shall estimate the probable advances, losses, costs, and charges to be paid in respect of the operations in such commodity. Having due regard to such estimates, the board shall from time to time determine and publish the amount for each unit of weight, measure, or value designated by it, to be collected upon such unit of such basic agricultural commodity during the operations in such commodity. Such amount is hereinafter referred to as the "equalization fee." At the time of determining and publishing an equalization fee the board shall specify the period during which it shall remain in effect, and the place and manner of its payment and collection.

Mrs. ROGERS. Mr. Chairman and members of the committee, I am sorry to take up your time, but I can not let the opportunity pass to make my plea for my own district which I believe has been harder hit industrially than any other district in the United States. I am also making my plea for the textile industries all over the United States. [Applause.]

I like my western colleagues so much that I wish that I could vote for their bill. They are trying to help the farmer. I can not see what the farmers are going to get out of it. They are going to lose the cotton trade. Their domestic trade is by far the largest trade the cotton growers and the merchants now have. You all realize that we have over seventeen and one-half million spinning spindles in this country. Millions of dollars are being expended. They have a tremendous activity. Think of the hundreds of thousands of people employed in these mills. I have lived all my life in an industrial city, and I know what it means when spindles are idle. It is like going through a city of the dead when you go through one of our closed mills.

How are you people that come from a State that has the cotton industries going to answer your people? You know that there are 191 of you that can not go back to the so-called cotton textile States—Pennsylvania, Connecticut, Rhode Island, Alabama, Maine, Georgia, New York, New Jersey, Massachusetts, Tennessee, South Carolina, North Carolina, Texas, Virginia, and other States and satisfy these employees in the cotton industry? You can not answer your people when they are out of work, and when they have to pay more for their bread than they have ever paid before. [Applause.]

I have lived all my life in manufacturing cities and I know only too well what it means. There was production above normal in all our industrial plants during the war, just as there was production above normal in our agricultural products.

I believe the solution of our trade problem is to develop our export trade in every foreign country.

In New England we have the humane 48-hour law for women and children and as a result we can not compete on even terms with the West and the South that have longer hours of labor. We are also farther away from the raw materials. But New England will not be the only part of the country to suffer if the McNary-Haugen bill goes into effect. You all know that for the past three years the American textile industry has been very unsatisfactory. I believe the enactment of this law might almost completely wreck it. I will give you some of my reasons for this belief.

If American cotton could be purchased by foreign mills for less per pound than American mills would pay it would very much disrupt the manufacturing situation here. Do you relish the possibility of our cotton being sold to foreign countries, then resold to us? That could easily happen and the foreigner would make a handsome profit on the transaction. And the cotton farmers and merchants would lose our domestic trade.

If cotton were selling, let us say, for 15 cents a pound and some plan were to go into operation by which foreign mills could buy at 12 cents a pound it would mean that the difference in price would have to be made up in the sales to our domestic mills, so that they would have to pay at least 18 cents for their cotton. As a matter of fact, the differential would even be higher than that for our exports of cotton are between 40 and 50 per cent more than is consumed by our domestic mills. In addition to the domestic price then to make up for the lower price received for exports the difference in price would have to be assessed against the smaller proportion used by our domestic mills. You will readily realize then that the disproportionately higher price of domestic cotton would materially affect the cost of production and consumption of goods.

Furthermore, foreign mills could make cloth out of their cheaper cotton at a price which would enable them to increase their exports of cloth to this country to an extent which might prove ruinous to an already harassed and distressed industry. Think of the joy the enactment of this measure would cause foreign cotton textile countries.

Another even more dire result would be that foreign mills could sell their cloths to the world's consuming markets at prices very much below ours, thereby practically ruining our own export business in cotton cloths which in recent years has ranged between five hundred and six hundred million square yards annually.

The American textile industry has been for several years in a very unsatisfactory condition and such added handicaps as outlined above would come very near to ruining it altogether.

Our annual exports of cotton cloth approximate six to eight per cent of our total production. Some mills of course export nothing while others ship abroad a much larger proportion of their production than six or eight per cent. The loss of such business would in many instances undoubtedly so add to their troubles that they would have to shut down.

After all, our cotton farmers and merchants have a more intimate relationship with our domestic mills than they realize, and a manufacturing industry like this one which employs many hundreds of thousands of people and has a capital investment of several billions of dollars should be seriously considered in relation to any plan which might disastrously affect the industry.

After listening to the speeches of my colleagues I am convinced they can not realize the intimate relationship that our cotton farmers or merchants have with our domestic mills. The life of a great textile manufacturing industry like this ought not to be jeopardized to make a middleman's holiday. And how could anybody but the middleman profit by this bill?

The textile industry has a capital investment of several million dollars and employs many hundreds of thousands of human beings.

The December report from the Department of Commerce shows the country has in place 37,404,472 spinning spindles.

Seventeen million nine hundred and thirty-six thousand two hundred and forty-six spindles are in cotton-growing States.

Seventeen million seven hundred and fifty-one thousand five hundred and twenty-six spindles are in the New England States.

One million seven hundred and sixteen thousand six hundred and eighty-two spindles are in all other States.

Eleven million three hundred and forty-four thousand five hundred and twenty-six of these spinning spindles are in my own State of Massachusetts.

The people of every State in the Union ought to realize just what it would mean to have over 37,000,000 spinning spindles practically idle.

Those of you that have cotton mills in your cities and towns, I believe, can not turn deaf ears to the cry for work of your people. [Applause.]

Much as I like and respect my western colleagues, and as much as I should like to support their farm legislation if I conscientiously could, I believe this farm relief bill of theirs, if it should become law, will prove to be stuffed with sawdust in a year's time. I can not see how it can possibly serve the farmers that the measure is supposed to help. My own fifth Massachusetts district is half industrial and half agricultural. Neither my industrial workers nor my farmers want the passage of the McNary-Haugen bill.

If this bill should become law the cotton farmers will lose their domestic trade, the mills will lose their export trade, and the consumers will have to pay more than ever before for their textiles and the other necessities of life. [Applause.]

Mr. TILSON. Mr. Chairman and gentlemen, I wish at this time to appeal to the good nature and good sense of the membership of the House. This has been a rather strenuous bill in its passage through the House. To-day has been an unusually strenuous day. Another day is coming to-morrow, in which, so far as the program of legislation is concerned, there is nothing pressing. I wonder if the Members of the House would not rather quit now at a reasonable hour and come back to-morrow, when we may all feel better and go on with the consideration of the bill? [Applause.] Nothing has been or will be placed as an obstacle in the way of the consideration of the bill. Let the committee rise, and let us go home and come back to-morrow, when we can have plenty of time. This bill will then have the same privilege as it has to-night.

Mr. McDUFFIE. I suggest that we might meet at 11 o'clock to-morrow.

Mr. TILSON. It will not be necessary to do that.

Mr. GARRETT of Tennessee. I suggest to the gentleman that all that is necessary is that the gentleman from Iowa [Mr. HAUGEN] make the motion to rise.

Mr. TILSON. If the gentleman from Iowa is not willing to make the motion, I am going to take that liberty. I hope the gentleman from Iowa will make the motion.

Mr. HAUGEN. Let us get finished with the equalization feature of the bill.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. SCHAFER. The gentleman said that we would have to-morrow in which to consider the bill. How can we have any time to consider it when the gentleman in charge of the bill always moves that debate be closed?

Mr. TILSON. I can not control the gentleman in charge of the bill. Certainly no one who is opposed to the bill has tried to obstruct its progress to-day. If the gentleman from Iowa is not willing that the committee do now rise, I think I owe it to the membership of the House to make the motion myself, thus giving the Members a chance to decide the matter. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Connecticut that the committee do now rise.

The question was taken; and on a division (demanded by Mr. TILSON) there were—ayes 151, noes 135.

Mr. KINCHELOE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. TILSON and Mr. KINCHELOE to act as tellers.

The committee again divided; and the tellers reported—ayes 153, noes 150.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, and had come to no resolution thereon.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The question was taken.

Mr. DICKINSON of Iowa. Mr. Speaker, I demand a division.

Mr. CARTER of Oklahoma. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 171, nays 198, not voting 64, as follows:

[Roll No. 29]

YEAS—171

Ackerman	Crumpacker	Kurtz	Scott
Aldrich	Dallinger	LaGuardia	Sears, Fla.
Allgood	Darrow	Lanham	Seger
Almon	Davenport	Leatherwood	Shreve
Andrew	Deal	Lehlbach	Smithwick
Appleby	Dempsey	Lineberger	Snell
Aswell	Denison	Linthicum	Sosnowski
Bacharach	Dominick	Lowrey	Spearing
Bachmann	Doughton	Luce	Sproul, Ill.
Bacon	Douglass	McDuffie	Stalker
Bankhead	Drane	McFadden	Stevenson
Barbour	Dyer	McLaughlin, Mich.	Stobbs
Beedy	Ellis	McLeod	Taber
Beers	Fenn	McMillan	Taylor, W. Va.
Begg	Fitzgerald, Roy G.	Magee, Pa.	Temple
Black, N. Y.	Fort	Mapes	Thatcher
Black, Tex.	Foss	Martin, Mass.	Tilson
Bland	Free	Merritt	Tincher
Bowles	Freeman	Michener	Tinkham
Bowman	French	Montague	Tolley
Box	Frothingham	Montgomery	Treadway
Briggs	Garrett, Tenn.	Mooney	Tucker
Brigham	Gasque	Moore, Ohio	Tydings
Brumm	Gifford	Moore, Va.	Underhill
Buchanan	Gilbert	Morgan	Underwood
Bulwinkle	Glynn	Morin	Vaile
Burdick	Hale	Nelson, Me.	Vare
Burton	Hardy	Newton, Minn.	Vestal
Busby	Hare	O'Connell, R. I.	Vincent, Mich.
Butler	Hersey	O'Connor, La.	Voigt
Carpenter	Hill, Md.	Oliver, N. Y.	Warren
Chalmers	Hooper	Parker	Wason
Chindblom	Houston	Parks	Watres
Cochran	Huddleston	Patterson	Watson
Colton	Hudspeth	Peery	Weaver
Connally, Tex.	Hull, Tenn.	Perkins	Welsh, Pa.
Connery	Hull, Morton D.	Porter	White, Me.
Cooper, Ohio	Jacobstein	Ransley	Whitehead
Cox	Jenkins	Rayburn	Wilson, La.
Coyle	Johnson, Wash.	Reed, Ark.	Woodrum
Crisp	Kahn	Reed, N. Y.	Woodyard
Cresser	Kearns	Rogers	Wright
Crowther	Kiess	Sandlin	

NAYS—198

Abernethy	Bailey	Browne	Chapman
Adkins	Barkley	Browning	Christopherson
Allen	Beck	Burtness	Clague
Andresen	Berger	Byrns	Cole
Arentz	Blanton	Cannon	Collier
Arnold	Bloom	Carew	Collins
Auf der Heide	Bowling	Carter, Calif.	Cooper, Wis.
Ayres	Brand, Ohio	Carter, Okla.	Cramton
Cullen	Holaday	MacGregor	Sinnott
Davey	Howard	Major	Smith
Davis	Hudson	Manlove	Somers, N. Y.
Dickinson, Iowa	Hull, William E.	Mansfield	Speaks
Dickinson, Mo.	Irwin	Martin, La.	Sproul, Kans.
Dowell	James	Menges	Steagall
Doyle	Jeffers	Miller	Stedman
Drewry	Johnson, Ill.	Milligan	Strong, Kans.
Driver	Johnson, Ind.	Moore, Ky.	Sullivan
Edwards	Johnson, Ky.	Morehead	Summers, Wash.
Elliott	Johnson, S. Dak.	Nelson, Mo.	Sumners, Tex.
Englebright	Johnson, Tex.	Nelson, Wis.	Swank
Eslick	Jones	Newton, Mo.	Swing
Esterly	Keller	Norton	Taylor, Colo.
Evans	Kemp	O'Connell, N. Y.	Taylor, Tenn.
Faust	Kendall	Oldfield	Thomas
Fitzgerald, W. T.	Kerr	Oliver, Ala.	Thompson
Fletcher	Ketcham	Peavey	Thurston
Fulmer	Kiefner	Prall	Tillman
Funk	Kincheloe	Purnell	Timberlake
Furlow	Kindred	Quayle	Updike
Gambrill	Kirk	Quin	Upshaw
Garber	Knutson	Ragon	Vinson, Ga.
Gardner, Ind.	Kopp	Rainey	Vinson, Ky.
Garner, Tex.	Kvale	Ramseyer	Wefald
Garrett, Tex.	Lampert	Rankin	Weller
Goodwin	Lankford	Rathbone	Wheeler
Green, Fla.	Larsen	Reece	White, Kans.
Green, Iowa	Lazaro	Reid, Ill.	Whittington
Greenwood	Lea, Calif.	Robinson, Iowa	Williams, Ill.
Hadley	Leavitt	Robsion, Ky.	Williams, Tex.
Hall, Ind.	Letts	Romjue	Williamson
Hall, N. Dak.	Lindsay	Rowbottom	Wilson, Miss.
Hammer	Little	Rubey	Winter
Harrison	Lozier	Rutherford	Wolverton
Hastings	Lyon	Sanders, Tex.	Wood
Haugen	McClintic	Schafer	Woodruff
Hayden	McKeown	Schneider	Wurzbach
Hickey	McLaughlin, Nebr.	Sears, Nebr.	Wyant
Hill, Ala.	McReynolds	Shallenberger	Yates
Hoch	McSwain	Simmons	
Hogg	McSweeney	Sinclair	

NOT VOTING—64

Anthony	Eaton	Kelly	Pratt
Bell	Fairchild	King	Rouse
Bixler	Fish	Kunz	Sabath
Boies	Fisher	Lee, Ga.	Sanders, N. Y.
Boylan	Frear	Madden	Strong, Pa.
Brand, Ga.	Fredericks	Magee, N. Y.	Strother
Britten	Gallivan	Magrady	Swartz
Campbell	Gibson	Mead	Sweet
Canfield	Golder	Michaelson	Swoope
Carss	Goldsborough	Mills	Taylor, N. J.
Celler	Gorman	Morrow	Wainwright
Cleary	Graham	Murphy	Walters
Connolly, Pa.	Griest	O'Connor, N. Y.	Welch, Calif.
Corning	Griffin	Perlman	Wingo
Curry	Hawley	Phillips	Zihlman
Dickstein	Hill, Wash.	Pou	

So the motion to adjourn was rejected.

The Clerk announced the following pairs:

To adjourn:

Mr. Gallivan (for) with Mr. Griest (against).
Mr. Magee (for) with Mr. Brand of Georgia (against).
Mr. Eaton (for) with Mr. Anthony (against).
Mr. Dickstein (for) with Mr. King (against).
Mr. Connolly of Pennsylvania (for) with Mr. Canfield (against).
Mr. Golder (for) with Mr. Walters (against).
Mr. Fairchild (for) with Mr. Celler (against).
Mr. Graham (for) with Mr. Strong of Pennsylvania (against).

General pairs until further notice:

Mr. Madden with Mr. Cleary.
Mr. Sweet with Mr. Pou.
Mr. Zihlman with Mr. Rouse.
Mr. Boise with Mr. Mead.
Mr. Britten with Mr. Hill of Washington.
Mr. Fredericks with Mr. Bell.
Mr. Hawley with Mr. Corning.
Mr. Michaelson with Mr. Griffin.
Mr. Perlman with Mr. Morrow.
Mr. Mills with Mr. Sabath.
Mr. Murphy with Mr. Wingo.
Mr. Gibson with Mr. O'Connor of New York.
Mr. Campbell with Mr. Kunz.
Mr. Pratt with Mr. Lee of Georgia.
Mr. Kelly with Mr. Fisher.
Mr. Magrady with Mr. Carss.
Mr. Swoope with Mr. Boylan.
Mr. Wainwright with Mr. Goldsborough.

Mr. CONNERY. Mr. Speaker, my colleague, Mr. GALLIVAN, was called away on important business. He asked me to state that if he were here, he would vote "aye."

The result of the vote was announced as above recorded.

M'NARY FARM RELIEF BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808. The question is on agreeing to that motion.

The question was taken.

Mr. SPROUL of Illinois. A division, Mr. Speaker.

The SPEAKER. The gentleman from Illinois calls for a division.

The House divided; and there were—ayes 162, noes 121.

Mr. NEWTON of Minnesota. Mr. Speaker, I ask for the yeas and nays. I would like to get time to get a little something to eat. I have not had a chance yet.

The SPEAKER. The gentleman from Minnesota demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Seventy gentlemen have risen—not a sufficient number. The gentleman from Michigan [Mr. MAPES] will please take the chair.

Thereupon the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808, with Mr. MAPES in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill S. 4808, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Mr. TINCHER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas, a member of the committee, offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 4, after the word "collection," insert——

Mr. HASTINGS. Mr. Chairman, a parliamentary inquiry. Has that section been read? I do not think section 9 has been read.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 4, after the word "collection," insert "*Provided*, That no part of any equalization fee levied on wheat grown in the State of Kansas shall be used to defray losses on nonmilling wheat grown in the State of Washington or any other Pacific Coast State."

Mr. HASTINGS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HASTINGS. Has section 9 been read?

The CHAIRMAN. The Chair is informed that it has been.

Mr. JOHNSON of Washington. Mr. Chairman, I would like to know why discrimination is made against the State of Washington? It has special benefits in this bill. I make the point of order against the amendment.

Mr. BLANTON. It is too late.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The question was taken; and on a division (demanded by Mr. TINCHER) there were—ayes 14, noes 80.

So the amendment was rejected.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on the section and all amendments thereto be closed in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. TINCHER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 4, after the word "collection" insert: "*Provided, however*, That no equalization fee shall be levied on milling wheat having a protein content greater than 12 per cent, for the purpose of defraying losses on export wheat, unless the protein content of said export wheat is not less than 3 per cent."

The question was taken; and on a division (demanded by Mr. TINCHER) there were—ayes 11, noes 60.

So the amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 15, line 4, after the word "collection" insert: "*Provided*, That the board shall in no instance levy an equalization fee upon wheat grown in the United States unless at the same time there is levied and collected upon imported wheat the same fee: *And provided further*, That such equalization fee upon imported wheat shall be in addition to any existing customs duty thereon."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 4, after the word "collection" insert: "*Provided*, That the equalization fee levied on the milling wheat of the United States having a protein content of more than 12 per cent shall not exceed 25 cents per bushel."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 4, after the word "collection" insert: "*Provided*, That the board shall levy no equalization fee on the wheat in the United States that contains more than 13 per cent protein."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Page 15, line 4, after the word "collection," insert: "*Provided*, That the equalization fee on cotton shall not exceed $10 per bale."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: Page 15, line 4, after the word "collection," insert: "*Provided*, The equalization fee on cotton shall not exceed $25 per bale."

Mr. CONNALLY of Texas. Mr. Chairman——

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not think debate was closed.

Mr. CONNALLY of Texas. I asked for recognition and have been trying to get the floor.

Mr. GARRETT of Tennessee. The gentleman from Texas asked recognition in order to debate the amendment.

The CHAIRMAN. There are five minutes remaining. The gentleman from Alabama [Mr. MCDUFFIE] has been trying for an hour to get recognition and the Chair had expected to recognize the gentleman from Alabama, but will now recognize the gentleman from Texas.

Mr. RAMSEYER. Mr. Chairman, a point of order. Was not the committee dividing?

The CHAIRMAN. The gentleman from Texas was seeking recognition and the Chair thinks he has the right to recognize the gentleman.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KINCHELOE. Did not the chairman of the committee a little while ago get consent to close debate on this section?

The CHAIRMAN. There are five minutes remaining under the action of the committee. The gentleman from Texas is recognized.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the committee, I appreciate the anxiety of the House to conclude action on this bill. I know that the order has gone forth that this bill must be passed to-day and that it must be passed without any amendment whatever. I hold in my hand an amendment which I purposed to offer providing that the Federal board sitting in Washington should have no power in the case of cotton to levy an equalization fee of more than $15 a bale. The amendment offered by the gentleman from Georgia provides that such fee shall not be in excess of $25 a bale. Of course, if that amendment is voted down there will be no occasion for me to offer mine. The Wright amendment will be killed because the "Iowa plan" is to kill all amendments that limit the power of the Federal board to tax the farmers' prod-

ucts. Gentlemen of the House, I want to call your attention to the tremendous powers which you are vesting in this Federal board. The Constitution of the United States is a limitation upon the powers of the Congress, and beyond the limitations in that instrument we can not go. But you are creating a board under this bill with powers more unlimited than the Congress itself possesses. You are giving this board the power, through the levy of an equalization fee upon cotton, wheat, corn, hogs, rice, and tobacco, to fix the number and the salaries of its own employees, to erect a great machine, with a tremendous overhead, and whenever it needs more money with which to pay these salaries all the board has to do is to issue an edict and levy by the strong arm of the law a fee upon every agricultural product with which it deals.

Gentlemen, I ask you to pause and to contemplate whether the necessities of agriculture shall be made the excuse for this Congress to give to a board the power to extinguish agriculture, if its folly and mismanagement may cause it to do so. If this House refuses to put any limitation on the power of the board, does anyone suppose that the board itself will limit its own power? This House has already killed an amendment which would prohibit members of the board from buying and selling on the future market, or what is commonly known as "future gambling." If such amendments are to be killed it is apparent that this bill is to be passed under whip and spur and a board is to be created with unlimited and unchecked taxing power.

GAG RULE

We are about to vote on the McNary-Haugen so-called farm relief bill. It has been brought from the Senate and the gentleman from Iowa [Mr. HAUGEN] has issued orders that no amendment shall be considered. It must be passed without dotting an "i" or crossing a "t." He and his followers tell those of us who are anxious to vote for real, helpful farm relief that we must take the McNary-Haugen bill or nothing. It is well known that the President will veto the bill. A vote for the McNary-Haugen bill means absolutely no relief for agriculture. It means nothing for agriculture. It means that the bill will either be vetoed by the President or, because of its unconstitutional and unlimited equalization fee or tax on cotton, corn, wheat, hogs, and other products, the Supreme Court will declare it unconstitutional and void. Those who demand the McNary-Haugen bill can tell the farmers that they voted for "farm relief," but that it was vetoed by the President. If any there be who vote for this bill hoping that the President will veto it, they are not serving the farmer, but are, in fact, seeking to serve themselves politically by deluding and deceiving him.

DISTRESS OF FARMERS

Mr. Speaker, no one in this House is more anxious than I to vote for some sound bill that will be helpful to agriculture. I know the distress of the cotton farmer. I know how the price of cotton has been forced down by an 18,000,000-bale crop. I represent an agricultural district. I am personally and financially interested in raising cotton and corn. What little property I have is invested in farms that produce cotton and corn. All members of my family are engaged in farming. I know the distressing conditions that exist in my State. I know the hardships of the farmer. I was raised on a farm and I know what it is to chop and pick cotton in the sun. I am anxious to vote for some measure that will give real relief, sound relief, workable relief, relief that will not be vetoed by the President, relief by a bill that will not be declared unconstitutional, relief that will not tax the farmer into still greater distress by equalization fees levied by a Federal board, for a plan that does not provide for a swarming army of officials, inspectors, and collectors whose salaries and expenses will be paid by the farmers out of equalization fees. I want to vote to help the farmer. I am not willing to vote for a bill that my judgment tells me will bring him disaster instead of aid; that will bring him ruin instead of relief.

OTHER RELIEF BILLS

Either the Crisp or the Aswell farm relief bill could have been substituted for the McNary-Haugen bill, if a small number of those who insisted upon "the McNary-Haugen bill or nothing" had consented. In the Committee on Agriculture the Crisp bill lacked only one vote of adoption. In the House the Aswell farm relief bill lacked only a few votes of being adopted. Neither of them carries the unconstitutional equalization fee. Both are workable. Neither bill provides for an army of officials, inspectors, collectors, and "experts."

CRISP FARM RELIEF BILL

This bill provides a revolving fund of $250,000,000 and for the organization of export corporations to purchase and export cotton, wheat, and other farm products. Its plan is to endeavor to stabilize price against violent fluctuations at marketing periods. When it appears that a surplus above normal demands is about to be produced and the price to the producer about to be unduly lowered, the cotton or other export corporation shall enter the market and purchase at a fair price sufficient amounts of the surplus to prevent ruinous decline in prices. By carrying the surplus and gradually feeding it into the export market in the following years and by encouraging reduction of production, it plans to spread out the surplus over a long period.

The Crisp bill provides no equalization fee or tax upon farmers. The author of the bill, the gentleman from Georgia [Mr. CRISP], comes from a cotton State and is himself a cotton grower and the son of a great Democratic Speaker of this House. He is a real friend of agriculture and is anxious to relieve its distress.

THE ASWELL FARM RELIEF BILL

The gentleman from Louisiana [Mr. ASWELL] represents a cotton district. He has for years been a Member of the Committee on Agriculture. He has studied cooperative marketing in Europe. He is himself a cotton farmer. The bill is the result of long study and observation.

It provides for farm export corporations and appropriates $250,000,000 as an operating fund. A cotton export corporation is authorized to purchase surplus cotton at a fair price, to withdraw it from the market, and to gradually place it on the market when conditions improve. The export cotton corporation would keep advised as to acreage, crop production, probable yield, warehouse and mill stocks, probable surplus and other factors entering into the marketing problem. Such information would be furnished to producers to aid them, in so far as possible, to regulate production by decreased acreage and diversification, and to thus balance production and demand. When a large surplus of cotton is produced in one year and carried over into the next, unless there is substantial reduction of production in the following year, prices will go still lower. Instead of one surplus there will be two surpluses. The price of cotton depends upon the world demand. We export nearly two-thirds of our annual crop. We can not by law force Europe to buy more cotton than she wants to buy. If we raise 18,000,000 bales and the world wants only 15,000,000 bales, we should finance and carry over into the next year 3,000,000 bales. But if we raise 18,000,000 bales again we shall have a surplus of 6,000,000 bales. Instead of doing that we should reduce production to 12,000,000 bales the following year.

It is ruinous to raise more cotton than the world will use. It is a waste of soil, and toil, and money. It is imperative that we must strive to reduce production through diversification and reduced acreage in cotton. The extra acreage had better "lie out" and replenish its fertility by rest than to be devoted to raising another surplus. In the case of cotton, the problem of marketing is to spread out the surplus over a long period and adjust sale to demand instead of dumping the entire crop on the market during three or four months of the picking season. The carry over of a surplus, even if withdrawn from the market, will tend to depress the price unless steps are taken to reduce production.

The Aswell bill is the best that is offered and more nearly meets the situation than any other. It imposes no equalization fee. It does not say to the farmer that, though he may raise cotton and wheat and corn and hogs by his own toil, before he can sell them or ship them he must pay a tax in any amount the board may fix, a tax not paid by other producers or manufacturers on their products. The Aswell bill does not confiscate the farmer's property. It is practical farm relief. It puts no increased burden on the farmer. It does not provide for "losses" to be taken out of the farmers' pockets. It is workable. It does not provide for an army of officials, inspectors, and tax gatherers to go about the country at the expense of the farmers to check up equalization fees on each bale of cotton and bushel of corn and wheat and each hog marketed for slaughter.

Mr. Speaker, I voted for the Aswell bill. I voted to substitute it for the McNary-Haugen bill. If 25 Members who are ramming the McNary-Haugen bill through this House would vote for the Aswell bill, it could be substituted and could become a law. The Aswell bill provides an export corporation in response to the platform of the Democratic National Convention. I prefer to take my stand with the Democratic Party and a practical cotton grower, the gentleman from Louisiana [Mr. ASWELL] instead of the gentleman from Iowa [Mr. HAUGEN], whose Republican high-tariff doctrine has profiteered on agriculture and given the profits to manufacturing industries.

The gentleman from Iowa [Mr. HAUGEN] says that his bill is an experiment and that the farmer ought to bear the expense of the experiment; that he ought to pay the bill though he is already in dire distress. If "farm relief" is an experiment, if the farmer, because of favoritism by the Government to manu-

facturing and railroad corporations, has been injured, why should the farmer bear the hazard and expense of the "experiment" to accord him justice? Agriculture is a national necessity. The farmer feeds and clothes the people of the United States. The export of cotton and wheat annually brings hundreds of millions of dollars, to the United States.

That money goes into the channels of trade and commerce and benefits every business and industry in America. Agriculture must be maintained. America is dependent upon it. It is a national asset. If it is ruined, the business of the whole country will suffer. The whole country can afford to bear the expense of any "experiment" to solve the problem. It is not just to tax the already impoverished farmer to "experiment" on him without his consent. It is not believed that any loss will be incurred under the Aswell bill.

M'NARY-HAUGEN BILL RUINOUS

The McNary-Haugen bill is absolutely hopeless. It may pass the House, but before it is passed it is known that it will be vetoed by the President. If approved, the courts will declare it unconstitutional.

The bill is the product of what is known as the Corn Belt. It is built around a desire to perpetuate the high-protective tariff which has robbed the American farmer. The authors of the McNary-Haugen bill are supporters of high-protective tariffs on manufactures.

There is now a tariff of 15 cents per bushel on corn and 42 cents per bushel on wheat. That tariff has not been effective. The purpose of this bill is to make it effective, and try to tie the farmers to a high-protective tariff. The McNary-Haugen bill proposes to shut-out wheat and corn imports, and to then buy up the amount ordinarily exported. Such surplus would be sent abroad and dumped for any price obtainable. The loss would be paid by the farmers out of equalization fees. Under such a plan foreign countries could buy American flour cheaper than our own people. By law the American consumer of bread would be condemned to pay more for American flour at home than the foreigner would pay for American flour in Europe. That is a vicious effort at artificial price fixing.

Of course, in the case of cotton, upon which there is no tariff, the scheme will not and can not work. A tariff would not aid cotton. We export cotton. The domestic price of cotton is controlled by the world price. Its price is fixed by the world demand. The pretended principle of the Haugen bill can not help cotton, if it were possible to apply it to corn or wheat. But the Corn Belt advocates of the Haugen bill in a desperate effort to secure votes from the cotton States, have taken advantage of the present distressed condition of the cotton growers and by crying "the Haugen bill or nothing," and by an aggressive campaign and persistent propaganda, have induced the leaders of one of the great cotton cooperative associations to support this bill. Believing that it will increase and deepen the distress of the farmer, I do not propose to be stampeded into completing the farmers' ruin by the demand to take "the McNary-Haugen bill or nothing."

M'NARY-HAUGEN FEDERAL BOARD

The bill creates a Federal farm board of 12 members, one from each Federal farm-land bank district, with the Secretary of Agriculture the thirteenth member and chairman. Only 3 of the 13 will come from cotton-growing States. The President can appoint only those persons recommended by a nominating committee of seven in each land-bank district. Four or a majority of the members of the nominating committee in each district shall be elected by the bona fide farm organizations and cooperative associations in such district. It is provided that only those organizations designated by the Secretary of Agriculture shall participate. Two members are selected by the heads of the agricultural departments of each land-bank district, and the seventh is selected by the United States Secretary of Agriculture. It is said that only about 8 per cent of the farmers of the United States belong to cooperative associations. Under this plan it will be possible for 8 per cent of the farmers to select members of the Federal farm board, while the President can not appoint any farmer from the 92 per cent which have no voice in such selection. The board, however, when selected will have power over all farmers raising cotton, corn, wheat, rice, tobacco, or hogs whether members of cooperative associations or nonmembers.

ARMY OF EXPERTS, EMPLOYEES, AND COLLECTORS

The board is not limited as to the number of employees, inspectors, officials, and collectors of fees and experts which it may appoint. It will sit in Washington. To collect fees on every bale of cotton, bushel of wheat, rice, and corn, and each pound of tobacco sold or shipped and each hog sold for slaughter will require thousands of employees, tax gatherers, and spies, who will harass and annoy the farmers of the United States. This vast expense must come out of the pockets of the farmers themselves.

EQUALIZATION FEE OPPRESSIVE TAX

The board has the power to assess equalization fees in any amount upon every bale of cotton, every bushel of corn, every bushel of wheat, every pound of rice and tobacco that may be sold, and upon every hog that may be sold for slaughter. An amendment to limit the equalization fee on cotton to $5 per bale was voted down. Another amendment to limit the fee to $10 was defeated. The amendment now pending to limit the fee to $25 per bale will be defeated.

The fee is a direct Federal tax. It is not to be used for a Government purpose but for the board's purposes. It is a charge, however, laid by law upon the citizen. It is not laid on manufacturing industries, nor railroads, but upon one class, the farmers. I do not believe Congress has any power under the Constitution to levy such a tax on the farmers. The equalization fee is the very heart of the McNary-Haugen plan. It is the forcible taking of the farmers property and turning it over to a board to spend, without his consent. I do not believe that Congress can delegate to a Federal board the power to levy such a tax whenever it may desire and in any amount it may desire.

OPERATIVE PERIOD

Whenever the board may declare an "operative period" it must levy the equalization fee. In times of distress, the equalization fee will fall heavily on the farmer. With prices depressed to the point of ruin, the fee will increase his misfortune. The farmer who must sell his cotton to pay his indebtedness must pay the fee. If the fee is $15 per bale, he will get $15 less money for his cotton. The banker, or the merchant whom he owes, will get $15 or $25 less on his debt, as the case might be. But it is argued that the board must levy the fee to discourage production. Are not the already ruinous prices of cotton and other farm products sufficient punishment for over-production? Is the farmer to be further punished in order that the board may display its power? But it is said that he may get something back on his receipt for the fee. After the expenses of the board are paid, like the boy's apple, "there ain't going to be no core." Gentlemen privately so admit, though they do not publicly avow it.

OPERATIONS OF THE BOARD

The board is authorized to employ the revolving fund of $250,000,000 and the fund created from the collection of equalization fees, not directly but "the board is authorized to enter into agreements for the purpose of carrying out the policy declared in section 1, with any cooperative association engaged in handling the basic agricultural commodity or with a corporation created by one or more of such cooperative associations or with processors of the basic agricultural commodity." In short, while every producer of cotton will be forced to pay equalization fees, the funds so collected can only be expended through farmers' cooperative associations or processors or their corporations. Processors are millers, packing houses and cotton mills.

The board may contract with millers and with meat packers and with cotton mills, and may guarantee a profit to such cotton spinners, packers, and millers and other processors. This profit must come out of the equalization fees paid by the farmers. The farmers themselves have no assurance of any profit whatever. While all of the farmers must pay the fee, only the cooperative associations selected by the board will be allowed to handle funds by contract with the board. It has been argued that one purpose of the bill is to force farmers to join cooperative associations. The bill does not in so many words declare such to be its purpose. But it is argued that by allowing cooperatives to nominate the members of the farm board and by directing the board to carry on its operations exclusively through cooperatives, millers, packers, and processors, and by using the equalization fees collected from all the farmers to finance such operations, farmers will be indirectly forced to join the cooperatives. I believe in farmers' cooperative associations. I believe they have done much good. Where their members voluntarily join and cooperate, they can and will do much more. Their success, however, can not be founded on force. I am unwilling, by taxing farmers, to indirectly coerce them to become members.

There are many theorists and dreamers who have utterly failed in their own business who think that they can run the farmer's business better than the farmer himself. If he will not willingly permit them to run it for him, they are anxious to have a law to force him to do so.

JOBS UNDER THE BILL

It is said there are a number of persons now in Washington lobbying for the McNary-Haugen bill and claiming to represent the farmers who are expecting to be appointed to the board, at $10,000 a year, or who expect to be selected as "experts" or inspectors or officials of the board. The bill limits the choice of the board in such a way that they feel assured of jobs. They drew the bill. The idea is theirs. If they can secure unrestrained power, they can compel the farmer to run his business according to their idea and their interests. If he does not respond, they can clap on him higher equalization fees to cover their loss and expenses.

SOME CAUSES OF AGRICULTURAL DEPRESSION

The Middle West advocates of the McNary-Haugen bill argue that the distress of agriculture has been caused by Government favoritism to the manufacturing industries and to railroad companies. In that contention they are substantially correct. The Middle West voted for the Fordney-McCumber tariff bill. They voted for the railroad bill. Here in this Chamber I voted and spoke against both of those measures. I warned the representatives of the Middle West that the Fordney-McCumber tariff would rob their farmers. I warned them that the railroad act of 1920 would raise their rates to higher levels.

Agriculture can never be placed upon a parity with the tariff-protected industries or with the favored owners of railroad properties until the high tariff rates and freight rates are reduced. High tariffs and high freight rates were made to give their beneficiaries an advantage. If they did not get an advantage, they would not want them. There can be no equality while those favored interests enjoy those advantages over farmers. Equality would destroy those advantages.

EXPORT DEBENTURES FOR AGRICULTURE

The American farmer must export his cotton and wheat and sell it abroad in a free market in competition with the whole world. The American farmer is forced to buy his goods in a tariff-protected, restricted domestic market. He must sell in a competitive market. He must buy in a noncompetitive market. I favor the establishment of an agricultural export corporation such as that proposed in the Aswell bill. I favor coupling with it a provision that whenever such corporation shall export a substantial amount of agricultural products the Treasury Department shall issue to the corporation a debenture certificate, which shall entitle the corporation or any assignee to import into the United States manufactured goods of equal value free of duty. The corporation could sell debentures to importers and place the funds in its operating capital or could itself import manufactured goods and sell them in the United States. The export corporation could not only give the farmer a better market in which to sell but could secure him a better market in which to buy.

CONCLUSION

Mr. Speaker, when this bill was before the Senate many southern Senators voted against it because they considered it injurious to the southern farmer. The following Senators from cotton-producing States regarded it as dangerous and ruinous to our people: Senators GEORGE and HARRIS, of Georgia; Senator BLEASE, of South Carolina; Senator OVERMAN, of North Carolina; Senators SWANSON and GLASS, of Virginia; Senators PAT HARRISON and HUBERT STEPHENS, of Mississippi; and Senators HEFLIN and UNDERWOOD, of Alabama. These Senators, devoted to the interests of the southern farmer, opposed the bill as a hopeless and impossible measure that promised no real relief, but offered only increased distress and depression. When the roll is called in this House it will be found that many Members from great cotton-growing States and many Members from Texas will oppose it as vicious and ruinous. My conviction and conclusion that I am right is confirmed by the attitude of these distinguished leaders and southerners. Mr. Speaker, I voted for the Crisp bill. I voted for the Aswell bill, which I prefer above the others. But believing that the McNary-Haugen bill will prove ruinous to the great farming district which has honored and trusted me, believing that it will prove ruinous to the farmers of my great State, believing that it will prove ruinous to the farmers of the United States, believing that it is unsound, unworkable, and unconstitutional, I must vote against it.

Mr. Speaker, tremendous political pressure has been brought to bear upon Members of Congress from agricultural States to vote for this bill. In Texas, persistent propaganda has been spread among the people, denouncing those who refuse to accept the McNary-Haugen bill. It is being charged that we are not friends of the farmer, because we believe that the Haugen bill will not help the farmer, but will in fact hurt him. If I considered the McNary-Haugen bill to be sound, and would help the farmer, I would cheerfully and gladly support it. But my convictions tell me that it is not sound and that it will prove a disaster to the farmers.

Mr. Speaker, I believe the people whom I have the honor to represent want me to vote my honest convictions on public questions. During my service in Congress I have endeavored to devote whatever of intellect I may possess to the careful and painstaking study of public questions. I have endeavored to vote in accordance with what my convictions told we were the best interests of the people of my district and of my country. I have the honor to represent a great district in the very heart of Texas. Its people have been kind to me. I owe them the duty of casting a vote on this measure that is in accordance with my deliberate judgment. I owe them the duty to cast such a vote in spite of the threats that have been made against me unless I shall vote for this bill. I owe them the duty to cast such a vote, regardless of political considerations. I owe them the duty to vote for their welfare as I see it without consulting my fears. It has been suggested to me that it is good politics to vote for the bill, because the President will veto the measure. To do that would be to dodge my own responsibility for political expediency.

Gentlemen of the House, before a vote is had I want to warn you that the board you are about to create will have greater power than any board ever created by this Government in all of its history—a board to control the agriculture of the United States. You are giving this board the power, without any limitation, without any equivocation, without any qualification whatever, to bring upon agriculture economic ruin and economic chaos. I appeal to you, gentlemen of the House, to set some limitation upon the power of this board; let us set some limitation upon its power to name and nominate the number of its employees; let us set some limitation upon the power of this board to crush, not because it wants to, perhaps, but to crush through its folly and through its mismanagement and bad judgment the great industry which you profess to desire to aid and assist. [Applause.]

The question was taken; and on a division (demanded by Mr. WRIGHT) there were—ayes 42, noes 80.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I demand tellers.

The CHAIRMAN. The gentleman from Georgia demands tellers. Those in favor of taking this vote by tellers will rise and stand until counted. [After counting.] Twelve Members have arisen, not a sufficient number.

So tellers were refused.

Mr. HARE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 15, line 4, after the word "collection," strike out the period, insert a colon, and add: "*Provided*, That no equalization fee shall be levied or collected on cotton until further and affirmative action of Congress."

The question was taken; and on a division (demanded by Mr. HARE) there were—ayes 27, noes 70.

So the amendment was rejected.

Mr. McDUFFIE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. McDUFFIE: On page 14, line 21, after the word "weight," insert a comma and add the word "grade"; and in line 23, before the word "of," insert the words "or grade of such unit."

The amendment was rejected.

The Clerk read as follows:

PAYMENT AND COLLECTION OF EQUALIZATION FEE

SEC. 10. (a) Under such regulations as the board may prescribe there shall be paid during operations in a basic agricultural commodity and in respect of each unit of such commodity an equalization fee upon one of the following: The transportation, processing, or sale of such unit. No more than one equalization fee shall be collected in respect of any unit. The board shall determine in the case of any class of transactions in the commodity whether the equalization fee shall be upon transportation, processing, or sale.

(b) The board may by regulation require any person engaged in the transportation, processing, or acquisition by sale of a basic agricultural commodity—

(1) To file returns under oath and to report in respect of his transportation, processing, or acquisition of such commodity, the amount of equalization fees payable thereon, and such other facts as may be necessary for their payment or collection.

(2) To collect the equalization fee as directed by the board and to account therefor.

(3) In the case of cotton to issue to the producer a serial receipt for the commodity, which shall be evidence of the participating interest of the producer in the equalization fund for the commodity. The board may in such case prepare and issue such receipts and prescribe the terms and conditions thereof. The Secretary of the Treasury, upon the request of the board, shall have such receipts prepared at the Bureau of Engraving and Printing.

(c) Every person who in violation of the regulations prescribed by the board fails to collect or account for any equalization fee shall be liable for its amount and to a penalty equal to one-half its amount. Such amount and penalty may be recovered together in a civil suit brought by the board in the name of the United States.

Mr. TINCHER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 15, line 24, strike out lines 24 and 25.

The amendment was rejected.

Mr. TINCHER. Mr. Chairman, I have another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 16, line 1, after the word "cotton," insert the word "wheat."

The amendment was rejected.

Mr. TINCHER. Mr. Chairman, I have another amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TINCHER: Page 16, line 12, after the words "its amount," insert: "*Provided*, That any person may purchase and butcher for home consumption as many as two hogs per annum, without becoming liable in any way, under the provisions of this act, for the payment of fees or charges."

Mr. JOHNSON of Washington. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. I would like to ask some member of the Committee on Agriculture what is meant on page 15, line 18, by the use of the word "sale"? The language is that the board may, by regulation, require any person engaged in the transportation, processing, or acquisition by sale of a basic agricultural commodity, and I would like to know why the word "sale" is used rather than the word "purchase."

Mr. TINCHER. I do not know. I have not the same copy of the bill that the gentleman is using.

Mr. JOHNSON of Washington. I was quite curious to know about that.

Mr. TINCHER. Nobody knows what the bill means.

The amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 16, line 12, after the words "its amount" insert: "*Provided*, That no farmer raising less than four hogs per annum shall be liable under the provisions of this act for not paying equalization fees on said hogs if he produces said hogs for home consumption."

Mr. HAUGEN. Mr. Chairman, it seems to me that these absurd amendments are entirely out of place. The bill provides that you may kill 100 hogs if you want to. Are we to take up time in discussing these amendments. I move that all debate on this section and amendments thereto close in 10 minutes. The gentleman from Kansas to have five and the gentleman from South Carolina five.

Mr. KINCHELOE. Will the gentleman yield?

Mr. HAUGEN. Yes.

Mr. KINCHELOE. Will the gentleman agree with the other friends of the bill to stay here until the sun rises in the morning to pass this bill?

Mr. HAUGEN. Absolutely. [Applause.]

The CHAIRMAN. The gentleman from Iowa moves that all debate on the section and all amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was rejected.

Mr. TINCHER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 16, line 12, after the words "its amount" insert: "*Provided*, That no producer of swine shall be held to have violated this act, or any of the provisions thereof by the sale, without the payment of the equalization fee thereon, of any portion of the pork products, or lard, from any hogs butchered by the producer."

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, I have not taken any time considering the number of amendments I have. I resent the insinuation that my amendments are silly. It might be that some amendments I have offered would be considered silly if we were considering anything but silly legislation. This bill was written by some one out of Congress. It was prepared by some one who never had any experience in preparing bills. Every amendment I have offered not in the hope of having it adopted, because I know a steam roller when I see one, but in the hope of calling your attention to this monstrosity that we are going to send to the other end of the avenue. [Applause.]

I want to suggest that it may be silly to employ a limit of $25 equalization fee, it may be silly to-day to say that the hard wheat of this Nation will not be taxed and bring wheat down in price, but it will not be silly next fall. [Laughter and applause.]

I want to make an announcement as there seems to be some misunderstanding. I am quitting Congress, quitting public office, but I am not going to quit politics or public affairs. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was rejected.

Mr. FULMER. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 15, line 15, at the end of the line, insert: "No equalization fee shall be paid in respect of cotton prior to the expiration of two years from the date of the approval of this act, and the equalization fee in respect of cotton shall not exceed at any time the equivalent of $5 a bale. If by reason of unforeseen conditions a loss is sustained in the disposition of cotton purchased under the provisions of this act during the first two years, such loss may be assessed against the succeeding operations in connection with cotton."

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I am offering this amendment in good faith, and I want to say to the Members on my side of the House, as well as to my friends on the other side, that I am offering this amendment because it is absolutely fair. I resent the remarks on the part of some gentlemen on the floor of this House that because a Member anxious to do that which is right for the agriculturists of this country, anxious to be fair to my people in the South as well as you people in the West, when I stand up on the floor and offer an amendment, a legitimate amendment, to be met with the assertion that it is offered to kill the bill.

A year ago we worked this legislation out to a successful conclusion. My good friends from the West say that they want the equalization fee now, and I am willing for them to have it, but our people of the South at this time do not want it, because we do not have to have it, because in the matter of cotton it will be almost impossible to have a loss. The gentleman from Kentucky [Mr. KINCHELOE] says that the tobacco people want it. Then, my friends, I want your tobacco people to have it. As I said the other day, I want to be fair with the Members on both sides, because this is a new scheme. It is an untried proposition. You do not know whether it is going to work or not.

I believe the Government, with the great amount of money now in the Treasury, should take this scheme to the country without the equalization fee and without expense to the producers, try it out, and if it is good they can turn it over to the producers. If my amendment carries, I propose to offer an amendment to take the equalization fee off all commodities and let the Government stand the expense of trying it out. When I do that I realize, if you make the tariff apply, there will be certain losses to the Treasury, but we of the South are perfectly willing to have these losses come out of the Treasury and try to help the agricultural interests out of its present deplorable condition. I am now offering you an amendment that will limit the fee on cotton not to exceed $5 and not to be put on for two years. In the meantime, if we should have losses, it will be assessed back on the operation of cotton in the future; but we would not have any losses. I hope both sides of the House will vote for this amendment, because I do not believe it will interfere with the passage of this bill.

The CHAIRMAN. The time of the gentleman from South Carolina has expired. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. FULMER) there were—ayes 37, noes 82.

So the amendment was rejected.

Mr. ALMON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ALMON: On page 15, at the end of line 15, insert the following: "No equalization fee shall be paid in respect of cotton prior to the expiration of two years from the date of the approval of this act, and the equalization fee in respect of cotton shall not exceed at any time the equivalent of $2 a bale."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. ALMON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ALMON: On page 15, at the end of line 15, insert the following: "No equalization fee shall be paid in respect of cotton prior to the expiration of one year from the date of the approval of this act, and the equalization fee in respect of cotton shall not exceed at any time the equivalent of $2 a bale."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

Mr. ALLGOOD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ALLGOOD: Page 15, line 15, after the word "sale," strike out the period, insert a colon and the following: "*Provided further*, That when the equalization fee on cotton goes into effect, that the same fee shall be collected on each bale of cotton sold and bought on future contract through cotton exchanges in New York, N. Y., New Orleans, La., and Chicago, Ill."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 15, line 10, strike out the word "transportation."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

STABILIZATION FUNDS

SEC. 11. (a) In accordance with regulations prescribed by the board, there shall be established a stabilization fund for each basic agricultural commodity. Such funds shall be administered by and exclusively under the control of the board, and the board shall have the exclusive power of expending the moneys in any such fund. There shall be deposited to the credit of the stabilization fund for a basic agricultural commodity, advances from the revolving fund hereinafter established, premiums paid for insurance under section 12, and the equalization fees and profits in connection with operations by the board in the basic agricultural commodity or its food products.

(b) The board, in anticipation of the collection of the equalization fees and the payment of premiums for insurance under section 12, and in order promptly to make the payments required by any agreement under section 6 or by the insurance contracts under section 12 and to pay salaries and expenses of experts, may, in their discretion, advance to the stabilization fund for any basic agricultural commodity, out of the revolving fund hereinafter established, such amounts as may be necessary.

(c) The deposits to the credit of the stabilization fund shall be made in a public depositary of the United States. All general laws relating to the embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys of the United States, shall apply to equalization fees collected by any person and to profits payable to the credit of a stabilization fund, whether or not such fees or profits have been credited to the appropriate stabilization fund, as well as to moneys deposited to the credit of the fund or withdrawn therefrom but in the custody of any officer or employee of the United States.

(d) There shall be disbursed from the stabilization fund for any basic agricultural commodity only (1) the payments required to be made by any agreement under section 6 or by an insurance contract under section 12, (2) the salaries and expenses of such experts as the board determines should be payable from such fund, and (3) repayments to the revolving fund of any amounts advanced in respect of the agricultural commodity from the revolving fund to the stabilization fund and remaining unpaid, together with interest on such amounts at the rate of 4 per cent per annum.

(e) When the amount in the equalization fund for cotton is, in the opinion of the board, in excess of the amount adequate to carry out the requirements of this act in respect of such commodity, and the collection of further equalization fees thereon is likely to maintain an excess, the board may retire in their serial order as many as practicable of the outstanding receipts evidencing a participating interest in such fund. Such retirement shall be had by the payment to the holders of such receipts of their distributive share of such excess as determined by the board. The amount of the distributive share payable in respect of any such receipt shall be an amount bearing the same ratio to the face value of such receipt as the value of the assets of the board in or attributable to the fund bear to the aggregate face value of the outstanding receipts evidencing a participating interest in such fund, as determined by the board.

Mr. WHITE of Kansas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kansas moves to strike out the last word.

Mr. WHITE of Kansas. Mr. Chairman and gentlemen of the committee, I have not spoken hitherto upon this bill. I am recognized for five minutes. I shall not exceed that limit. I shall make but one or two statements.

I know of no reason, and I can think of none, why the farmers of America, the farmers of the United States, should not, through their organization in cooperation with their Government, do that which the manufacturing industries of this country have been doing for 50 years; a thing that has been notoriously true, and it is practically impossible for them to do this through their own organizations. Why should not the farmers have the cooperation of their Government?

This bill may be to an extent experimental, but certainly it is not a theory.

Mr. Chairman, the Ames Manufacturing Co., 50 years ago, was doing the very thing that it is proposed to do under the provisions of this bill. It has been suggested and some Members have expressed some apprehension as to what it may do to the consumers. There is no question, Mr. Chairman, as to what the employment of this practice for 50 years has done for the great industrial organizations of this country.

Every important manufacturing industry has now or has had throughout the past 60 years ample and consecutive protection of their interest under the protective tariff. The American laborer is protected through the operation of our immigration laws. I am constrained to feel that our Members from the industrial centers do not appreciate either the importance or the seriousness of this great question. Our colleagues from these sections certainly do not look at this problem from the farmer's viewpoint and in their voting indicate but little interest or sympathy therewith. In any public discussion outside of Congress those industrial experts are prompt to admit—aye, they proclaim—that agriculture is the backbone of American strength and progress, but when we tell them that this backbone is dislocated they do not seem to think that fact to be at all serious or important. How often has it been pointed out that if throughout the vast agricultural expanse of this country if the farmer can not buy goods freely then the retail merchant's trade suffers and is soon paralyzed, and this situation is promptly reflected on the business of the wholesaler and then upon the manufacturer and laborer? All this is admitted, and is not and can not be denied. Now, as to the righteousness and morality of this proposed law there is and should be no question. Almost the entire list of commodities in constant use are monopolistically controlled and the price stabilized from the factory to the consumer. Whether this is done entirely through organization or through the exercise of a common and well-understood purpose is of little consequence; the fact remains and is undisputed. The prices of implements and machinery essential to the conduct of the farmer's business are all of them absolutely under the control of the manufacturer. The industrial East, after 60 years of protection, under which it has prospered as no other section of the world has prospered, is utterly inconsistent in seeking to withhold from agriculture the same means of achieving prosperity which the East has employed so successfully in the past. My time is expiring. There is much more I could say, but the hour is late. We should pass this bill this evening, resisting every attempt to adjourn until the vote is taken. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment of the gentleman from Kansas will be withdrawn.

There was no objection.

Mr. LEAVITT. Mr. Chairman, I have an amendment.

The CHAIRMAN. The gentleman from Montana offers an amendment, which the Clerk will report.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that the debate on the section and all paragraphs relating thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the debate on this section and all amendments thereto close in five minutes. Is there objection?

There was no objection.

Mr. LEAVITT. Mr. Chairman, I move to strike out the last two words, in order to request that a telegram from the joint committee on agriculture of the Montana Legislature, reading as follows, may be included as a part of my remarks:

HELENA, MONT., *February 8, 1927.*

Congressman SCOTT LEAVITT,
Washington, D. C.:

We the joint senate and house committee on agriculture of the twentieth session of the Montana Legislature respectfully urge you to support the McNary-Haugen farm relief bill.

Elmer Johnson, Ralph C. Bricker, Albert Budas, L. N. Erickson, Elias Rorvik, Geo. W. Gustafson, S. C. Arnold, D. A. Deliwo, J. T. Sparling, Ben N. Benson, Chas. Akofer, C. R. Prescott, Ben Nelson, Joint House Committee on Agriculture.

Geo. McCone, L. F. Greenup, Walter D. Kemmis, W. T. Cowan, Christian F. Gilboe, Ralph R. Tower, J. W. Schnitzler, I. S. McQuilty, Wm. H. Buttleman, Joint Senate Committee on Agriculture.

[Applause.]

Mr. FORT. What is the date of that vote?

Mr. LEAVITT. The date of the telegram is the 14th of this month.

Mr. FORT. What was the date of the vote?

Mr. LEAVITT. This is from the joint agricultural committee of the house and senate of Montana. There had been a resolution.

Mr. FORT. Had a copy of the bill reached them by that time?

Mr. LEAVITT. Indeed it had, the original bill.

Mr. WILLIAMSON. I may state for the benefit of the House, if the gentleman will permit, that the Legislature of South Dakota recently passed a joint resolution, without a dissenting vote, indorsing the McNary-Haugen bill. [Applause.]

Mr. FORT. It is the McNary bill that we are debating now. They have indorsed the wrong bill.

Mr. LEAVITT. Mr. Chairman, I had not intended to take any time except to offer the telegram, and would not have done so if these questions had not been asked. The situation in Montana is that the idea underlying this bill very largely originated in discussions in Montana and that the people of Montana and the members of the legislature who have sent this telegram are fully in touch with the general underlying principles of the McNary-Haugen bill.

Of course, in reply to the gentleman from New Jersey [Mr. FORT] the Senate bill could not have reached them at the time of the date of this telegram; but all the underlying principles of the McNary-Haugen bill are included in their understanding of this measure, and it is a measure that as a State Montana is very thoroughly behind.

The CHAIRMAN. Without objection, the pro forma amendment of the gentleman from Montana will be withdrawn. The Clerk will read.

The Clerk read as follows:

LOANS AND INSURANCE

SEC. 12. (a) The board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, or sale or other disposition of any agricultural commodity (whether or not a basic agricultural commodity) for the purpose of assisting such cooperative association in controlling the surplus of such commodity in excess of the requirements of orderly marketing.

(b) For the purpose of developing continuity of cooperative services, including unified terminal marketing facilities and equipment, the board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, sale, or other disposition, or processing of any agricultural commodity, (1) for the purpose of assisting any such association in the acquisition, by purchase, construction, or otherwise, of facilities to be used in the storage, processing, or sale of such agricultural commodity, or (2) for the purpose of furnishing funds to such associations for necessary expenditures in federating, consolidating, or merging cooperative associations, or (3) for the purpose of furnishing to any such association funds to be used by it as capital for any agricultural credit corporation eligible for receiving rediscounts from an intermediate credit bank. In making any such loan the board may provide for the payment of such charge, to be determined by the board from time to time, upon each unit of the commodity handled by the association, as will within a period of not more than 20 years repay the amount of such loan, together with interest thereon. The aggregate amounts loaned under this subdivision and remaining unpaid shall not exceed at any one time the sum of $25,000,000.

(c) Any loan under subdivision (a) or (b) shall bear interest at the rate of 4 per cent per annum.

(d) The board may at any time enter into a contract with any cooperative marketing association engaged in marketing any basic agricultural commodity insuring such association for periods of 12 months against decline in the market price for such commodity at the time of sale by the association from the market price for such commodity at the time of delivery to the association. For such insurance the association shall pay such premium, to be determined by the board, upon each unit of the basic agricultural commodity reported by the association for coverage under the insurance contract, as will cover the risks of the insurance.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer an amendment.

Mr. FORT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT: On page 20, beginning in line 13, strike out paragraph (d).

Mr. FORT. Mr. Chairman, I think it will be admitted that I have not offered any frivolous amendments to this legislation. I am now moving to strike out the so-called insurance clause, which appeared in this legislation for the first time on the floor of the Senate.

There was presented to the Senate a fairly intelligent insurance proposal as it would relate to cotton. No word was presented to the Senate committee or to any other body connected with the Government of the United States relating to insurance on any other product of agriculture. The proposal in this provision of the bill is that any cooperative—let us say one engaged in the business of wheat—may, when its member brings in his wheat to it, go to the Government board and on that day and date secure from that board an insurance policy to the effect that at no date within one year from that day that wheat will resell for a less price than it does on that day.

Now, my friends, wheat two years ago varied 70 cents a bushel within a period of three months; within a period of three months 70 cents a bushel on a wheat crop of from 700,000,000 to 800,000,000 bushels. And under this provision, without a word of proof to the Congress of the United States, without a calculation of the possible cost, without any consideration as to whether we desire to make the Government of the United States an insurance company, we are here told that, because on the floor of the Senate practically without debate and without consideration, this provision was put into this legislation we must swallow it or be put in the position of denying farm relief.

My friends, there is not a man on this floor who has reasoned out the possible implications in that paragraph of this bill. Not one. There is not a man in either House of Congress who could have, within the week this matter has been pending, figured or even guessed at the hazard we are here asking the Government of the United States to assume—not only to assume the hazard but to start in an entirely new line of business. I call your attention, my friends, to the fact that this proposal is putting the Government in the insurance business. This is no contract to be fulfilled by a processer. This is no contract to be fulfilled by an agency. This is a direct proposal that the Government of the United States go into the business of insuring prices. And do you mean to tell us—the gentleman from Montana or the gentleman from Kansas or any of these other men who have introduced resolutions here to-day from their State legislatures indorsing the so-called Haugen bill—do you mean to tell us that those State legislatures want to indorse a proposal for the Government of the United States to go into the business of insuring prices?

Mr. LEAVITT. Will the gentleman yield?

Mr. FORT. Yes.

Mr. LEAVITT. If I can get the time after the gentleman has concluded, I would like to make a brief statement as to why I think our State legislature would have approved this bill with this feature in it.

Mr. FORT. Well, that is a matter of opinion. I want to state to the House that if you are going to vote on this amendment, you vote with your eyes open to the fact that you are

putting the Government of the United States in the insurance business on a surely losing basis.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto do now close.

Mr. JOHNSON of Washington. Mr. Chairman, reserving the right to object, I want three minutes because I have a serious amendment to offer.

Mr. PURNELL. What does the gentleman mean by a serious amendment?

Mr. NEWTON of Minnesota. Mr. Chairman, reserving the right to object——

Mr. HAUGEN. Mr. Chairman, I amend my request by making it seven minutes.

Mr. NEWTON of Minnesota. Reserving the right to object, will the gentleman yield ?

Mr. HAUGEN. I will make it 10 minutes.

Mr. NEWTON of Minnesota. Reserving the right to object, will the gentleman yield?

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

Mr. HAUGEN. Mr. Chairman, I modify my request to make it 10 minutes.

Mr. SCHAFER. Mr. Chairman, I object, and ask for the regular order.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in 10 minutes. Is there objection?

Mr. WHITTINGTON. Reserving the right to object, I should like to have five minutes on this insurance plan.

The CHAIRMAN. Is there objection?

Mr. SCHAFER. I object.

Mr. HAUGEN. Then, Mr. Chairman, I move to close debate in 10 minutes.

Mr. BLANTON. Close it now.

Mr. SCHAFER. Mr. Chairman, a parliamentary inquiry. When will the caucus, being held by the gentleman from Iowa, adjourn?

Mr. BLANTON. Mr. Chairman, I offer a substitute to the motion made by the gentleman from Iowa that the debate close now .

Mr. SCHAFER. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. Does the gentleman from Iowa desire to make a motion?

Mr. HAUGEN. I move that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this section and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. SCHAFER) there were—ayes 80, noes 4.

So the motion was agreed to.

Mr. JOHNSON of Washington. Mr. Chairman, I desire to congratulate the House Committee on Agriculture that it did not prepare and did not indorse in committee the paragraph found on page 19 of this bill, relating to the loan without security of $25,000,000 for purchase of warehouses, terminals, and for the processing of all agricultural products, whether basic or not. That paragraph is a trouble maker. Where shall the title lie? The language reads:

> For the purpose of developing continuity of cooperative services, including unified terminals, marketing facilities, and equipment, the board is authorized * * * to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, sale, or other disposition or processing of any agricultural product.

Mr. FULMER. What is wrong with that? [Laughter.]

Mr. JOHNSON of Washington. I am not surprised at the laughter. A mere $25,000,000 to be disposed of that way seems to cause uproarious laughter these days.

Mr. PURNELL. Will the gentleman yield?

Mr. JOHNSON of Washington. No; I can not yield.

Mr. PURNELL. The gentleman has plenty of time and ought to yield.

Mr. JOHNSON of Washington. On the contrary, there is not even time to offer an amendment to perfect this paragraph. When gentlemen of this House find out, if this bill becomes a law, the difficulties that will arise over the title to property, including terminals purchased by cooperative organizations, they may regret such a loosely drawn paragraph. I presume that they are sitting snugly now, happy in the hope that each county seat cooperative may borrow from the board and buy or build a warehouse, buy or build a flour mill. Hundreds of places will want to have warehouses established for the purpose of storing grain. But it will not be the county seats that your grain will go for storage, but to the terminals—the great cities. And even in these cities the cooperatives are likely to flourish like green bay trees on money borrowed from the board and brought into the fund—the fees to be levied after the first $25,000,000 of Government money is gone. What a demand there will be! How long will it be before the pressure will be on Congress itself for funds, more funds, and still more funds? No provision has been made for the taking over of buildings, terminals, and warehouses by gift. No statement as to where title shall lie, and no provision as to security. There is no limitation as to the amount of aid for processing. Well may the House Committee on Agriculture congratulate itself that it did not originate, devise, or indorse this particular paragraph. Some will contend that the property to be acquired by the cooperatives, with the approval of the board, will be then owned by the Federal Government. Will it? If not, who will own it?

Mr. WOODRUFF. I have voted for the McNary-Haugen bill at every opportunity presented to me since I have been in Congress. I have voted for all other measures which would tend to improve the condition of the American farmer. It occurs to me that there is no other class of our citizens who are compelled to transact their business under the handicaps the farmer has to contend with. He is at the mercy of the man to whom he sells. He is at the mercy of the man from whom he buys. He must necessarily accept the price offered him for his products and he must necessarily pay the price demanded when he purchases the things he must have. He is at the mercy of floods, of droughts, of hurricanes, of blights and pests which at times destroy the crops before or at maturity. In addition to this, he always pays the freight. He pays the freight upon the things he produces, from his farm to the point of consumption, and he pays the freight upon the things which he purchases, from the place of production to the place where he makes the purchase. When the farmer sells a bushel of wheat or other products of his farm he is not paid the price quoted in the great consumption markets of the country. He is paid the price less the freight to that point. He is the only individual, I think, who is compelled to meet so many adverse conditions in the transaction of his business.

The farming population of the United States constitutes one-third of our entire population. When the buying power of this great class is restricted, every man in the city immediately feels the effect. Business slows up, with a consequent loss of profits. Labor is unemployed to a greater or less extent, and as a result of this the business of the merchant and the manufacturer in turn again slows up, and we have what has come to be regarded as the periodically inevitable panic. This always results, as we know, in business and banking failures, misery and suffering throughout the land. It must not be forgotten that upon the buying power of the people as a whole depends the maximum prosperity of every line of industry. It has been demonstrated since the war that certain lines of industry can enjoy some measure of prosperity even when all our people do not have a like buying power, but will anyone argue that the prosperity we have enjoyed during the past four years even approaches what it would have been had the great agricultural class possessed a normal purchasing power during this time?

Many lines of industry have flourished to some degree during this time, but not all. I have in mind particularly an industry which has known little prosperity during this period, and it is the lumber industry. Owing to the fact that building for peace-time purposes was practically suspended during the war, one would naturally suppose that immediately following the establishment of peace, building would at once commence on a scale that would tax the efforts of our great lumber-producing concerns. Buildings of every kind and description were needed, and sorely needed, in the cities and on the farms. Construction began immediately in the former, but not on the latter. There has been little construction of buildings there during the past five years. Statistics tell us that the amount is but 10 per cent of the normal. It is not because the farmer does not desire or need to build the buildings to house his family, his stock, his crops, or his implements. It is because he does not have the money with which to do this very necessary thing. Building in the cities has been during this period on a basis of 90 per cent of a normal program. If building on the farms had been on the same favorable basis, the lumber industry would be prospering to-day instead of being in the very uncomfortable situation it finds itself in. This is the direct result of the failure of such prosperity as we have had to reach out into the agricultural regions. One-third of our entire population has had only a subnormal buying power, and when this condition exists it is inevitable that every industry should feel its effect. It applies to all alike. Upon the welfare of one

depends, to some extent at least, the welfare of all others, and particularly does the welfare of our urban population depend upon the welfare and prosperity of agriculture. [Applause.]

If this bill is beaten and relief is denied the farmers of the country, it will be by the votes of you men who represent city districts. How you can deliberately close your eyes to the benefits which would accrue to you and your constituents by the enactment of this measure is more than I can understand. You must remember that when the farmer has money in his pocket he necessarily spends it in the towns and cities for the things which your constituents produce. He can not spend it elsewhere. His prosperity means the continuous and increased prosperity of the people you represent, and it seems to me that if you can not consider and vote for this bill on a basis of plain, everyday fairness and justice, you can consider it upon a more selfish basis and vote for it upon those grounds.

The Constitution of the United States contemplates like treatment for all classes of our citizens. Heretofore we have put much class legislation upon the statute books. A protective tariff policy has become the established American policy. It was originally placed upon the statute books for the purpose of aiding and making prosperous American industry. No one can deny the many benefits accruing to the country as a whole as a result of this legislation. The immigration laws were placed upon the statute books for the purpose, namely, of aiding American labor. Prior to the enactment of the Johnson immigration act great hordes of foreigners were coming yearly to our shores, entering the labor markets and competing at an unfair price with American labor. As a result of this and the tariff law, American labor to-day enjoys the highest wage of any labor in the world, and as a result his purchasing power has increased, and a larger measure of prosperity has come to the country generally.

Many people have argued that the increased wage means nothing, for the reason that the cost of living has kept pace with the price of labor. That this is not true is indicated by the fact that statistics show that in the United States a day's wage buys more of the comforts and necessities of life than a day's wage will buy anywhere in any other country in the world. Everyone realizes that ordinarily when one class increases its prosperity all other classes enjoy some additional measure of prosperity as a result of this condition. This has not been true of the farmer, for the reason that he to-day is compelled to compete with the industries of the city in the labor market. When a farmer needs help on his farm for his planting or harvesting or cultivating he finds himself in a position where he must pay a wage which will attract men from the cities to work upon the farms. If the farmer were permitted to receive for his products the American price, instead of the world price, the situation he would find himself in would be equitable. However, this still being an agricultural country, we produce a surplus of many of our farm crops. Owing to the fact that we are compelled to sell this surplus in a world market, and to compete in that world market with other countries where the cost of land, machinery, and labor is far below what it is in this country, the price we receive for this surplus fixes the price of many farm products in this country on a parity with the price received for these products in the world market. This obviously is unfair to the American farmer.

It is estimated that there is a difference of $15,000,000,000 between the price paid by the American consumer and the price paid to the farmer for his products consumed in the United States. This wide spread between these prices is brought about by the fact, largely, that the American farmer has not been in a position to market his crops in an orderly, businesslike way for the benefit of himself and the consuming public. Purchasers of farm crops at the time of harvest buy them at a low price and sell them at an exorbitant price when the market is right. I have in mind a condition that came to my personal attention three or four years ago. The farmers in my district received for their potatoes 40 cents per hundred pounds. That same year in Washington I paid at the rate of $5 per bushel for these same potatoes. Had the Michigan and other potato growers of the country been in a position to handle their own crop in an orderly, businesslike way; had they been in a position to hold the crop until the market could absorb it, naturally and normally, they could easily have received profitable prices for these potatoes and the consuming public could have purchased the same for a reasonable, instead of an exorbitant price.

One of the things that the McNary-Haugen bill proposes to do is to enable the American farmer to handle his crops in the way any business man should handle his products. It will encourage the organization of the farmers of the country; it will tend to reduce the spread between the price the farmer receives and the price the consumer pays, and in my opinion will be of great benefit to all classes. The bill proposes to reduce this spread by elimination, through the organizations of farmers and their ability to do much of the work in handling crops that is now done by many so-called middlemen. If the handling of farm products could be put upon the efficient basis manufactured products are now handled, it can easily be seen that great benefits would be derived both by the people who produce farm products and by the people who consume them.

It has been argued by some that the bill will benefit only those farmers producing the so-called basic products named in the bill. As a matter of fact, if one will read section 12 of the bill, he will very quickly realize that the benefits of the bill are extended to all other farm products. For the benefit of the Members of the House who have not read the bill—and there are some—I will put in the RECORD, section 12, which is as follows:

SEC. 12 (a) The board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, or sale or other disposition of any agricultural commodity (whether or not a basic agricultural commodity) for the purpose of assisting such cooperative association in controlling the surplus of such commodity in excess of the requirements for orderly marketing.

(b) The board is authorized, upon such terms and conditions and in accordance with such regulations as it may prescribe, to make loans out of the revolving fund to any cooperative association engaged in the purchase, storage, sale, or other disposition, or processing of any agricultural commodity, for the purpose of assisting such cooperative association in the purchase or construction of facilities to be used in the storage or processing of such agricultural commodity. In making any such loan the board may provide for the payment of a fixed number of annual installments which will, within a period of not more than 20 years, repay the amount of such loan, together with the interest thereon. The aggregate amounts loaned under this subdivision and remaining unpaid shall not exceed at any one time the sum of $25,000,000.

(c) Any loan under this section shall bear interest at the rate of 4 per cent per annum.

It will be seen by reading this section that the cooperative associations producing potatoes, for instance, would be enabled to handle their crop in the way it should be handled; that whatever benefits are derived from the production and sale of this or other commodities should be, and may be, under the provisions of the McNary-Haugen bill, reserved very largely to the man who produces the commodity and the people who consume the same.

It must be remembered that the purpose of the bill as a whole is simply to give to the farmer the American price for his products consumed in this country. The American manufacturer receives an American price for his products; the professional and the business man receive an American price for their services. The American laboring man receives an American price for his labor. He is not compelled to compete with cheap foreign labor in his everyday life.

One of the most wholesome things which has occurred in connection with the consideration of this bill has been the appearance before the Agricultural Committee of the representatives of the American Federation of Labor, who unqualifiedly indorsed the bill and asked its enactment. They asked this, stating that they believed it was possible there might be some slight increase in the cost of living for them and their families, but that they believed, in justice to the American farmer, he should be enabled to live and produce under the same conditions applying to all other classes of American citizens.

Congress in enacting the Fordney-McCumber tariff law placed nearly all of the farm products upon the protected list. Certain definite rates were written into the bill on these different products, and it was the purpose of Congress in writing these rates into the bill to give to the farmers of the country the benefit of these rates. Inasmuch as the surplus controls the domestic price, as I have said before, many of these rates have been noneffective. It seems to me that if the Members of this House who believe in a protective tariff are to be consistent, they will vote for this bill, which proposes to give to the American farmer the benefits of rates already written into the tariff law.

There is much misunderstanding as to just what the bill means, but briefly it is this: It proposes to give to the American farmer the complete benefit of the tariff rates written into the tariff law. Under present conditions the farmer producing wheat in this country finds himself in this condition: The London, or world price, fixing the American price, is, we will say

for the purpose of argument, $1 per bushel. Does the farmer in the Middle West receive a dollar for his bushel of wheat? He does not. He receives a dollar, less the cost of transporting that bushel of wheat from his farm to London, and this cost is approximately 10 cents. So, instead of receiving a full dollar for his bushel of wheat, he receives a dollar, less 10 cents, or 90 cents. It is believed that under the McNary-Haugen bill the farmer would receive $1, the world price, plus the tariff, which is 42 cents, plus 10 cents, the cost of transporting a bushel of wheat from London to this country—in all $1.52, less the equalization fee, which might possibly be anywhere from 12 to 15 cents. So, instead of the American farmer receiving 90 cents for his bushel of wheat, under the Haugen bill, if it works as its proponents believe it will work, the farmer would receive from $1.37 to $1.40 per bushel. The same principle applies to other basic commodities named in the bill, and under section 12 relief can be extended to the marketing of all other farm crops.

Now, some people are fearful that this increased price to the farmer is going to mean an increase in the cost of flour and bread. I have had communications from baking concerns asking me to vote against the bill upon the theory that an increase in price to the farmer will mean an increase in the price of a loaf of bread. It is interesting to note that during the past four years the price of wheat has fluctuated between 85 cents and $1.90 per bushel and during this time there has been little, if any, change in the price of bread. I have been buying bread daily during these years. I am paying 8 cents per loaf to-day, and I have paid 8 cents a loaf every day for the last four years. Some way, some how, the slack between the price of 85 cents and $1.90 a bushel for wheat has been absorbed by the institutions which have handled and processed this commodity. I believe, and the Members of this House who favor this bill believe, that there will be no increase in cost to the consumer.

I have been amused at some of the arguments advanced against this bill. One Member argued that it was wrong to "dump" our surplus farm products on the foreign markets; that the foreign countries to which we send this surplus would object; that we had laws which prevented the dumping of their manufactured and other products on our markets, and that they would not tolerate it, and so forth. He completely closed his eyes to two very pertinent facts. First, one of the fundamental purposes of the bill is to enable our farmers to sell this surplus in the foreign markets in a businesslike, orderly way. To hold it until it can be absorbed gradually at good prices. "Dumping" contemplates throwing it all on the market at one time for anything it will bring, and under this bill this would not be done. Second, the Member evidently lost sight of the fact that we do not ship our food products to those countries which produce a surplus of the products. We do not ship our wheat to Argentina or India or Russia. We ship it to London and other great consuming centers. Does anyone imagine that Great Britain or the English people, who produce practically no wheat, would object if we were to dump all our surplus wheat upon their market at one time and sell it to them at any price they might see fit to pay? On reflection, I think we will all agree that they would not.

Another argument advanced against the bill is that it interferes with the law of supply and demand. There is no question but that it will do exactly this, but while doing so would do no more for the farmer than the tariff has done for the manufacturer, and the immigration law has done for labor. The law of supply and demand contemplates the free and unrestricted opportunity to supply the demand wherever in the world it may exist. It does not begin or end at the boundary line of any State or any nation. I think we will all agree that the tariff interferes with supplying the demand for foreign-made goods in this country. I think we will all agree, also, that the immigration law interferes with supplying the demand for cheap foreign labor in this country. To be consistent those of you who are opposing the bill upon these two grounds should at all times as vigorously oppose the two laws I have just mentioned, and that I know you will not do.

In connection with this particular question, it is interesting to consider the views of one of the foremost authorities on business and economics in the world, Mr. Otto H. Kahn, New York and London banker, whose views on business questions are eagerly sought by all. In an address delivered before the Kiwanis Club of New York City at the Hotel McAlpin, New York, on December 22, 1926, he said:

> You may have heard the story of the preacher, who, coming upon a certain passage in the Bible, said to his congregation: "Now, this is a knotty point. Let us look it straight in the face, and pass on." Well, we must look the farming problem straight in the face, but we can not afford to pass on. We must stop and see what is to be done about it.
>
> It is no use asserting, as some people do, that there really is no farming problem which calls for action, that in certain sections the farmer is doing very well, and that the thing to do is to leave him alone, let him work out his own destiny, and rely upon the action of economic forces to bring things to a head according to the law of supply and demand and the doctrine of the survival of the fittest. The social conceptions of the day have passed beyond such an attitude. In many ways, for reasons rightly deemed valid by public opinion, we have interfered with the untrammeled workings of that law and of that doctrine.
>
> The authoritative figures showing the average yield of the farming industry are public property. They prove beyond question that there is a farming problem. They demonstrate irrefutably that the farmer for years has not received reasonable compensation for his toil, let alone participating in the great prosperity which has come to other callings. They explain all too convincingly why millions of our farming population are gravely discontented and under a sense of grievance with the existing order of things.
>
> I am not competent to say what remedy should be applied. But I do feel very strongly that the farmer's problem is part of our problem, and that both justice and enlightened self-interest demand of the community at large, and especially of the business community, that every legitimate and promising endeavor be put forth, to the end that the farmer's grievances be redressed. It is for those who are best informed as to the farming industry to get together and formulate and propose measures which the prevailing opinion among them holds to be effective to that end. It is for the business community to approach such proposals with an open and sympathetic mind, even though they be of a novel or unusual character, and to do their best to help to have them enacted (unless it be demonstrable that they run counter to economic soundness, and therefore, in the long run, would do more harm than good) and to aid in carrying them into effective operation.
>
> I would earnestly urge that the business community put forth its best efforts to aid the farmer, and—what is still more important—prove to him that it means to aid him; that it is sincerely interested in his well-being; that it is not sitting comfortably wrapped in the mantle of its own prosperity and callously disregarding the plight of the farmer, but that it is genuinely concerned to see to it that good times, which too long have passed him by, shall enter the farmer's door and abide at his hearth.

If the business men generally throughout the country would take the same fair attitude toward this great problem, the way would be made easy for the enactment and practical and satisfactory working of this measure. After stating he was not competent to say what remedy should be applied, Mr. Kahn said:

> It is for those who are best informed as to the farming industry to get together and formulate and propose measures which the prevailing opinion among them holds to be effective to that end.

Mr. Chairman, this is precisely what has been done in the drafting of this bill. It incorporates the best thought of the great farm leaders of the country. It is indorsed by all farm organizations except the Grange—and it has not come to my attention that this organization has condemned it. It is indorsed by the Vice President of the United States, and everyone will concede that in the past he has contributed considerably to the solution of the economic problems of the world. It is indorsed by the Hon. Frank O. Lowden, ex-Governor of the great State of Illinois, and to-day one of the recognized authorities on farm problems. It has been given the indorsement of the Michigan and other State legislatures and many chambers of commerce throughout the country.

Of course, no man knows definitely whether the bill will do quite all its proponents expect it to do, but everyone will concede, I think, that it will be helpful to some extent, at least. The farmers want it, labor wants it, and the business and professional men ought, and I believe would want it, if they understood how much of happiness and prosperity would come to them and everyone else as a result of it.

The bill, through the equalization fee, fully protects the $250,000,000 revolving fund. If there is a loss in the handling of the surplus, such loss is made good by the farmers themselves and not by the Treasury of the United States. It is the only bill presented to this body which so protects the Treasury. It is not a subsidy in any sense of the word, and it is to the everlasting credit of the farmers of the country that they have gone on record as opposed to any form of subsidy in farm legislation.

The law will be administered by the men whom the farmers recommend for this purpose, and as a result the administration will be in the hands of those in sympathy with the provisions and purposes of the bill. It may not be a perfect measure.

It probably is not, but experience has taught us here that rarely do we pass a great measure which is a perfect one. It usually is necessary to amend it in order to accomplish all Congress seeks to accomplish. It may be necessary to do the same in this instance, but the fact that this may be a possibility does not, to my mind, justify a vote against it.

The opponents of the bill argue that the law, if successful at all, will result in a vast increase in the production and consequent increase in the surplus of the basic commodities named in the bill. They overlook, or minimize, the effect of the aid to the producers of all other products extended in section 12 of the bill, which I believe will tend to make the production of all farm crops profitable to a like degree. If, however, the farmers turn their attention and their efforts to the production of these basic commodities to such an extent as to vastly increase the surplus, the bill will prove a disappointment to them, and the business of farming will be no more prosperous than it is to-day. I hope and believe that if this bill becomes a law the good horse sense of the American farmer will cause him to handle the crop question in a way which will keep the average production of these basic commodities where it is to-day, and if this is done, it will result in increased prosperity to all classes of our people, and contentment and happiness throughout the land. [Applause.]

Mr. WHITTINGTON. Mr. Chairman, I want to say a word with reference to the insurance feature. The gentleman from New Jersey [Mr. FORT] evidently does not understand the insurance provisions. They provide against a seasonal decline. It is a question of the average seasonal price, rather than the highest price during the season. The insurance provides for average weighted price during the entire season if in excess of the average weighted delivery price.

THE INSURANCE FEATURE OF THE M'NARY-HAUGEN FARM SURPLUS CONTROL BILL

I desire to make brief answer to the criticisms of the insurance feature of the pending legislation made by the gentleman from Kansas [Mr. TINCHER], the gentleman from Minnesota [Mr. NEWTON], and the gentleman from New Jersey [Mr. FORT].

The gentleman from Kansas stated that the insurance proposition was so delicate that it could not be considered in committee, that no witnesses ever testified concerning it, and that it had been rejected by Lloyd's. Substantially the same criticism was made by the gentleman from Minnesota.

I reply by saying that there have been more hearings on the insurance feature of the McNary-Haugen bill than there have been on the Curtis-Crisp bill, advocated by the gentleman from Kansas. Let the records speak. I understand that in the hearings of the House Committee on Agriculture, the author of the bill [Mr. CRISP], made substantially the same statement that he delivered on the floor of the House, and that the gentleman from Kansas and the gentleman from New Jersey, as if unfamiliar with the Curtis-Crisp bill, but pleased with its terms, were so delighted after Mr. CRISP's statement that they asked for his testimony to be printed and asked him to insert it in the RECORD. Thus ended the hearings on the Curtis-Crisp bill. The only hearing in the House committee was the statement of Mr. CRISP. There were no hearings on the Curtis-Crisp bill in the Senate.

I call attention to the fact that on January 31, as shown by page 2631 of the RECORD, I presented to the House the insurance plan, outlined its principal features, gave the facts and statistics upon which my conclusions were based, and called attention to the fact that Mr. O. F. Bledsoe had offered to appear before the House committee, but was informed that there really were no hearings before the House committee on any of the bills at the present session. I stated that Mr. Bledsoe had appeared before the Senate Committee on Agriculture, that he had presented the plan of insurance, and I called attention to the fact that the hearings on the insurance plan might be found in the hearings on January 18, 1927, of the Senate Committee on Agriculture on the McNary-Haugen bill.

I believe, therefore, that I am justified in saying that there have been more hearings on the principle of the insurance plan than have been held for the bill advocated by the gentleman from Kansas, or on any of the features of any of the bills.

The insurance plan has been submitted to Lloyd's; they have not rejected it, but say that they have it under consideration. If the insurance could be obtained elsewhere, we would not be asking for it in the pending bill. If the relief demanded by agriculture could be obtained elsewhere, there would be no reason for passing any of the bills. There is just as much justification for passing the insurance plan as there is for passing any of the bills.

I repeat that of all the hearings at the present session of Congress, within my knowledge, on the details of any features of the bills where facts and statistics and the results of investigations were given to support the plan of the bill, the hearings on the insurance plan are more thorough and extensive than those on any other feature of any of the bills.

CRITICISMS ANSWERED

Having exhausted his ammunition against the Haugen bill, the gentleman from New Jersey launches an attack upon the bill as amended by the Senate. It will be recalled that under his leadership, and that of his allies, during the first session of the present Congress, the Members of Congress who favored farm relief and who desired to vote on farm relief were denied the privilege of even voting for the bill, then advocated by the gentleman from Kansas and the gentleman from New Jersey. He did not even offer the bill that he now espouses. The same tactics are being invoked this session. It is evident that the plan of the opposition is to defeat agricultural legislation.

The gentleman from New Jersey characterized the insurance plan as a half-baked scheme. He stated that he was in the insurance business; he proclaimed that he was an authority on insurance. What proof did he offer that the insurance plan is ill-advised? What facts did he submit in support of his assertions that the plan was unsound from an insurance standpoint?

I answer that the insurance plan was embodied in the bill by the Senate, after careful investigation and consideration. All insurance is based on investigations and facts. I call attention to the fact that the Senate did not adopt the amendment until after careful investigation. Statistics covering a period of 20 years, in the case of cotton, were submitted in the hearings.

The investigation disclosed that there is an insurable risk. Did the gentleman from New Jersey say that the investigations are insufficient; did he charge that the statistics are incomplete; did he submit any proofs to show that the insurance plan is not entirely sound and practicable and feasible? He announced that he is familiar with insurance; I maintain that we have a right to an analysis and to his presentation of his ideas to show that the plan as insurance is unsound. I may add that while the plan as adopted by the Senate is not identical with the plan proposed in the hearings, yet the plan was substantially adopted. The advocates of insurance asked for a plan covering cotton; the Senate considered it. The advocates of farm legislation said that if the plan was good for cotton, it ought to be good for wheat and other basic commodities. They said that if the principle was sound, instead of embodying the details of the plan in the legislation, the details should be left to the farm board. The advocates of the insurance plan were confident of their position, and they agreed to the Senate amendments because they believe the principle is sound. They were willing for the insurance feature to be optional with the farm board, and willing for the farm board to make any and all investigations that might be necessary before the farm board engaged in carrying out the insurance feature.

I maintain that the insurance feature is directly and indirectly involved in all of the pending bills. Without some kind of insurance, warranty, or guaranty of price, there is no relief in any of the bills. The Curtis-Crisp bill proposes to insure prices, proposes to stabilize prices at the point of efficient production. In some form or other, all of the legislation must, in the very nature of the case, provide for insurance, and I submit that the characterization of the insurance plan as half-baked, without any proof in support of his statement, is not worthy of the gentleman from New Jersey.

But I am not in the insurance business. The plan is not new. It has been considered for months. Congress has facts and statistics on the plan, and the farm board will secure any other statistics that may be desired. The plan has been submitted to some of the leading insurance experts of the country. I understand that if there is one man familiar with insurance, particularly relative to cotton, in the country it is Mr. Edwin G. Seibels, of New York City, who is with the Cotton, Fire, and Marine Underwriters. I quote from this authority on insurance:

> It seems to me to be a fair underwriting proposition.

Is the scheme half-baked? Is it ill-advised? Has it been considered? I quote from Mr. Seibels again:

> This appears to me to be a sufficiently definite proposition to calculate a fair rate for the risk involved, and the statistics and records seem to me to be in better shape than a great many propositions which underwriters are willing to undertake.

I may say that substantially the same statement and the same records were submitted to Mr. Seibels as were submitted to the Senate committee.

Again, I quote from Mr. Seibels:

I would suggest putting the proposition before the underwriters on a similar basis to that of our Shore Fire Covers.

I am not giving you my language; I am giving you the well considered language of one of the leading insurance men of the United States when he was asked for an opinion and a conclusion on the insurance plan. Again I quote from Mr. Seibels:

I think the proposition is not only sound in itself, but it is particularly attractive from an underwriting standpoint at the present moment.

Again, I quote from Mr. Seibels:

It will be interesting to note that this uniform trend of prices is found in wheat as well as cotton. This result, of course, is in strict conformity with the logic of the situation.

I submit that the language of Mr. Seibels, and I have quoted his exact words, given to Mr. O. F. Bledsoe, who had asked his opinion on the plan of October 15, 1926, betrays a familiarity with the underlying insurance principles involved that is quite lacking in the unfounded criticism of the gentleman from New Jersey.

INSURANCE VOLUNTARY AND APPLICABLE WITH OR WITHOUT OPERATING PERIOD

I refer to another criticism of the gentleman from New Jersey. It is typical. He states that under the bill insurance only applies in the operating period. In answer to the gentleman from Alabama, who asked if the insurance is not optional, Mr. FORT replied that it was optional with the board. I answer that it is optional with the cooperative. The bill so provides. If a cooperative association does not want the insurance that may be provided by the board, it need not take it. If the insurance plan worked out by the board does not appeal to the cooperative, they are not compelled to accept the plan. The gentleman from New Jersey, to support his criticism that insurance applies only during the operating period, again offers a sample of his proof to support his assertions. He asks the Members to read the bill. Evidently he has not read it. I accept his challenge. I maintain that the equalization fee only applies during the operating period, but I assert that the plain, unmistakable language of the bill is that insurance may apply with or without the equalization fee, with or without the operating period.

Is Mr. FORT right? I quote from the bill, page 22, paragraph (d), under section 12:

The board may, at any time, enter into a contract with any cooperating marketing association engaged in marketing any basic agricultural commodity.

I submit that if the gentleman from New Jersey knows as little about the remainder of the bill, and of the principles of this legislation, as he does about the insurance feature, his criticisms will continue to carry but little weight.

The gentleman from New Jersey takes a fling at the cotton cooperatives. Is not the declared purpose of the Curtis-Crisp bill, supported by him, to promote cooperative marketing? Why try to frighten the cotton growers by saying that the farm board, created by the farmers themselves, will impose a premium under the insurance plan that is more inequitable than the fire or life-insurance companies, in which the gentleman from New Jersey may be interested? Surely the fire-insurance companies and the life-insurance companies have not an absolute corner on all the unselfish principles of the insurance.

It does not lie in the mouth of the gentleman from New Jersey to criticize those who vote for the bill as amended by the Senate. They are voting for a bill that differs from the Haugen bill of last session. The gentleman from New Jersey is not offering nor is he supporting the same bill that he offered last year. He supported the Tincher bill last year, and he is supporting the Curtis-Crisp bill this year. He and all the advocates of the Curtis-Crisp bill maintain that it is different from the Tincher bill of last year. Oh, consistency, thou art a jewel! Let me add that under section 12(a) the McNary-Haugen bill has all the good features of the Tincher or Fess bill of last session, for loans amounting to $250,000,000 can be made to cooperatives.

UNCONSTITUTIONALITY

In criticism of the insurance plan the gentleman from New Jersey has become desperate. He invokes the question of constitutionality. Much has been said about the constitutionality of the Haugen bill. The criticism of the gentleman from New Jersey is a fair sample. He announces that insurance is not interstate commerce and that it is not commerce at all. He then proceeds to further announce that, inasmuch as insurance is not interstate commerce, the Federal Government is without authority to enact the pending bill with the insurance feature embodied therein. I reply by saying that there is no dispute among the members of the bar. Insurance is neither interstate commerce nor commerce at all. That is not the question. The business of insurance is not confined to the States, and yet it is not interstate commerce. It is not a transaction in commerce. Neither is the business of slaughtering and packing cattle and hogs intended for transportation and sale in other States within the State. The business of manufacturing is not commerce. This is not the question involved. If the argument of the gentleman from New Jersey is a fair sample of the argument of the unconstitutionality of the bill, it is no wonder that such arguments have fallen on deaf ears.

In the language of the bill itself, the purpose of insurance, as provided by paragraph d of section 6, is to carry out the policy of enabling the producer to provide for the control and disposition of the surplus of the commodity and to enable producers of such commodities to stabilize their market against undue and excessive fluctuations. It is not a question of commerce at all. It is the matter of the Government appropriating $250,000,000 and providing means in aid of agriculture.

From the very earliest years of the history of the country Congress has repeatedly made appropriations relating to subject matter which it is not entitled to regulate. The Constitution was so interpreted by the First Congress, and it has been so interpreted in innumerable instances since then. Such appropriations are made under the provision for the general welfare, and under our dual form of Government, involving as it does a dual citizenship, the question of whether such appropriations are for the general welfare is not a judicial question.

If the Federal Government has no authority to provide for insurance against a seasonal decline in price, I respectfully submit that it has no authority to appropriate money for the salvation of any commodity by stabilizing or insuring the price at the point of efficient production.

Congress makes appropriations for the improvement of grades of cattle, for the standardization of products, and for the promotion of health. The lawyers of the House are familiar with the fact that there is a great difference between undertaking to regulate the business of insurance, and making an appropriation to stabilize, insure, or warrant prices that must obtain in any program adopted by Congress in aid of agriculture.

The insurance feature involves the use of Federal money, the grant of a privilege, and machinery by which the Federal Government can really aid agriculture. [Applause.]

I requested Mr. Frederick P. Lee, legislative counsel, to give me an opinion on the insurance features, and I quote his memorandum, as follows:

MEMORANDUM UPON CONSTITUTIONALITY OF INSURANCE FEATURES OF THE M'NARY-HAUGEN BILL

The McNary-Haugen bill (S. 4808, as passed by the Senate) provides a system for regulating the marketing of basic agricultural commodities in interstate and foreign commerce. The current of commerce regulated is one continually flowing from one part of the country to another or to foreign countries. As Chief Justice Taft has said, such a current of commerce is in itself the very essence of "the commerce among the States and with foreign nations which historically it was one of the chief purposes of the Constitution to bring under national protection and control." In order to accomplish this regulation of the current of interstate and foreign commerce the bill provides certain machinery or means whereby the regulatory effects are to be achieved. Among these means are:

(1) Agreements (to be made by the Federal farm board with cooperative associations or corporations created by them) for removing and disposing of the surplus in any basic agricultural commodity, paying from the commodity stabilization fund losses incurred by the associations or corporations, and paying into such funds profits made by the associations or corporations. (See sec. 6 (e).)

(2) Agreements (to be made by the Federal farm board with such cooperative associations or corporations) for withholding the surplus in any basic agricultural commodity and paying from the stabilization fund to such associations or corporations losses incurred by reason of decline in the market price of the commodity. (See sec. 6 (e).)

(3) Agreements (to be made by the Federal farm board with such cooperative associations or corporations) for withholding the surplus in any basic agricultural commodity and paying to such associations and corporations from the fund created by the insurance premiums paid by them losses incurred by reason of decline in the market price of the commodity. (See sec. 12 (d).)

The argument has, as I understand it, been advanced that these agreements for paying losses, particularly losses occasioned by price decline, are insurance contracts; that insurance is not commerce; and that therefore the making of the contracts can not be sustained as a valid regulation of interstate and foreign commerce.

It is true that under the commerce clause Congress can not regulate insurance contracts. Under the bill, however, Congress does not

attempt to regulate insurance contracts. The bill provides for a Federal agency, the Federal farm board, to enter into the insurance contracts as a means of regulating the current of commerce. Contracts made by a Federal agency on behalf of the Government are the only contracts involved. What Congress is doing in the bill, is to regulate the current of commerce using these insurance contracts made by the Federal farm board as the means of accomplishing the regulation.

In choosing the means by which it may accomplish any of its specified powers, including the power to regulate commerce, Congress has full discretion. This follows from the "necessary and proper" clause in the Constitution.

The Supreme Court has said that the legislative powers conferred upon the Congress by the "necessary and proper" clause are not limited to providing such means as are absolutely and indispensably necessary, without which the specific powers granted must fail of execution; but they include all appropriate means which are conducive or adapted to the end to be accomplished and which in the judgment of Congress will most advantageously effect it. It is well settled that where the means adopted by Congress are not prohibited and are calculated to effect the object intrusted to it, the courts will not inquire into the degree of their necessity, as this would be to pass the line which circumscribes the judicial department and tread upon legislative grounds. (McCulloch *v.* Maryland, 4 Wheat. 316, 423; Legal Tender Cases, 110 U. S. 421, 440; Legal Tender Cases, 12 Wall. 457, 536; Fong Yue Ting *v.* United States, 149 U. S. 698, 713; Everard's Breweries *v.* Day, 265 U. S. 545, 559.)

As a means for regulating commerce Congress has, for instance, made certain acts unlawful and imposed criminal and civil penalties for their commission; it has imposed fees; it has created corporations; it has prescribed bills of lading; it has created Government bureaus, commissions, and other agencies; it has entered into contracts with carriers; and in the instant case it enters into insurance contracts with certain private agencies marketing in interstate and foreign commerce.

The arguments advanced against the validity of the insurance contracts confuse the regulation of commerce with the means of regulation. Far from attempting to regulate private insurance business or contract, the Congress provides that the United States shall itself engage in the insurance business as a means for effecting the regulating of interstate and foreign commerce.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. LEAVITT. Mr. Chairman, both party platforms, and every party leader from the President of the United States down, are on record as favoring a national policy to hasten the development of cooperative marketing associations.

The so-called "insurance amendment" which was added in the Senate is a practical provision, which will do much to accomplish this end. It does not change or limit any power which the Haugen bill confers on the board. It is merely a definite statement of one of the kinds of contracts which the board is empowered to enter into with cooperative-marketing associations, to accomplish the policies declared in this bill.

Everyone familiar with large-scale cooperative associations knows that one major disadvantage which they are subject to is their inability to advance to their members, at the time of delivery of the wheat or tobacco or cotton anywhere near the current market price for the commodity as a result, the farmer who is hard pressed and needs all the money he can get his hands on when he delivers his crop feels constrained to sell it outside the association, and for cash.

The cooperative association can not borrow full value, nor advance more than 65 to 75 per cent of the current value of a commodity, because of the risk of market decline. An over-advance is disastrous.

The insurance plan is intended only for staple commodities regularly quoted in established markets like Chicago for grain or New Orleans for cotton. The board is empowered to insure a cooperative association handling cotton, for example, against its loss if the quoted market price for a standard grade in a standard market, should be lower on the days when the association sells its cotton than on the days when the members delivered the cotton to the association.

With such an insurance agreement in effect a cooperative association would be justified in advancing to its members on delivery very nearly the entire market value on the delivery days. If the market arose the members would receive the benefits; if it fell, the association would be protected against loss by the insurance agreement.

Since such an agreement would help accomplish the object of the bill by enabling cooperative associations to handle the surplus without breaking down their organizations, the board is empowered to back up such agreements with the stabilization fund for the commodity. If no equalization fees were being collected, the cooperative association and the board could negotiate a contract on the basis of premiums payable to the board by the cooperative. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. FORT].

The question was taken, and the amendment was rejected.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 19, line 11, strike out lines 11 to 23, inclusive, and the words "cooperative association," in line 24.

Mr. NEWTON of Minnesota. Mr. Chairman, the amendment I have offered strikes out a provision that has never been considered in a committee of the House or in the Senate. Some two or three years ago there was formed an organization of a so-called grain marketing company in Chicago that took over the elevators and other facilities of Armour Grain Co., J. Rosenbaum & Co., and Rosenbaum Bros.

Some of the facilities were out of date, poorly located, and nonfireproof in construction. The total elevator capacity was upward of 20,000,000 bushels. The literature gotten out by this grain-marketing company described the property as being worth, at a fair appraisal, $17,000,000. One of the properties was sold to Armour years ago at a knockdown price of $325,000. My understanding is that this particular property was valued in this appraisal at between one and one-half and two million dollars. Just how far the other units were overvalued I do not know.

I do know that they did not make a success in their efforts to induce the farmers of the country to subscribe to the stock of this company. After one year of operation the properties went back to those who were trying to unload them. The then head of this Grain Marketing Corporation is still its president. He has been active at the other end of the Capitol in endeavoring to get this provision into the bill, and the only conclusion is that this fund of $25,000,000 will be put at the disposal of this organization for the purpose of acquiring this property at an excessive price. I would like to know why the Committee on Agriculture of the House is supporting a provision of that kind.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was lost.

The Clerk read as follows:

DEFINITIONS

SEC. 15. (a) As used in this section and in section 10 (relating to the equalization fees)—

(1) In the case of wheat, rice, or corn the term "processing" means milling for market of wheat, rice, or corn, or the first processing in any manner for market (other than cleaning or drying) of wheat, rice, or corn not so milled, and the term "sale" means a sale or other disposition in the United States of wheat, rice, or corn for milling or other processing for market, for resale, or for delivery by a common carrier—occurring after the beginning of operations by the board in respect of wheat, rice, or corn.

(2) In the case of cotton the term "processing" means spinning, milling, or any manufacturing of cotton other than ginning; the term "sale" means a sale or other disposition in the United States of cotton for spinning, milling, or any manufacturing other than ginning, or for delivery outside the United States; and the term "transportation" means the acceptance of cotton by a common carrier for delivery to any person for spinning, milling, or any manufacturing of cotton other than ginning, or for delivery outside the United States; occurring after the beginning of operations by the board in respect of cotton.

(3) In the case of swine the term "processing" means slaughter for market by a purchaser of swine and the term "sale" means a sale or other disposition in the United States of swine destined for slaughter for market without intervening holding for feeding (other than feeding in transit) or fattening—occurring after the beginning of operations by the board in respect of swine.

(4) In the case of tobacco, the term "sale" means a sale or other disposition to any dealer in leaf tobacco or to any registered manufacturer of the products of tobacco.

(5) The term "transportation" means the acceptance of a commodity by a common carrier for delivery.

(6) The term "sale" does not include a transfer to a cooperative association for the purpose of sale or other disposition by such association on account of the transferor; nor a transfer of title in pursuance of a contract entered into before, and at a specified price determined before, the commencement of operations in respect of the basic agricultural commodity. In case of the transfer of title in pursuance of a contract entered into after the commencement of operations in respect of the basic agricultural commodity, but entered into at a time when, and at a specified price determined at a time during which a particular

equalization fee is in effect, then the equalization fee applicable in respect of such transfer of title shall be the equalization fee in effect at the time when such specified price was determined.

(a) As used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "United States," when used in a geographical sense, means continental United States.

(3) The term "cooperative association" means an association of persons engaged in the production of agricultural products, as farmers, planters, ranchers, dairymen, or nut or fruit growers, organized to carry out any purpose specified in section 1 of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922, if such association is qualified under such act.

(4) The term "tobacco" means leaf tobacco, stemmed or unstemmed.

Mr. NEWTON of Minnesota. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. NEWTON of Minnesota: Page 23, line 11, strike out the paragraph.

Mr. NEWTON of Minnesota. Mr. Chairman, the original Haugen bill, as I recall, provided for the levying or collecting of the equalization fee on the ginning of the cotton. As I gather from the Senate bill it is now levied upon the milling of the cotton.

Mr. HAUGEN. Or other manufacture, other than ginning.

Mr. NEWTON of Minnesota. What was the purpose of the change? Why levy it at the cotton mill instead of at the point of ginning?

Mr. HAUGEN. The cotton provision has been left entirely to the growers of cotton.

Mr. BULWINKLE. Mr. Chairman, will the gentleman permit me to give him an explanation?

Mr. NEWTON of Minnesota. I yield to the gentleman from North Carolina.

Mr. BULWINKLE. The purpose was just to have a subterfuge, so that they could say that the farmer was not paying; but they forget that the farmer, when he takes that cotton there to the local merchant, to whom he owes something, will then have to pay to that man.

Mr. McSWAIN. Will the gentleman permit me to explain?

Mr. BULWINKLE. It is just a substitute to give him a sugar-coated pill.

Mr. McSWAIN. Would the gentleman like to hear the real truth of it?

Mr. NEWTON of Minnesota. I am sorry I can not yield now. Mr. Chairman, I have a recollection of hearing some one across the aisle a year or two or three years ago make the statement that if any collector of an equalization fee met a cotton farmer he would probably be met with a shotgun, and, recalling that, I have concluded that in this bill it was transferred from the process of ginning to the mill, so that it would be safer for the collector to gather his equalization fee. Is that correct?

Mr. BULWINKLE. In substance, it is nothing but a sugar-coated pill.

Mr. NEWTON of Minnesota. Now I shall be very glad to yield to my friend from South Carolina.

Mr. McSWAIN. Mr. Chairman, I want to say that the proposition that the shift of the collection of the equalization fee from the ginning to the milling is not a subterfuge, because the great purpose of this bill is to enable the farmer to hold his cotton rather than to force him to sell. Ordinarily, at the time that he gins his cotton, he has not then the cash to pay the equalization fee. The fact that our cotton farmers have not then got the money to pay such fee is no subterfuge. It is a sad and solemn fact. They never get any money until they are forced to sell by the mortgage that may be on their cotton or over their lands, in an effort to pay the interest on the mortgage. When they sell the cotton to the cotton mill, then and not until then the money arrives. [Applause.] To collect the fee when the cotton is ginned, would force the farmer to sell at least part of his cotton then, to raise the cash, and we wish by this bill to enable him to hold his cotton.

Mr. BULWINKLE. Mr. Chairman, my colleague says that all he would have to do would be to hold his cotton and he would not have to pay.

Mr. NEWTON of Minnesota. Of course, the scheme of the whole bill is to figure out how you can do something that you can not do.

Mr. McSWAIN. I know he will have to pay, but he ought not to have to pay until he has the money. He can not get the money till he sells his cotton. Why force him to sell his cotton when it is ginned?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The amendment was rejected.

The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 17. If any provision of this act is declared unconstitutional or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

Mr. JOHNSON of Texas. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Texas: Page 26, after line 13, insert a new section, section 17a, as follows:

"SEC. 17a. The provisions of this act shall expire five years from the date of the approval thereof, unless extended by joint resolution of the Congress, except that such provisions shall remain in effect solely for the purpose of enabling the board to adjust, settle, liquidate, and wind up its affairs during such additional period as the President, by Executive order, designates is necessary for such purpose. At the expiration of the additional period designated by the President any money then remaining in the stabilization fund or revolving fund shall be covered into the Treasury."

Mr. JOHNSON of Texas. Mr. Chairman and gentlemen of the committee, the amendment offered by me, fixing a time limit upon the existence of the proposed law, embraces the suggestion which I made to the House some two weeks ago.

I gave notice then that I would offer it, and notwithstanding the fate the amendment will likely receive at your hands, still believing it to be a good amendment and also in order to make good my promise, it is offered for your consideration.

Since my suggestion was first made to the House, the Senate bill (S. 4808) has been substituted for the House bill (H. R. 15474), and I am aware that a majority of the House has determined to reject all amendments, regardless of their merit, fearing that the adoption of any amendment might give the opponents of the bill in the Senate opportunity to defeat its final passage by delaying the vote upon the bill as amended. If this condition did not exist, I doubt not that my amendment would be adopted. I believe that it reflects the sentiment of this House. The proposed legislation is an experiment, as all will admit, and the bill should so declare by placing a time limit upon its existence.

Many Members are going to vote for this bill not because they think it a perfect measure but because of the distressed condition of agriculture and the emergency condition which confronts that great industry at this time. I am among that number and have decided to vote for this bill. [Applause.]

That there is an agricultural problem in the United States no one in this House will deny. In all of the debate upon the proposed legislation, participated in by Members from nearly every State in the Union, no one—not even the bitterest opponent of farm relief legislation—has dared to contend that the farmers in any section of the United States are prosperous.

Notwithstanding the plea of prosperity urged by the Republican Party in the election last November, why they should be returned to power, not one Republican has had the temerity to face these Representatives of the American people and assert that agriculture is prosperous. On the other hand, the CONGRESSIONAL RECORD has been filled with speeches containing facts and many figures which show conclusively that the farmers of America have been growing poorer each year, and in many sections a majority of them are already bankrupt and have lost their all. In many of those sections where farming is the chief industry not only have the farmers gone into bankruptcy but merchants and bankers as well. In many other sections they are on the verge of doing so.

To confirm these statements, I desire to quote from the report of the Committee on Agriculture the following statistics. While I have not verified them, I assume they are correct, since they were made by the committee in their report of this bill to the House.

FARM BANKRUPTCIES INCREASE

The rate of farm failures from 1910 to 1924 shows an increase of over 1,000 per cent. Capital invested by farm operators decreased from $47,000,000,000 in 1920 to $32,000,000,000 in 1925, a loss of approximately $3,000,000,000 per year.

INCREASE OF FARM INDEBTEDNESS

As a result of high costs and impaired income of the farmer, the total farm indebtedness in the United States, which was

estimated at $4,320,000,000 in 1910, had grown to $12,250,000,000 in 1920, and stands at approximately that figure to-day.

DISPARITY IN AGRICULTURAL INCOME AND OTHER PURSUITS

For $100 that went to each person in all other branches of our productive life each person engaged in agriculture received $46 in 1900. It had gone down in 1910 to $40, and in 1920 to $39. We find that the percentage of the total national income which has gone to agriculture has steadily declined since 1920 from 13.8 per cent in 1920 to about 7.5 per cent in the last fiscal year, 1925–26. Whereas the percentage of our total population in agriculture to-day is 26 per cent or 27 per cent of our total population; this portion receives about 7.5 per cent of the total national income.

The per capita income of the nonfarm population was for 1919 $723; in 1921, the year of the depression, $701; whereas the per capita of the farmers' current income was $362 in 1919, and in 1921, $186—that is, between the peak and the depression of this tremendous upheaval in general economic conditions in the United States—the per capita income of people who did not live on farms decreased about 3 per cent, and the per capita income of the farm population fell about 50 per cent, or about one-half. Of course, that disparity or effect of depression is shown very much more strikingly in different States. In Minnesota we find the per capita income of nonfarm population decreased only 3.1 per cent, while that of the farm population decreased 65 per cent.

CONDITIONS GREW WORSE IN 1926

During 1926 the condition of agriculture passed from bad to worse. The year closed with the farmers' purchasing power lower than the average for 1923, 1924, or 1925. The exchange value of the products of the farm in November was only 80 per cent of pre-war value, 7 per cent lower than the averages for 1924 and 1925, and a drop of 8 per cent in six months.

Total farm-crop value in 1926 was $1,148,000,000 less than that of 1925 and $1,532,137,000 less than that of 1924. The cotton crop alone showed a decline in value of $581,324,000 compared with the year before, according to estimates of the Department of Agriculture. The corn crop decreased in value $263,331,000 and the spring-wheat crop value dropped $125,899,000.

The index of grain prices in December, 1926, was 20 points lower than in December, 1925; the cotton index for December was 58 points lower than it had been one year before.

In its value for the purpose of paying for the goods and services which cotton farmers buy, cotton is bringing about one-half its average value the five years preceding the war.

I could quote other statistics, but I deem these appalling figures sufficient to convince the most skeptical that agriculture is doomed unless something is done in its behalf. While all are agreed as to existing conditions, differences of opinion exist both as to the cause and the cure.

Personally I have no doubt that the high protective tariff has had much to do with producing this result. Under the Fordney-McCumber tariff, which passed Congress in July, 1921, and imposed the highest rates ever known in our history, the farmer has been paying tribute to the manufacturing interests of the East on practically all of the commodities he has bought.

There is prosperity in some sections, but it is only those where the law has artificially stimulated prices upon the commodities there produced. The farmer has been buying in a protected market and selling in an unprotected one. The tariff has certainly been a delusion and a snare in so far as the farmers are concerned. The tariff on wheat and corn and other agricultural products has availed nothing.

If we could materially reduce the tariff upon many of the necessities of life, I doubt not that a measure of relief would be afforded. This is what I should like most of all to do. But there is no hope of doing that at this or the coming session of Congress, for the Republicans at the next session, as in this, will have a majority in both Houses, and the same President who now occupies the White House will serve for two more years. No one, not even the wildest optimist, would for one moment believe that a Republican Congress and a Republican President would reduce the tariff in the slightest degree. And so, in the language of Grover Cleveland, it is a "condition and not a theory that confronts us."

What shall we do? Shall we do nothing and thereby turn a deaf ear to the cry for relief that is going up from every agricultural section of this land?

Many remedies have been proposed. Since I became a Member of Congress I have preserved in a file the multitude of plans sent me. They have come from every section and from men in every walk of life. They are varied both in plan and scope. The fact that they are so numerous and so varied only serves to prove and emphasize the universal conviction that something must be done.

One of the plans which especially appealed to me is what is known as the export debenture plan, which was indorsed by the National Grange, the largest and oldest farm organization in America. My colleague from Texas [Mr. JONES], a member of the Agricultural Committee of the House, offered an amendment to this bill, substituting the export debenture plan for the Haugen bill, and I voted for it, believing it to be the simplest and most direct remedy. His bill, which he offered to substitute for the pending bill, is H. R. 17025.

Under its terms the Secretary of the Treasury would issue debentures to persons exporting farm products. For instance, upon all cotton exported from the United States there would be an export bounty of 2 cents per pound, which would mean $10 a bale on all cotton exported. The sixth congressional district of Texas, which I represent, produced in 1926 over 400,000 bales, and an increase in price of $10 a bale would mean an increase in value of the annual cotton crop of our congressional district of over $4,000,000.

These export debentures would be redeemable and payable out of the import duties received from the tariff duties collected by the Government. The Secretary of the Treasury would limit the total amount of the debentures so issued not to exceed 75 per cent of the amount of import duties paid during the current fiscal year.

According to the Secretary of the Treasury's report, the estimated customs receipts for the last fiscal year amounted to $615,000,000. Seventy-five per cent of this sum would be $461,250,000, which would be available in paying export debentures to the exporters of agricultural products. The producers of agricultural products would receive from the tariff duties these sums so as to place such producers on a more equitable basis of competition and give the farmers of the country some of the benefits which the protected manufacturers of the East have been receiving for many years.

Since the farmers are paying tribute to the tariff barons at the behest of the Government, in an amount many times greater than this sum, and are struggling for existence, should not the Government, which is interested in seeing that this great industry is not destroyed, contribute of its resources to its preservation? The prosperity of agriculture would benefit not alone those engaged therein but millions of others whose prosperity is dependent thereon. The general welfare of the country would certainly be conserved in preserving the industry which most vitally affects the prosperity of the entire Nation.

Under this plan it would not be necessary to create any new boards or bureaus. I would much prefer to solve the agricultural problem, if possible, without the creation of additional bureaus.

I shall not discuss this plan further, for the substitute so offered by my colleague [Mr. JONES] was defeated.

Three other bills have been considered and discussed at this session—the Crisp bill, the Aswell bill, and the Haugen bill—the last named having been favorably reported by the Agricultural Committee and having only last week passed the Senate by a majority of 8 votes. The Haugen bill having passed the Senate, and the date of adjournment of Congress being only about two weeks distant, it would seem that the only one of these bills which has any chance for passage is the Haugen bill.

Two prior measures known as the Haugen bill have been heretofore voted upon by Congress, but they are different in many respects. The first, H. R. 9033, was defeated in the Sixty-eighth Congress on June 3, 1924, by a vote of 155 for and 223 against. It promised no relief whatever to cotton, and most of the Members from the cotton-producing States therefore voted against it.

The Haugen bill of 1926, H. R. 11603, was defeated in both the Senate and House, being defeated in the House on May 21, 1926, by a vote of 167 to 212, and was also defeated in the Senate.

The Haugen bill we are now considering, while containing many features of the bill of last session, differs in a number of respects. Among such differences are the following:

CHANGES IN 1927 HAUGEN BILL FROM THAT OF 1926

First. This is not a price fixing bill, as was the prior measure.

Second. The tariff is not used as a measuring rod in fixing prices of agricultural commodities, as was done in the previous bill. Under the 1926 plan, wheat and corn were guaranteed an increase in price equal to the tariff and transportation, which amounted to an increase in wheat of 42 cents per bushel and in corn of 15 cents per bushel, and one of the reasons I pointed out in opposition to that bill in the last session was that it was unjust to cotton, since it contained no guaranteed increase in prices to cotton, and therefore discriminated in favor of the producers of wheat and corn.

Third. This bill omits cattle and butter, contained in last year's bill, and I think very properly so. As I understand, the

cattle industry does not desire to be placed therein, and butter is not a basic agricultural commodity, as I pointed out at the last session in my opposition to the old Haugen bill.

Fourth. This bill provides that operations in a basic agricultural commodity shall not be commenced or terminated unless members of the board representing Federal land-bank districts, which in the aggregate produced during the preceding crop year more than 50 per cent of such commodity, vote in favor thereof. The old bill had no corresponding provision. This means that operations on cotton will not be begun by the board until the representatives of cotton-producing sections so determine.

Fifth. This bill provides for a commodity advisory council for each basic agricultural commodity. There was no corresponding provision in the old bill.

Sixth. The old bill provided that the board might require a person engaged in the processing or purchasing of a basic agricultural commodity to collect the equalization fee from the producer. This bill provides that the board may require any person engaged in the transportation, processing, or purchasing to pay the equalization fee on the commodity as it passes through his hands. And as amended by the Senate, the equalization or stabilization fee would not be collectable at the gin but at the time of transporting or manufacturing same.

Seventh. Issuance of serial receipts evidencing a participating interest in an equalization fund is limited to cotton in this bill. In the old bill such receipts could be used in respect of all basic agricultural commodities.

The following additional amendments were added by the Senate and are now contained in the bill upon which we are voting:

Eighth. That in any State where not as many as 50 per cent of the producers of agricultural commodities are members of a cooperative association or other organization, an expression from the producers of such commodities shall be obtained through a State convention of such producers, to be called by the head of the department of agriculture of such State, under rules and regulations prescribed by him.

Operations on cotton would not be begun until organizations representing that commodity or, if such organizations contain less than 50 per cent of the producers, until the will of the producers has been ascertained, and they favor the beginning of operations by the board, and only then at such time as was determined by the board that a surplus above requirements for orderly marketing existed.

Ninth. The board is authorized to enter into a contract with any cooperative marketing association engaged in marketing any basic agricultural commodity, insuring such associations for 12 months against decline in the market price for such commodity at the time of sale by the association from the market price for such commodity at the time of delivery to the association. (See page 20, subdivision (d).) This insurance feature will be very valuable in protecting against decline in the market after the sale of cotton has been made.

Tenth. The nominating committee of each Federal land district, who name persons from whom members of the farm board are chosen, shall be composed of seven members, four nominated by the bona fide farm organizations, two by the head of the State agricultural department, and one appointed by the Secretary of Agriculture.

I shall not undertake to analyze or discuss all of the provisions of this bill.

Briefly, it creates a Federal farm board of 12 members, 1 from each of the 12 Federal land bank districts. The board is authorized to deal with the surplus of wheat, cotton, rice, hogs, corn, and tobacco, designated as basic agricultural commodities, and there is an authorized appropriation of $250,000,000 from the Federal Treasury. This may be used by the board in assisting cooperative associations and producers in buying, storing, and selling such agricultural products when a surplus production thereof exists.

The board, when carrying on operations with reference to any of these commodities, is authorized to levy an equalization or stabilization fee on such products, to be collected and used by the board to finance its operations. The board is also authorized to make loans, and it may enter into a contract whereby cooperative associations may be insured for 12 months against decline in market prices from the price of agricultural products at the time of their sale.

Two chief objects are sought to be accomplished by the bill, first, to give producers of farm crops power to influence their markets as effectively as other industrial groups; second, to afford all the advantages of orderly marketing through control of surplus to the producers of a crop like cotton, of which the American supply is the dominant factor in the world price.

While I do not believe that controlling the surplus will by any means solve all of the economic problems of the farmer, many of these he must solve for himself, yet a proper marketing when such surplus exists will afford a large measure of relief. It should certainly insure a better price. If some vast corporation, adequately financed, actuated by the beneficent purpose of seeing that the farmers received a better price for their products should, when a surplus of cotton existed, go upon the market and buy a large quantity of cotton, even the purchase of this cotton would immediately cause the price to advance, and, if after buying they should take it off the market and store it, the price would still further advance. This bill creates the machinery whereby the farmers can, through their own organizations and cooperation, do this very thing, and the Federal Government starts them with $250,000,000 and furnishes the instrumentalities through which they may act.

The size of the cotton crop is always one of great uncertainty. While, of course, acreage in a large measure determines the volume of production, it is not alone controlling. The same acreage one year may produce a crop next year vastly larger, due to improved seasons and weather conditions and absence of insects.

The average United States cotton acreage for the years 1921–1924 was 35,000,000 acres. The 1921 yield was 124.5 pounds per acre; in 1924, 156.8 pounds. The cotton-yield variation in those years due to uncontrollable influences amounted to 2,250,000 bales on the average acreage.

Statistics show that some years we have a shortage and some years a surplus. It is only during those years when a surplus exists that this board would operate.

The insurance feature against decline in price after same is marketed should be of value. The problem of marketing is of vital importance to the farmers at all times, since ordinarily the lowest price is received at the time the farmers are selling their cotton, and the price frequently advances thereafter. For instance, this year the price has advanced some $15 or $20 a bale since the bulk of the crop has been marketed by the producers. If the producers could through cooperation market their cotton in an orderly manner, they should receive a fair average price and the speculators would not be able to reap a profit, as is now done.

The immense cotton crop of 1926 and the low price received therefor emphasizes the need of some such governmental agency whereby the farmers may help themselves by orderly marketing and prevent bankruptcy to those engaged in this greatest of all industries.

According to figures furnished me by the Department of Agriculture, the 1925 crop was 16,103,679 bales, and the value thereof was $1,464,032,000, while the 1926 crop, as estimated, is 18,618,000 bales, valued at $1,016,346,000. In other words, the 1926 crop, which is approximately two and a half million bales larger than the 1925 crop, brought approximately half a million dollars less.

A system which permits this gross injustice to be done to the farmers of America should be remedied.

The Federal Government has legislated for the railroads, the banks, the manufacturing interests, and the labor organizations, and the last great class to knock at the door of Congress for relief are the farmers of America, and they have only come when impelled by necessity so to do.

While there are features of this bill that I do not like, and I am not sure that it will accomplish all that is claimed for it, at least it gives recognition to the great need of agriculture and is an effort to alleviate the deplorable condition in which the tillers of the soil find themselves at this time. If I err in voting for it, I shall err in trying to do something, rather than nothing, for the farmers of America at this the hour of their greatest need.

It is said that some Members of this House are going to vote for this bill with the expectation that the President will veto it. I am not of that number. I am going to vote for it with the expectation that he will approve it. [Applause.] When the Haugen bill was being considered by Congress at the last session word went out from the White House that the President would veto it if it passed Congress, and many Members were doubtless deterred from voting therefor, not wishing to do a vain thing. This time, however, there it utter silence at the White House, and no one knows what the President will do with this bill if we pass it.

I base my belief that he will approve it on two grounds:

In the first place the President surely would not turn a deaf ear to the great agricultural sections of America who are in dire distress at this time. The industrial East, from whence he comes, and which is already protected by the tariff, may oppose, but his sense of hearing is so keenly developed that

these voices from the East can not drown the sounds of distress that come from the agricultural West and South.

In the second place, I base my belief upon a declaration and promise contained in the annual message which he delivered in this House at the beginning of the first session of the Sixty-ninth Congress, in December, 1925. In discussing the subject of agriculture, President Coolidge said that it was in a distressed condition, but he closed that portion of his message with this inspiring sentence and promise:

There is every reason to suppose that a new era in agricultural prosperity lies just before us, which will be unprecedented. [Applause.]

That era of prosperity is still lying just before us, and I think that the President will realize that the condition of agriculture has been growing worse since that prophetic utterance was made, and that something must be done to have his promise fulfilled, and this bill is the only hope of the fulfillment of that promise that can come at the hands of this Congress to relieve those sections of the country desiring some part of that prosperity of which we heard so much in the last campaign. [Applause.]

I shall not take the time to discuss my amendment, because I discussed it fully on the floor of the House two weeks ago. It simply declares that the policy of Congress in regard to this bill is that at the expiration of a five-year period it shall be repealed unless an act of Congress shall extend it. The first McNary-Haugen bill had a provision declaring that the emergency period should exist for only five years unless extended by Congress. This law will be an experiment, and I want it expressed in the terms of the bill.

Mr. BLANTON. And if it proves good, as we hope it will, then Congress will extend it.

Mr. JOHNSON of Texas. It certainly would be done. I thank the House for the attention you have given me. [Applause.]

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SHORT TITLE

SEC. 18. This act may be cited as the "Surplus control act."

Mr. McDUFFIE. Mr. Chairman, I have an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McDUFFIE: On page 26, line 16, after the word "act," insert the following:

"SEC. 19. Any member of the board, nominating committee, advisory council, or any employee under the terms of this act who buys or sells or in any wise deals in future contracts or on exchanges dealing in any of the commodities affected by this act shall, upon conviction, be fined not less than $5,000 and imprisoned for not less than six months nor more than 20 years."

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. BLANTON. It is germane.

The CHAIRMAN. The gentleman from Iowa makes a point of order against the amendment. The Chair will hear the gentleman from Alabama.

Mr. McDUFFIE. Mr. Chairman, I shall not detain the House but a moment. Certainly this amendment is germane. We have provided in this legislation for defalcation or misappropriation of funds in the handling of the stabilization fund. I take it that in every act of this kind the Congress should, and this amendment would, properly protect the industry, and the country, for that matter, from any misconduct on the part of any employee of the Government or anyone connected otherwise with the provisions of this act or affected thereby from gambling upon the exchanges in wheat or cotton or any other product, for that matter. I can not imagine on what grounds a provision such as this could be held out of order. I submit that it is necessary that the public should be protected.

It is not offered for the purpose of killing this bill. Nobody in the world wants the farmer to have relief more than I. I have been a farmer most all my life. My own family and my friends are farmers. I appreciate the distressing condition of agriculture throughout the cotton section. But I do want to do something effective for the industry during this session. This bill, if you please, will not become a law, in my opinion as well as in the opinion of many men on this floor, and we are not affording immediate relief for distressed agriculture, and that is what the cotton farmer is asking for to-day.

Why should we trifle with the interests of the farmer? It is a travesty and a sad commentary upon this Congress that they rush through this legislation under gag rule, without permitting even the crossing of a "t" or the dotting of an "i." Believing, as many men do, that this bill will never become operative, yet voting for all its provisions, wise or unwise, is not being fair with the farmer. Why make his interests a football of politics? I resent such treatment in behalf of the farmers who have honored me with their high commission. Must you refuse again to amend this bill so as to prevent speculation and gambling by the board, committee, and council members and employees because of a desire on the part of some Members to put this bill up to the President? This bill could and should have been amended in many particulars, and if the Senate is sincere that body could well have agreed to several wise amendments and passed this bill on to the White House. Our great desire to pass this or any other bill should not preclude our offering and adding certain wise provisions after a full discussion. We have had little information as to the merits of this bill.

I think certainly the equalization fee in this bill is unconstitutional. I do not know how the people I represent feel about this proposed tax on their products. I would rather defer this fee for two years or wait and consult their wishes about that problem. Here we have offered to limit this board of such broad and unusual powers in providing a fee on cotton.

We have offered amendments providing that the fee could not be more than $2, or $5, or $10 per bale, but the House very promptly voted such amendments down. An amendment was offered limiting the fee to $25 per bale, and even that was voted down. The board is unlimited in its power as to levying a fee on any commodity whether the farmer likes it or not. He may vote it on himself, it is true, but the amount of the fee is left to the will of the board.

I have offered several amendments hoping that I might be able to help the bill or make its provisions more acceptable to the farmers. All amendments have met the same fate and the one I now offer will likewise go as all other amendments have gone. I would like to see this Congress provide legislation for the relief of the farmers of the country, but by railroading this bill as you are doing you are absolutely closing the door of hope in the face of the farmer during this session. I only hope that upon our return here the next Congress will divest this serious problem of all politics and do some real constructive legislating for the agricultural interests of the country.

It is a sad commentary upon this Congress and the country at large is properly criticizing Congress because it has not settled the great problem of Muscle Shoals. If you had followed section 124 of the national defense act and provided for the manufacture of fertilizer at Muscle Shoals during peace time, you would have then done something helpful to the farmer. His fertilizer bills are his greatest burdens to-day. Many are not able to buy fertilizer now. If you would do something really helpful, accept the suggestion of the gentleman from Iowa, Mr. DICKINSON, that the farmer is staggering under the terms of the highest protective tariff law ever written, and that accounted for the low purchasing power of his dollar to-day. Reduce that tariff on the many articles the farmer has to buy and you would accomplish much for stricken agriculture. Yes, this Congress is very properly criticized for its failure to settle the Muscle Shoals problem.

I have voted for the Aswell bill and the Crisp bill to-day believing they would better serve the interests of agriculture at this time. I can not support this bill with its provisions for an equalization fee. I voted for the Jones bill, which would equalize the effects of the tariff on our people who produce a surplus. Of course, it had no chance before this Congress of high protectionists. We can write legislation that will help the farmer if the leadership of this House and this administration will get down to business and try to really do something for agriculture.

The people I represent are an honest and intelligent people. I am not going to try to fool them by voting for something I am sure will never be the law. I will not trifle with them. I have never tried to mislead them, and could not do so if I wished. God knows I would not intentionally do anything against the welfare of the agricultural interests of my district or my State. I may be making trouble for myself in voting against this bill. The line of least resistance may be to vote for this bill, since it will never become the law, and then try to even fool myself into the position that I had voted for the best interests of my people. Understand me, I do not question the position of any man here. Many gentleman are sincerely and honestly trying to help the farmer by supporting this bill and voting down every amendment. Of course, they will be disappointed when the President vetoes it. As for myself, though I may be wrong—the best of

us fall into error sometimes—I shall vote according to my best judgment of what is right, having due regard for the oath I took upon assuming this high office and with full appreciation of the obligations I owe to as high a type of splendid intelligent citizenship as any man ever had the honor to represent in the Halls of Congress—the people of the first district of Alabama. Oh, they may differ with me in this stand I am taking, but, thank God, I believe I can vote my honest convictions on this bill and still retain their respect and confidence which I so greatly cherish.

The CHAIRMAN. Does the gentleman from Iowa [Mr. DOWELL] desire to discuss the point of order?

Mr. DOWELL. The amendment is clearly not germane.

The CHAIRMAN. Does the gentleman from Alabama contend that it is germane?

Mr. McDUFFIE. It is a new section.

Mr. BLANTON. Any amendment affecting the bill would be germane.

The CHAIRMAN. The Chair does not think this is the proper place for the gentleman's amendment.

Mr. BANKHEAD. Mr. Chairman, as I understand it, my colleague is offering this amendment as a new section of the bill. It would be germane at any point in the bill after the machinery is set up.

The CHAIRMAN. The section which the gentleman proposes follows the definitions in the bill and also the section naming the short title of the act. It seems to the Chair it is not germane at this point.

Mr. McDUFFIE. Well, Mr. Chairman, appreciating the fact that the steam roller is well oiled and is moving beautifully, I am sure the amendment will not be adopted, but I do want to ask unanimous consent to return to the section of the bill where it will be germane.

Mr. DOWELL. What was the gentleman's request?

Mr. McDUFFIE. I ask unanimous consent to return to the section of the bill where it will be germane.

Mr. DOWELL. I am very sorry, but we can not return now.

Mr. GARRETT of Tennessee. Will the gentleman from Alabama yield?

Mr. McDUFFIE. Yes.

Mr. GARRETT of Tennessee. It is so manifest that the gentleman from Iowa [Mr. DOWELL] desires to protect the right of the members of this board to gamble in cotton that I think the gentleman ought not to insist upon the amendment.

Mr. DOWELL. No; but it is not my desire to have an amendment considered that is not germane to the bill.

Mr. McDUFFIE. I think the amendment should be adopted. Does the gentleman object?

Mr. DOWELL. I object.

The CHAIRMAN. The Chair sustains the point of order.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, had directed him to report the same back to the House without amendment, with the recommendation that the bill do pass.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time, and was read a third time.

Mr. ASWELL. Mr. Speaker, I move to recommit the bill to the Committee on Agriculture.

The SPEAKER. The gentleman from Louisiana offers a motion to recommit which the Clerk will report.

The Clerk read as follows:

Mr. ASWELL moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back to the House forthwith with the following amendment: Strike out all after the enacting clause and insert——

Mr. ASWELL. Mr. Speaker, I ask unanimous consent that the matter be considered as read, as it was printed in the RECORD two days ago. May I explain further that it is the Aswell bill exactly, without change.

The SPEAKER. The gentleman from Louisiana asks unanimous consent that his motion to recommit be considered as having been read, it having been published in the RECORD, and being entitled the "Aswell bill." Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

Mr. ASWELL. Mr. Speaker, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The question was taken; and there were—yeas 175, nays 215, not voting 42, as follows:

[Roll No. 30]

YEAS—175

Ackerman	Dallinger	Kemp	Scott
Aldrich	Darrow	Kiess	Sears, Fla.
Almon	Davenport	Lanham	Seger
Andrew	Deal	Lankford	Shreve
Aswell	Dempsey	Lehlbach	Smithwick
Bacharach	Dominick	Linthicum	Snell
Bachmann	Doughton	Luce	Sosnowski
Bacon	Douglass	McDuffie	Spearing
Bankhead	Doyle	McFadden	Sproul, Ill.
Beedy	Drane	McLaughlin, Mich.	Stalker
Beers	Drewry	McMillan	Stevenson
Begg	Edwards	MacGregor	Stobbs
Bell	Ellis	Madden	Sweet
Black, N. Y.	Fairchild	Magee, N. Y.	Taber
Bland	Fenn	Magee, Pa.	Taylor, W. Va.
Blanton	Fish	Mapes	Temple
Bowles	Fletcher	Martin, Mass.	Thatcher
Bowling	Fort	Merritt	Tilson
Box	Foss	Michaelson	Tincher
Brand, Ga.	Free	Mills	Tinkham
Briggs	Freeman	Montague	Tolley
Brigham	Frothingham	Montgomery	Treadway
Britten	Garrett, Tenn.	Mooney	Tucker
Browning	Gasque	Moore, Ohio	Tydings
Buchanan	Gibson	Moore, Va.	Underhill
Bulwinkle	Gifford	Morgan	Underwood
Burdick	Glynn	Nelson, Me.	Vaile
Burton	Green, Fla.	Newton, Minn.	Vare
Busby	Griffin	O'Connell, R. I.	Vincent, Mich.
Butler	Hale	O'Connor, La.	Voigt
Carpenter	Hardy	Parker	Wainwright
Chalmers	Hare	Patterson	Warren
Chapman	Hersey	Peery	Wason
Chindblom	Hill, Md.	Perkins	Watres
Cochran	Houston	Porter	Watson
Connally, Tex.	Hudspeth	Pratt	Weaver
Connery	Hull, Tenn.	Rankin	Welsh, Pa.
Cooper, Ohio	Hull, Morton D.	Ransley	White, Me.
Cox	Jeffers	Rayburn	Whitehead
Coyle	Jenkins	Reed, N. Y.	Wilson, La.
Crisp	Johnson, Wash.	Rogers	Wilson, Miss.
Crosser	Jones	Rouse	Woodrum
Crowther	Kahn	Sanders, N. Y.	Wright
Crumpacker	Kearns	Sandlin	

NAYS—215

Abernethy	Fitzgerald, W. T.	Kurtz	Romjue
Adkins	Frear	Kvale	Rowbottom
Allen	French	LaGuardia	Rubey
Allgood	Fulmer	Lampert	Rutherford
Andresen	Funk	Larsen	Sabath
Arentz	Furlow	Lazaro	Sanders, Tex.
Arnold	Gambrill	Lea, Calif.	Schafer
Auf der Heide	Garber	Leatherwood	Schneider
Ayres	Gardner, Ind.	Leavitt	Sears, Nebr.
Bailey	Garner, Tex.	Letts	Shallenberger
Barbour	Garrett, Tex.	Lindsay	Simmons
Barkley	Gilbert	Little	Sinclair
Beck	Goodwin	Lozier	Sinnott
Berger	Green, Iowa	Lyon	Smith
Black, Tex.	Greenwood	McClintic	Somers, N. Y.
Bloom	Griest	McKeown	Speaks
Boies	Hadley	McLaughlin, Nebr.	Sproul, Kans.
Bowman	Hall, Ind.	McReynolds	Steagall
Boylan	Hall, N. Dak.	McSwain	Stedman
Brand, Ohio	Hammer	McSweeney	Strong, Kans.
Browne	Harrison	Major	Sullivan
Burtness	Hastings	Manlove	Summers, Wash.
Byrns	Haugen	Mansfield	Sumners, Tex.
Cannon	Hawley	Martin, La.	Swank
Carew	Hayden	Menges	Swing
Carss	Hickey	Michener	Taylor, Colo.
Carter, Calif.	Hill, Ala.	Miller	Taylor, Tenn.
Carter, Okla.	Hill, Wash.	Milligan	Thomas
Christopherson	Hoch	Moore, Ky.	Thompson
Clague	Hogg	Morehead	Thurston
Cole	Holaday	Murphy	Tillman
Collier	Hooper	Nelson, Mo.	Timberlake
Collins	Howard	Nelson, Wis.	Updike
Colton	Huddleston	Newton, Mo.	Upshaw
Cooper, Wis.	Hudson	Norton	Vestal
Corning	Hull, William E.	O'Connell, N. Y.	Vinson, Ga.
Cramton	Irwin	Oldfield	Vinson, Ky.
Cullen	Jacobstein	Oliver, Ala.	Wefald
Davey	James	Oliver, N. Y.	Welch, Calif.
Davis	Johnson, Ill.	Parks	Wheeler
Denison	Johnson, Ind.	Peavey	White, Kans.
Dickinson, Iowa	Johnson, Ky.	Prall	Whittington
Dickinson, Mo.	Johnson, S. Dak.	Purnell	Williams, Ill.
Dowell	Johnson, Tex.	Quayle	Williams, Tex.
Driver	Keller	Quin	Williamson
Dyer	Kendall	Ragon	Winter
Elliott	Kerr	Rainey	Wolverton
Englebright	Ketcham	Ramseyer	Wood
Eslick	Kiefner	Rathbone	Woodruff
Esterly	Kincheloe	Reece	Wurzbach
Evans	Kindred	Reed, Ark.	Wyant
Faust	Kirk	Reid, Ill.	Yates
Fisher	Knutson	Robinson, Iowa	Zihlman
Fitzgerald, Roy G.	Kopp	Robsion, Ky.	

NOT VOTING—42

Anthony	Eaton	Lineberger	Strong, Pa.
Appleby	Fredericks	Lowrey	Strother
Bixler	Gallivan	McLeod	Swartz
Brumm	Golder	Magrady	Swoope
Campbell	Goldsborough	Mead	Taylor, N. J.
Canfield	Gorman	Morin	Walters
Celler	Graham	Morrow	Weller
Cleary	Kelly	O'Connor, N. Y.	Wingo
Connolly, Pa.	King	Perlman	Woodyard
Curry	Kunz	Phillips	
Dickstein	Lee, Ga.	Pou	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Gallivan (for) with Mr. Kunz (against).
Mr. Mead (for) with Mr. Walters (against).
Mr. Golder (for) with Mr. Celler (against).
Mr. Eaton (for) with Mr. Anthony (against).
Mr. Dickstein (for) with Mr. King (against).
Mr. Connolly of Pennsylvania (for) with Mr. Canfield (against).
Mr. Graham (for) with Mr. Strong of Pennsylvania (against).
Mr. Pou (for) with Mr. Wingo (against).
Mr. McLeod (for) with Mr. Lowrey (against).

Until further notice:

Mr. Perlman with Mr. Goldsborough.
Mr. Morin with Mr. Lee of Georgia.
Mr. Fredericks with Mr. Cleary.
Mr. Brumm with Mr. Morrow.
Mr. Campbell with Mr. O'Connor of New York.
Mr. Lineberger with Mr. Weller.

Mr. DOUGLASS. Mr. Speaker, my colleague, the gentleman from Massachusetts, Mr. GALLIVAN, is absent on account of important business. If the gentleman were present he would vote "aye."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. HAUGEN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 214, nays 178, answered "present" 1, not voting 39, as follows:

[Roll No. 31]

YEAS—214

Abernethy	Fitzgerald, W. T.	Knutson	Romjue
Adkins	Frear	Kopp	Rowbottom
Allen	French	Kurtz	Rubey
Allgood	Fulmer	Kvale	Rutherford
Almon	Funk	LaGuardia	Sabath
Andresen	Furlow	Lampert	Sanders, Tex.
Arentz	Gambrill	Lankford	Schafer
Arnold	Garber	Larsen	Schneider
Ayres	Gardner, Ind.	Lazaro	Sears, Nebr.
Bailey	Garrett, Tex.	Lea, Calif.	Shallenberger
Bankhead	Gasque	Leatherwood	Simmons
Barbour	Gilbert	Leavitt	Sinclair
Barkley	Goodwin	Letts	Sinnott
Beck	Green, Fla.	Little	Smith
Berger	Green, Iowa	Lozier	Sproul, Kans.
Black, Tex.	Greenwood	Lyon	Steagall
Blanton	Griest	McClintic	Stedman
Boies	Hadley	McKeown	Strong, Kans.
Bowling	Hall, Ind.	McLaughlin, Nebr.	Summers, Wash.
Bowman	Hall, N. Dak.	McReynolds	Sumners, Tex.
Brand, Ga	Hammer	McSwain	Swank
Brand, Ohio	Harrison	McSweeney	Swing
Browne	Hastings	Major	Taylor, Colo.
Browning	Haugen	Manlove	Taylor, Tenn.
Burtness	Hawley	Mansfield	Thomas
Busby	Hayden	Martin, La.	Thompson
Byrns	Hickey	Menges	Thurston
Cannon	Hill, Ala.	Michener	Tillman
Carss	Hill, Wash.	Miller	Timberlake
Carter, Okla.	Hoch	Milligan	Updike
Chapman	Hogg	Moore, Ky.	Upshaw
Christopherson	Holaday	Morehead	Vestal
Clague	Hooper	Morgan	Vinson, Ga.
Cole	Howard	Murphy	Vinson, Ky.
Collier	Hudson	Nelson, Mo.	Warren
Collins	Hull, William E.	Nelson, Wis.	Wefald
Colton	Irwin	Newton, Mo.	Welch, Calif.
Cooper, Wis.	Jacobstein	Oldfield	Wheeler
Cramton	James	Oliver, Ala.	White, Kans.
Davey	Jeffers	Parks	Whittington
Davis	Johnson, Ill.	Peavey	Williams, Ill.
Denison	Johnson, Ind.	Purnell	Williams, Tex.
Dickinson, Iowa	Johnson, Ky.	Quin	Williamson
Dickinson, Mo.	Johnson, S. Dak.	Ragon	Wilson, Miss.
Dowell	Johnson, Tex.	Rainey	Winter
Driver	Jones	Ramseyer	Wolverton
Dyer	Keller	Rankin	Wood
Elliott	Kemp	Rathbone	Woodruff
Englebright	Kendall	Rayburn	Wurzbach
Eslick	Kerr	Reece	Wyant
Esterly	Ketcham	Reed, Ark.	Yates
Evans	Kiefner	Reid, Ill.	Zihlman
Faust	Kincheloe	Robinson, Iowa	
Fisher	Kirk	Robsion, Ky.	

NAYS—178

Ackerman	Beedy	Box	Burton
Aldrich	Beers	Boylan	Butler
Andrew	Begg	Briggs	Carpenter
Aswell	Bell	Brigham	Carter, Calif.
Auf der Heide	Black, N. Y.	Britten	Chalmers
Bacharach	Bland	Buchanan	Chindblom
Bachmann	Bloom	Bulwinkle	Cochran
Bacon	Bowles	Burdick	Connally, Tex.
Connery	Glynn	Montgomery	Stalker
Cooper, Ohio	Griffin	Mooney	Stevenson
Corning	Hale	Moore, Ohio	Stobbs
Cox	Hardy	Moore, Va.	Sullivan
Coyle	Hare	Morin	Sweet
Crisp	Hersey	Nelson, Me.	Taber
Crosser	Hill, Md.	Newton, Minn.	Taylor, W. Va.
Crowther	Houston	Norton	Temple
Crumpacker	Huddleston	O'Connell, N. Y.	Thatcher
Cullen	Hudspeth	O'Connell, R. I.	Tilson
Dallinger	Hull, Tenn.	O'Connor, La.	Tincher
Darrow	Hull, Morton D.	Oliver, N. Y.	Tinkham
Davenport	Jenkins	Parker	Tolley
Deal	Johnson, Wash.	Patterson	Treadway
Dempsey	Kahn	Peery	Tucker
Dominick	Kearns	Perkins	Tydings
Doughton	Kiess	Porter	Underhill
Douglass	Kindred	Prall	Underwood
Doyle	Lanham	Pratt	Vaile
Drane	Lehlbach	Quayle	Vare
Drewry	Lindsay	Ransley	Vincent, Mich.
Edwards	Linthicum	Reed, N. Y.	Voigt
Ellis	Luce	Rogers	Wainwright
Fairchild	McDuffie	Rouse	Wason
Fenn	McFadden	Sanders, N. Y.	Watres
Fish	McLaughlin, Mich.	Sandlin	Watson
Fitzgerald, Roy G.	McMillan	Scott	Weaver
Fletcher	MacGregor	Sears, Fla.	Weller
Fort	Madden	Seger	Welsh, Pa.
Foss	Magee, N. Y.	Shreve	White, Me.
Free	Magee, Pa.	Smithwick	Whitehead
Freeman	Mapes	Snell	Wilson, La.
Frothingham	Martin, Mass.	Somers, N. Y.	Woodrum
Garner, Tex.	Merritt	Sosnowski	Woodyard
Garrett, Tenn.	Michaelson	Speaks	Wright
Gibson	Mills	Spearing	
Gifford	Montague	Sproul, Ill.	

ANSWERED "PRESENT"—1

Strong, Pa.

NOT VOTING—39

Anthony	Curry	King	Perlman
Appleby	Dickstein	Kunz	Phillips
Bixler	Eaton	Lee, Ga.	Pou
Brumm	Fredericks	Lineberger	Strother
Campbell	Gallivan	Lowrey	Swartz
Canfield	Golder	McLeod	Swoope
Carew	Goldsborough	Magrady	Taylor, N. J.
Celler	Gorman	Mead	Walters
Cleary	Graham	Morrow	Wingo
Connolly, Pa.	Kelly	O'Connor, N. Y.	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kunz (for) with Mr. Gallivan (against).
Mr. Celler (for) with Mr. Golder (against).
Mr. Anthony (for) with Mr. Eaton (against).
Mr. King (for) with Mr. Dickstein (against).
Mr. Canfield (for) with Mr. Connolly of Pennsylvania (against).
Mr. Lowrey (for) with Mr. McLeod (against).
Mr. Walters (for) with Mr. Mead (against).
Mr. Strong of Pennsylvania (for) with Mr. Graham (against).
Mr. Wingo (for) with Mr. Pou (against).

Until further notice:

Mr. Appleby with Mr. Lee of Georgia.
Mr. Perlman with Mr. Goldsborough.
Mr. Fredericks with Mr. Cleary.
Mr. Brumm with Mr. Morrow.
Mr. Campbell with Mr. O'Connor of New York.

Mr. STRONG of Pennsylvania. Mr. Speaker, I voted "aye" when my name was called. I am paired with the gentleman from Pennsylvania, Mr. GRAHAM, and therefore I withdraw my vote of "aye" and answer "present."

Mr. CONNERY. Mr. Speaker, my colleague, the gentleman from Massachusetts, Mr. GALLIVAN, was called away on important business. He asked me to state that if he were here he would vote "no" on the passage of the bill.

Mr. WRIGHT. Mr. Speaker, I desire to state that if my colleague, the gentleman from Georgia, Mr. LEE, were here, he would vote "no."

The result of the vote was announced as above recorded.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

A similar House bill was laid on the table.

Mr. BULWINKLE. Mr. Speaker, my colleague, the gentleman from North Carolina, Mr. POU, is sick to-night and unable to be present. If he had been here, he would have voted against the McNary bill and for the Aswell bill on the motion to recommit.

FARM RELIEF LEGISLATION

Mr. HARE. Mr. Speaker, under leave granted to extend my remarks, I want to make clear at the outset that I yield to no one a greater interest in agriculture and a more earnest desire to give relief to that great basic industry than myself. This interest and desire has just been demonstrated by casting my vote in favor of all three of the farm relief bills just considered, to wit, the Aswell bill, the Crisp bill, and the Jones bill. We now have for consideration what is commonly called the McNary-Haugen bill, and I am exceedingly anxious to see it

amended so that I might be able to give it my conscientious support, but before committing myself to vote for it I am equally anxious to see that certain amendments thereto be made. I therefore offered the following amendment:

Amendment offered by Mr. HARE: On page 6, line 21, add the following section:

"(f) It shall be unlawful for any member of said board, or any employee thereof, or any member of the advisory council hereinafter provided, or any employee, agent, or other person directly or indirectly connected with said board or council to purchase or sell for future delivery on any exchange any or either of the commodities or the products thereof named in section 6 of this act, and it shall be unlawful for any person to divulge or furnish information to any other person for such purposes, and any such person being found guilty of violating this provision of this act shall be subject to a fine not exceeding $100,000 or imprisonment for a period not exceeding 20 years, or both."

I think I can say without fear of successful contradiction that there has been more gambling and speculation in cotton than any other farm crop, and I think I am safe in saying that the cotton farmers of the South have felt and realized for years that they have suffered more from price fixing and market manipulation by speculators than from any other cause, not excluding drought and boll weevil. Yet this bill which you are preparing to pass will give a governmental board or organization the privilege and unlimited right to gamble and speculate on the very crop that you expect to handle for the benefit of the farmer. The purpose of this amendment is to prevent speculation by members of this board or persons to whom they may furnish confidential information, because I am sure the temptation will be so great that some of them will be guilty unless such amendment is added. The board and council will probably know several days in advance the date when the operating period for a particular crop provided for in the bill will begin and they will know in advance when the operating period will terminate. There is nothing to prevent them from going into the market on the exchange and buy or sell the crop or commodity for their own use or benefit and against the interest of those for whose benefit the operating period was instituted. I understand that upward of 50,000,000 bales of cotton were bought and sold on the exchange last year, and I predict that if this bill becomes a law, without this amendment, there will be more than 100,000,000 bales sold within less than one year after it goes into effect, and those selling this cotton will not be paying an equalization fee.

[The question was taken; and on a division (demanded by Mr. HARE) there were—ayes 61, noes 90. So the amendment was rejected.]

Mr. HARE. I then offered another amendment.

Page 15, line 4, after the word "collection," strike out the period, insert a colon, and add: "*Provided*, That no equalization fee shall be levied or collected on cotton until further and affirmative action by Congress."

Mr. Speaker and gentlemen, I think it is considered by everyone that if this bill is enacted into law and becomes operative it will be an experiment. As a matter of fact, it is considered that if either of the bills we have just voted on had become a law, it would have only been an experiment. Now, if all of this legislation is to be an experiment, I take the position that there is no good reason why the farmer should be called upon to foot the bills, because it is not in keeping with the past history of similar legislation. When the Congress of the United States first placed a tariff on shoes it was an experiment, but the law did not require the manufacturers to pay a tax or equalization fee to try out the experiment or insure the success of their business.

It was also an experiment when you placed a tariff on woolens, but you did not place a tax or equalization fee on the manufacturer when you placed that tariff on woolen goods. Nor did you place a tax or equalization fee on the manufacturer when you provided for a tariff on hats to insure the success of his business. Then, I want to ask in all fairness, why should the farmer be burdened with this tax or equalization fee when you are going to conduct an experiment in trying to insure the success of his business? I think the experiment could have been conducted just as well under the provisions of the Aswell bill, the Crisp bill, or the Jones bill, and the farmer under either would have been relieved of this tax or equalization fee. I am in favor of making the experiment, but I am also in favor of the Government paying the bill and not charging it up against the individual farmer.

[The question was taken; and on a division (demanded by Mr. HARE) there were—ayes 27, noes 70.]

Mr. HARE. Now, Mr. Speaker and gentlemen, since you have failed to accept this amendment and rejected a number of others, I wish to give it as my opinion that if the bill passes and becomes a law, and some of its proponents are praying that it will not, you will be fastening a colossal millstone around the neck of the cotton farmer from which he will never be able to divorce himself, especially since you have rejected the amendment offered by the gentleman from Georgia [Mr. WRIGHT] providing for a limitation of the tax on cotton. The amendment as read by the Clerk is as follows:

Amendment offered by Mr. WRIGHT: Page 15, line 4, after the word "collection" insert: *Provided*, That the equalization fee on cotton shall not exceed $10 per bale.

The other amendment as reported by the Clerk reads:

Amendment offered by Mr. WRIGHT: Page 15, line 4, after the word "collection" insert: "*Provided*, That no equalization fee on cotton shall exceed $25 per bale.

Another amendment I wish to quote is one reported and read by the Clerk as follows:

Amendment offered by Mr. TINCHER: Page 7, line 17, after the word "board" insert a colon and add the words: "*Provided*, That the board shall not appoint more than 25 experts for any one commodity, and in no case shall the salary of any expert exceed $10,000 per annum."

This amendment was also rejected. It is clear, therefore, that the board will have the unlimited right to employ as many experts as it desires, and pay them any salary it wants to and then fix the tax or equalization fee on the farmer high enough to pay the bills. Under these circumstances I will be compelled to vote against the bill.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House with the following title, which was signed by the Speaker.

H. J. Res. 359. Making an appropriation for the eradication or control of the European corn borer.

The SPEAKER announced his signature to bills of the following titles:

S. 68. An act authorizing Dominic I. Murphy, consul general of the United States of America, to accept a silver fruit bowl presented to him by the British Government;

S. 545. An act for the payment of damages to certain citizens of New Mexico, caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States.

S. 598. An act for the relief of Alexander McLaren;

S. 612. An act for the relief of Elizabeth Wooten;

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees;

S. 1304. An act for the relief of Hunter-Brown Co.;

S. 1456. An act authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson;

S. 1860. An act for the relief of F. G. Proudfoot;

S. 2302. An act for the relief of Elisha K. Henson;

S. 2618. An act for the relief of the National Surety Co.;

S. 3064. An act for the relief of the Capital Paper Co.;

S. 3462. An act for the relief of Homer H. Hacker;

S. 3918. An act for the relief of Robert R. Bradford;

S. 4268. An act for the relief of H. W. Krueger and H. J. Selmer, bondsmen for the Green Bay Dry Dock Co., in their contract for the construction of certain steel barges and a dredge for the Government of the United States;

S. 4669. An act for the relief of the Kentucky-Wyoming Oil Co. (Inc.);

S. 4756. An act for the relief of Capt. Ellis E. Haring and Edward F. Batchelor;

S. 4933. An act authorizing an appropriation for public highways in the Virgin Islands of the United States;

S. 4943. An act for the relief of George H. Cecil; and

S. 5084. An act to provide for the payment of the amount of an adjusted-service certificate to Irving D'Forrest Parks, beneficiary designated by Corpl. Steve McNeil Parks, deceased.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Friday, February 18, 1927, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, February 18, 1927, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Second deficiency bill.

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To incorporate the Federal reserve pension fund, to define its functions (S. 3657).

COMMITTEE ON LABOR

(10.30 a. m.)

To require contractors and subcontractors engaged on public works of the United States to comply with State laws relating to hours of labor and wages of employees on State public works (H. R. 17069).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to modify agreements heretofore made for the settlement of certain claims in favor of the United States (H. R. 15131).

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10 a. m.)

To extend the benefits of the World War veterans' act, as amended, to Jerry Tarbot (H. J. Res. 237).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

994. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Bureau of Immigration, Department of Labor, for the fiscal year ending June 30, 1927, amounting to $200,000 (H. Doc. No. 733); to the Committee on Appropriations and ordered to be printed.

995. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Bureau of Immigration, Department of Labor, for the fiscal year ending June 30, 1927, to remain available until June 30, 1928, amounting to $237,000 (H. Doc. No. 734); to the Committee on Appropriations and ordered to be printed.

996. A letter from the Secretary of the Navy, transmitting proposed draft of a bill "to enable electricians, radio electricians, chief electricians, and chief radio electricians to be appointed to the grade of ensign"; to the Committee on Naval Affairs.

997. A letter from the Acting Secretary of Commerce, transmitting report of an accumulation of documents and files of papers which are not needed nor useful in the transaction of current business, which may be sold as waste paper or otherwise disposed of according with law; to the Committee on Disposition of Useless Executive Papers.

998. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Agriculture for the fiscal year 1927, for enforcement of the milk importation act, approved February 15, 1927, $15,000, and for furnishing meteorological data to Army and Navy aviation fields, $11,560, and for the fiscal year 1928, for further development of the blueberry, $2,400, and for an additional amount for inspection and quarantine, Bureau of Animal Industry, $25,000; in all, $88,960; also a draft of proposed legislation affecting existing appropriation (H. Doc. No. 735); to the Committee on Appropriations and ordered to be printed.

999. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the fiscal year ending June 30, 1927, for the Department of the Interior, Bureau of Indian Affairs, amounting to $28,000, from the tribal funds of the Navajo Indians (H. Doc. No. 736); to the Committee on Appropriations and ordered to be printed.

1000. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Navy Department for the fiscal year ending June 30, 1927, consisting of three items amounting to $1,730,000 (H. Doc. No. 737); to the Committee on Appropriations and ordered to be printed.

1001. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the District of Columbia for the fiscal year ending June 30, 1927, for the payment of judgments of $4,110.40, and for repairs and improvements of the courthouse $3,300.40, in all $7,410.80; also, draft of proposed legislation to authorize the use of the present appropriation for the extension, etc., of streets and avenues, District of Columbia, for the payment of awards and expenses arising out of Public, No. 608, Sixty-ninth Congress (H. Doc. No. 738); to the Committee on Appropriations and ordered to be printed.

1002. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the fiscal year ending June 30, 1927, for the War Department, amounting in all to $146,135; also draft of proposed legislation affecting an existing appropriation of the War Department (H. Doc. No. 739); to the Committee on Appropriations and ordered to be printed.

1003. A letter from the Secretary of the Interior, transmitting report of November 17, 1926, and supplemental report of November 27, 1926, submitted by the Director of the Geological Survey with statement of expenditures on tribal or allotted Indian lands during the fiscal year 1926; to the Committee on Indian Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 13457. A bill to provide a method for compensating persons who suffered property damage or personal injury due to the explosions at the naval ammunition depot, Lake Denmark, N. J., July 10, 1926; with amendment (Rept. No. 2134). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 17138. A bill authorizing an appropriation to enable the Secretary of Agriculture to cooperate with the South Carolina Agricultural Experiment Station; without amendment (Rept. No. 2135). Referred to the Committee of the Whole House on the state of the Union.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 17131. A bill authorizing the construction of a bridge across the St. Lawrence River near Alexandria Bay, N. Y.; with amendment (Rept. No. 2136). Referred to the House Calendar.

Mr. ZIHLMAN: Committee on the District of Columbia. S. 5213. An act for the relief of the Lucy Webb Hayes National Training School for Deaconesses and Missionaries; without amendment (Rept. No. 2139). Referred to the House Calendar.

Mr. HILL of Maryland: Committee on Military Affairs. H. R. 17201. A bill authorizing the erection of a sanitary fireproof hospital at the National Home for Disabled Volunteer Soldiers at Dayton, Ohio; without amendment (Rept. No. 2142). Referred to the House Calendar.

Mr. HOWARD: Committee on Indian Affairs. H. R. 10977. A bill authorizing an appropriation of $70,000 for the construction of a bridge across the Trinity River and a road to connect therewith within the Hoopa Valley Indian Reservation, Calif.; with amendment (Rept. No. 2152). Referred to the Committee of the Whole House on the state of the Union.

Mr. KNUTSON: Committee on Indian Affairs. H. R. 16292. A bill to appropriate treaty funds due the Wisconsin Pottawatomi Indians; with amendment (Rept. No. 2153). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD: Committee on Indian Affairs. H. R. 16918. A bill to authorize the city of Niobrara, Nebr., to transfer Niobrara Island to the State of Nebraska; without amendment (Rept. No. 2154). Referred to the House Calendar.

Mr. HILL of Washington: Committee on Irrigation and Reclamation. H. J. Res. 346. A joint resolution extending the provisions of the acts of March 4, 1925, and April 13, 1926, relating to a compact between the States of Washington, Idaho, Oregon, and Montana for allocating the waters of the Columbia River and its tributaries, and for other purposes; with amendment (Rept. No. 2155). Referred to the Committee of the Whole House on the state of the Union.

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 17181. A bill to extend the time for constructing a bridge across the Rainy River, approximately midway between the village of Spooner, in the county of Lake of the Woods, State of Minnesota, and the village of Rainy River, Province of Ontario, Canada; without amendment (Rept. No. 2156). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 1564. A bill for the relief of Lewis H. Francke and Blanche F. Shelley, sole legal heirs of Ralph K. Warrington; with amendment (Rept. No. 2137). Referred to the Committee of the Whole House.

Mr. VINCENT of Michigan: Committee on Claims. S. 105. An act for the relief of Arthur E. Colgate, administrator of Clinton G. Colgate, deceased; with amendment (Rept. No. 2138). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 5787. A bill for the relief of J. C. Herbert; with amendment (Rept. No. 2140). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 13091. A bill for the relief of Ellen B. Monahan; with amendment (Rept. No. 2141). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 3464. A bill for the relief of John M. Andrews; with amendment (Rept. No. 2143). Referred to the Committee of the Whole House.

Mr. JOHNSON of Indiana: Committee on Military Affairs. H. R. 5179. A bill to correct the military record of John W. Siple; with amendment (Rept. No. 2144). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 7146. A bill for the relief of William L. Trott; without amendment (Rept. No. 2145). Referred to the Committee of the Whole House.

Mr. WHEELER: Committee on Military Affairs. H. R. 7211. A bill for the relief of James W. Kingon; without amendment (Rept. No. 2146). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 9927. A bill to correct the military record of James P. Davis; with amendment (Rept. No. 2147). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 11433. A bill for the relief of Theodore Herbert; with amendment (Rept. No. 2148). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 14161. A bill to correct the military record of Alexander Ashbaugh; with amendment (Rept. No. 2149). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 14312. A bill for the relief of Charles A. Black, alias Angus Black; with amendment (Rept. No. 2150). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 15792. A bill to correct the military record of Alfred St. Dennis; with amendment (Rept. No. 2151). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 17107) granting a pension to Margaret Crawford, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCHAFER: A bill (H. R. 17207) to authorize the Comptroller General of the United States to audit post funds of the National Home for Disabled Volunteer Soldiers and its branches, and for other purposes; to the Committee on Military Affairs.

By Mr. GASQUE: A bill (H. R. 17208) to provide for the acquisition of certain land in the District of Columbia and the establishment and operation of a municipal air port thereon; to the Committee on the District of Columbia.

By Mr. DEAL: A bill (H. R. 17199) granting the consent of Congress to the James River Bridge Corporation, its successors and assigns, to construct, maintain, and operate bridges across the James River, Chuckatuck Creek, and Nansemond River; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDSPETH: A bill (H. R. 17200) to prevent gambling in cotton futures and make it unlawful for any person, corporation, or association of persons to sell any contract for future delivery of any cotton within the United States, unless such seller is actually the legitimate owner of the cotton so contracted for future delivery at the time said sale or contract of sale is made; to the Committee on Agriculture.

By Mr. ROY G. FITZGERALD: A bill (H. R. 17201) authorizing the erection of a sanitary fireproof hospital at the National Home for Disabled Volunteer Soldiers at Dayton, Ohio; to the Committee on Military Affairs.

By Mr. BUTLER: A bill (H. R. 17202) to enable electricians, radio electricians, chief electricians, and chief radio electricians to be appointed to the grade of ensign; to the Committee on Naval Affairs.

By Mr. McLEOD: A bill (H. R. 17203) authorizing a national referendum on the repeal of the eighteenth amendment; to the Committee on the Judiciary.

By Mr. COLTON: A bill (H. R. 17204) to amend section 2240 of the Revised Statutes of the United States; to the Committee on the Public Lands.

By Mr. SUMMERS of Washington: A bill (H. R. 17205) to authorize advances by disbursing officers of the Treasury Department; to the Committee on Ways and Means.

By Mr. YATES: A bill (H. R. 17206) to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes; to the Committee on Military Affairs.

By Mr. SINNOTT: Joint resolution (H. J. Res. 363) amending the joint resolution entitled "Joint resolution directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants, and for other purposes," approved June 5, 1924; to the Committee on the Public Lands.

By Mr. BEERS: Resolution (H. Res. 430) to print the prayers of the Chaplain of the House of Representatives offered at the daily sessions of the Sixty-eighth and Sixty-ninth Congresses; to the Committee on Printing.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of North Carolina, urging that the development of Muscle Shoals be used for the public and not leased to private corporations; to the Committee on Military Affairs.

By Mr. BULWINKLE: Memorial of the Legislature of the State of North Carolina, in regard to the manufacture, etc., of fertilizer at Muscle Shoals; to the Committee on Military Affairs.

By Mr. SNELL: Memorial of the Legislature of the State of New York, favoring passage of House bill 6238; to the Committee on Immigration and Naturalization.

By Mr. BLOOM: Memorial of the Legislature of the State of New York, regarding immigration legislation; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BEERS: A bill (H. R. 17209) granting an increase of pension to Isabella Daughenbaugh; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 17210) for the relief of F. A. Brady (Inc.); to the Committee on War Claims.

By Mr. CONNERY: A bill (H. R. 17211) granting a pension to Abbie F. Daniels; to the Committee on Pensions.

By Mr. EATON: A bill (H. R. 17212) granting a pension to Lydia A. P. Conover; to the Committee on Invalid Pensions.

By Mr. PHILLIPS: A bill (H. R. 17213) granting an increase of pension to Emma M. Richards; to the Committee on Invalid Pensions.

By Mr. SPROUL of Illinois: A bill (H. R. 17214) to provide for the reincorporation of the Delta Alpha Sorority; to the Committee on the Judiciary.

By Mr. STALKER: A bill (H. R. 17215) granting an increase of pension to Lucinda Johnson; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 17216) granting an increase of pension to Laura T. Carter; to the Committee on Invalid Pensions.

By Mr. TOLLEY: A bill (H. R. 17217) granting an increase of pension to Eliza W. Bowker; to the Committee on Invalid Pensions.

By Mr. WRIGHT: A bill (H. R. 17218) granting an increase of pension to Arthur F. Truitt; to the Committee on Invalid Pensions.

By Mr. YATES: A bill (H. R. 17219) granting an increase of pension to Mary J. Finney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6926. Petition of B. O. Sweet, president of the Dows Commercial Club, of Dows, Iowa, urging an increase in the tariff on molasses imported into the United States; to the Committee on Ways and Means.

6927. By Mr. ARNOLD: Petition from Lula Parsons and Sarah A. F. Miller, Mount Vernon, Ill., favoring the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

6928. By Mr. BEERS: Petition of citizens of Juniata County, Pa., favoring passage of the pension bill indorsed by the National Tribune; to the Committee on Invalid Pensions.

6929. Also, petition from citizens of New Granada, urging passage of pension bill which is sponsored by the National Tribune; to the Committee on Invalid Pensions.

6930. By Mr. BERGER: Petition of various and sundry citizens of the United States, residents of the city of Milwaukee, opposing the Sunday closing law for the District of Columbia, or any other bill relating to the observance of the Sabbath; to the Committee on the District of Columbia.

6931. By Mr. BLAND: Petition of voters of Spotsylvania County, Va., urging that early steps be taken to bring to a vote a Civil War pension bill carrying rates proposed by the National Tribune, Washington, D. C., and urging support on part of Representatives and Senators; to the Committee on Invalid Pensions.

6932. By Mr. BRIGHAM: Petition of M. A. Regan and 29 other citizens of Bakersfield, Vt., favoring the passage of legislation for the relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6933. By Mr. CANNON: Petition of Mrs. Anna Goodrich and seven other citizens of Villa Ridge, Mo., indorsing enactment of pension legislation; to the Committee on Invalid Pensions.

6934. Also, petition of Mrs. Lucretia Eubanks and 27 other citizens of Kansas City, Mo., indorsing enactment of pension legislation; to the Committee on Invalid Pensions.

6935. By Mr. CARTER of California: Petition of Mrs. Frances Allen and 37 other voters of Berkeley, Calif., urging the passage of legislation increasing the pensions of the Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6936. Also, petition of Mrs. B. Webster and 21 other citizens of Alameda County, Calif., urging the passage of legislation increasing pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6937. Also, petition of Mrs. Nancy Mills and 14 other citizens of Alameda County, Calif., urging the passage of legislation increasing pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6938. Also, petition of Mrs. Caroline A. Beaven and 68 other residents of Oakland, Calif., urging the passage of legislation increasing pensions of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6939. By Mr. CARSS: Petition of 62 residents of Duluth, Minn., advocating the National Tribune's Civil War pension bill; to the Committee on Invalid Pensions.

6940. Also, memorial of Senate of the State of Minnesota, the House of Representatives concurring, that farmers of Minnesota are in dire need of farm-relief legislation and the same should be speedily enacted into law; to the Committee on Agriculture.

6941. By Mr. CHALMERS: Petition signed by 25 constituents, protesting against war with Mexico and Nicaragua; to the Committee on Military Affairs.

6942. By Mr. CLAGUE: Petition of 24 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6943. Also, petition of 90 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6944. Also, petition of 34 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6945. Also, petition of 44 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6946. Also, petition of 43 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6947. Also, petition of 184 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6498. Also, petition of 52 property owners and business men of Minneapolis, Minn., petitioning Congress to pass the McNary-Haugen agricultural relief bill; to the Committee on Agriculture.

6949. By Mr. CORNING: Petition of sundry citizens of Albany, N. Y., urging the enactment of legislation for the purpose of granting increases of pensions to the veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

6950. By Mr. CURRY: Petition of residents of the third California district, requesting Civil War pension legislation; to the Committee on Invalid Pensions.

6951. By Mr. DENISON: Petition of various citizens of Williamson County, Ill., urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune in order that relief may be accorded to needy and suffering veterans and the widows of veterans; to the Committee on Invalid Pensions.

6952. Also, petition of various citizens of Christopher, Ill., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to the needy and suffering veterans and the widows of veterans; to the Committee on Invalid Pensions.

6953. By Mr. EATON: Petition of Mary E. Heath, South Trenton Avenue, Frenchtown, N. J., and 73 other citizens of Frenchtown, urging immediate steps be taken to bring Civil War pension bill to vote and urging support by Members of Congress; to the Committee on Invalid Pensions.

6954. By Mr. FENN: Petition of 23 voters of East Hartford and Hartford, Conn., and 60 voters of Windsor, Conn., favoring the passage of legislation increasing the pensions of veterans of the Civil War, their widows, and orphans; to the Committee on Invalid Pensions.

6955. By Mr. W. T. FITZGERALD: Memorial of the Ohio State Senate under Joint Resolution 16, relating to the ship canal connecting the Great Lakes and the Atlantic Ocean by way of the St. Lawrence River, and urging development and construction of the same jointly with the Dominion of Canada, to open Ohio and Middle West to ocean, and afford farmers and manufacturers a better outlet for their crops and production in the world's markets; to the Committee on River and Harbors.

6956. By Mr. GALLIVAN: Petition of Massachusetts State Branch, American Federation of Labor, Martin T. Joyce, 818 Lawyers Building, 11 Beacon Street, Boston, Mass., secretary-treasurer-legislative agent, urging early and favorable consideration of Senate bill 3170, longshoremen's compensation bill, and opposing any amendment fixing definite maximum amount of death of permanent total disability benefit; to the Committee on the Judiciary.

6957. By Mr. GIBSON: Petition of citizens of Northfield, Vt., favoring legislation for the relief of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6958. Also, petition of citizens of Cabot, Vt., favoring legislation for the relief of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6959. Also, petition by citizens of Irasburg, Vt., favoring legislation for the relief of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6960. By Mr. HALL of Indiana: Petition of Edward J. Blonser and 121 citizens of Cass County, Ind., asking for legislation in behalf of widows of Civil War veterans; to the Committee on Invalid Pensions.

6961. Also, petition of W. A. Fankboner and 110 other citizens of Marion, Ind., asking for legislation in behalf of widows of Civil War veterans; to the Committee on Invalid Pensions.

6962. Also, petition of Mrs. Clarence Sutton and 48 citizens of Hartford City, Ind., asking for legislation in behalf of widows of Civil War soldiers; to the Committee on Invalid Pensions.

6963. By Mr. HAWLEY: Petitions of residents of Portland, Monmouth, and Corvallis, Oreg., and Columbia and Josephine Counties, Oreg., to Congress to bring to a vote legislation granting further relief to veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6964. By Mr. HICKEY: Petition of Malinda Shroyer and other citizens of St. Joseph County, Ind., urging the passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

6965. By Mr. HUDSPETH: Petition of the El Paso Chamber of Commerce, of El Paso, Tex., indorsing legislation in behalf of irrigation along Canadian River; to the Committee on Irrigation and Reclamation.

6966. By Mr. WILLIAM E. HULL: Petition of Mrs. Emily Challacombe and Catharine R. Middleton, of Princeton, Ill., urging immediate and favorable consideration of the Elliott pension bill for the relief of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

6967. By Mr. JOHNSON of Indiana: Petition of John McKinney and others, of Vigo County, Ind., for the increase of Civil War pensions; to the Committee on Invalid Pensions.

6968. By Mr. KELLER: Petition signed by residents of St. Paul, Minn., urging increase in pensions for Civil War veterans, their widows, and dependents; to the Committee on Invalid Pensions.

6969. By Mr. KING: Petition signed by Mr. R. F. Morris and 34 other citizens of Ray, Ill., urging the immediate passage of legislation granting relief to the veterans and the widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6970. Also, petition signed by Mrs. Mary S. Ellingsworth and 79 other citizens of Geneseo, Ill., urging the immediate passage of a bill granting additional relief to the veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6971. By Mr. MAPES: Petition of 36 residents of Grand Rapids, Mich., recommending the enactment by Congress of additional legislation for the benefit of veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6972. Also, petition of Rev. R. G. Klingbeil and 60 other residents of Holland, Mich., and vicinity, in opposition to the enactment by Congress of the Sunday closing legislation now pending; to the Committee on the District of Columbia.

6973. By Mr. MICHAELSON: Petition from citizens of Chicago, Ill., advocating a Civil War pension bill carrying increased rates; to the Committee on Invalid Pensions.

6974. By Mr. MILLIGAN: Petition signed by citizens of Caldwell County, Mo., urging the early consideration of Civil War pension legislation; to the Committee on Invalid Pensions.

6975. By Mr. MURPHY: Petition by the members of the First United Presbyterian Church of St. Clairsville, Ohio, consisting of 400 members, urging the passage of the Lankford Sabbath bill, known as House bill 10311, for the District of Columbia; to the Committee on the District of Columbia.

6976. By Mr. NELSON of Maine: Petition of the citizens of Augusta and Ellsworth, Me., urging the passage by Congress of a bill granting increased pensions for Civil War veterans and dependents; to the Committee on Invalid Pensions.

6977. Also, petition of the citizens of Brooksville and Vanceboro, Me., urging the passage by Congress of a bill granting increased pensions for Civil War veterans and dependents; to the Committee on Invalid Pensions.

6978. By Mr. NELSON of Missouri: Petition signed by Lon King and others of Camden County, Mo., in behalf of the Civil War increase bill; to the Committee on Invalid Pensions.

6979. By Mr. O'CONNELL of New York: Petition of representative business men of Minneapolis, Minn., opposing the passage of the McNary-Haugen bill; to the Committee on Agriculture.

6980. Also, petition of the Quentin Roosevelt Chapter, No. 3, Disabled American Veterans of the World War, favoring the passage of House bill 4548 and Senate bill 3027; to the Committee on World War Veterans' Legislation.

6981. By Mr. PATTERSON: Petition of 22 residents of Camden County, N. J., favoring increase of pension for veterans of the Civil War and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6982. Also, petition of 24 residents of Salem County, N. J., favoring increase of pension for veterans of the Civil War and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6983. By Mr. PHILLIPS: Petition of Philadelphia (Pa.) Chapter, No. 329, of the Associated Master Barbers of America, urging Congress to pass Senate bill 4821, introduced by Senator Copeland, making it unlawful for barber shops to remain open on Sunday; to the Committee on the District of Columbia.

6984. Also, petition of citizens of Beaver County, Pa., urging the passage of House bill 10311, known as the Lankford Sunday rest bill for the District of Columbia; to the Committee on the District of Columbia.

6985. By Mr. PRALL: Petition from voters of Staten Island, urging that immediate steps be taken to bring to a vote a Civil War pension bill carrying the rates proposed by the National Tribune; to the Committee on Invalid Pensions.

6986. Also, petition against compulsory Sunday observance from citizens of Staten Island, N. Y.; to the Committee on the District of Columbia.

6987. By Mr. PRATT: Petition of citizens of Napanoch, Ulster County, N. Y., urging legislation to increase the pensions of Civil War veterans and widows; to the Committee on Invalid Pensions.

6988. By Mr. ROBINSON of Iowa: Petition from the citizens of Hampton, Franklin County, Iowa, against compulsory Sunday observance laws; to the Committee on the District of Columbia.

6989. By Mr. ROWBOTTOM: Petition of Julia Baldwin and others, of Posey County, Ind., that the Civil War pension bill granting increases of pensions to widows of Civil War veterans be enacted into law at this session of Congress; to the Committee on Invalid Pensions.

6990. Also, petition of Mary H. McAlpin, of Evansville, Ind., that the bill granting increases of pensions to Civil War widows be enacted into law at this session of Congress; to the Committee on Invalid Pensions.

6991. By Mr. SANDERS of New York: Petition of J. M. Winch and 52 other residents of Java Village, N. Y.; urging Civil War pension legislation; to the Committee on Invalid Pensions.

6992. Also, petition of 55 ladies of the Relief Corps of Batavia, N. Y., urging Civil War pension legislation; to the Committee on Invalid Pensions.

6993. By Mr. SANDERS of Texas: Petition from citizens of Kaufman County, Tex., asking for increase of pensions for the relief of suffering veterans and widows of the Civil War; to the Committee on Invalid Pensions.

6994. Also, petition from citizens of Wood County, Tex., asking for increase of pensions for the relief of suffering veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6995. By Mr. SINCLAIR: Petition of 21 residents of Beulah, N. Dak., urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

6996. By Mr. SINNOTT: Petition of certain citizens of Arlington, Oreg., in behalf of a further increase of pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6997. By Mr. STALKER: Petition signed by citizens of Addison, Steuben County, N. Y., urging the passage of further legislation providing increases in pensions for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

6998. Also, petition signed by sundry citizens of Newark Valley, Tioga County, N. Y., favoring the passage of a bill granting additional relief to the veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

6999. By Mr. SWING: Petition of certain residents of San Diego County, Calif., urging the passage by Congress of a bill granting increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

7000. Also, petition of certain residents of San Diego County, Calif., urging the passage by Congress of a bill granting increased pensions to Civil War veterans and the widows of Civil War veterans; to the Committee on Invalid Pensions.

7001. By Mr. THURSTON: Petition of citizens of Page County, Iowa, relating to legislation in favor of veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7002. By Mr. UNDERHILL: Petition of B. W. Lewis and others, favoring Civil War pension legislation; to the Committee on Invalid Pensions.

7003. By Mr. UNDERWOOD: Petition of Beulah Waldo et al., of Rushville, Ohio, favoring Civil War pension legislation; to the Committee on Invalid Pensions.

7004. Also, petition of Ota Mercer et al., of West Rushville, Ohio, favoring Civil War pension legislation; to the Committee on Invalid Pensions.

7005. Also, petition of H. R. Carnicom et al., of Glenford, Ohio, and vicinity, in favor of Civil War pension legislation; to the Committee on Invalid Pensions.

7006. By Mr. VINSON of Kentucky: Petition signed by numerous residents of Bath County, in the ninth congressional district of Kentucky, urging the passage before adjournment of Congress of a bill for the relief of needy and suffering veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

7007. By Mr. WASON: Petition of Ellen C. Whitney and 26 other residents of Marlboro, N. H., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

7008. Also, petition of Amanda L. Bates and five other residents of Gilsum, N. H., urging that immediate steps be taken to bring to a vote a Civil War pension bill in order that relief may be accorded to needy and suffering veterans and widows of veterans; to the Committee on Invalid Pensions.

7009. By Mr. WATRES: Petition of residents of Elmhurst, Pa., favoring legislation to increase pension for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7010. Also, petition of residents of Taylor, Pa., to increase pension of Civil War soldiers and widows of soldiers; to the Committee on Invalid Pensions.

7011. Also, petition of residents of Carbondale, Pa., favoring legislation to increase the pension of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7012. Also, petition of residents of Moscow, Pa., favoring legislation to increase the pension of Civil War soldiers and widows of soldiers; to the Committee on Invalid Pensions.

7013. By Mr. WOODYARD: Petition of citizens of Pleasants County, W. Va., favoring additional pension legislation for widows, etc., of soldiers of Civil War; to the Committee on Invalid Pensions.

7014. Also, petition of citizens of Huntington, W. Va., relative to additional pension legislation for widows, etc., of soldiers of Civil War; to the Committee on Invalid Pensions.

7015. By Mr. WURZBACH: Petition of N. Altermann, H. C. Brown, and other citizens of San Antonio, Tex., advocating the passage of a bill increasing the pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7016. By Mr. WYANT: Petition of citizens of Derry, Westmoreland County, Pa., urging passage of an amendment to House bill 120 (Public Law 148) to increase the salaries of Federal jurors; to the Committee on the Judiciary.

SENATE

FRIDAY, *February 18, 1927*

(Legislative day of Thursday, February 17, 1927)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

PRAYER

Mr. NORRIS. Mr. President, since we have taken a recess we do not have what possibly we need very much, and that is the services of the Chaplain. Because that service is omitted to-day, I ask unanimous consent to have the clerk read at the desk a prayer recently delivered by the president of the University of Wisconsin before the Senate of Wisconsin at the opening session of the legislature of that State.

The VICE PRESIDENT. The clerk will read as requested.

The Chief Clerk read as follows:

Almighty God, Lord of all governments, help us in the opening hours of this legislative session to realize the sanctity of politics. * * *

Give us the insight and grant us the power to lift this business of government into an adventure that we may with reverence call the politics of God, because by it we shall seek to fashion the life of this Commonwealth in the likeness of that city of God which has been the dream of saints and seers for unnumbered centuries.

Save us from the sins to which we shall be subtly tempted as the calls of parties and the cries of interests beat upon this seat of government.

Save us from thinking about the next election when we should be thinking about the next generation.

Save us from dealing in personalities when we should be dealing in principles.

Save us from thinking too much about the vote of majorities when we should be thinking about the virtue of measures.

Save us in crucial hours of debate from saying the things that will take when we should be saying the things that are true.

Save us from indulging in catchwords when we should be searching for facts.

Save us from making party an end in itself when we should be making it a means to an end. * * *

May we have greater reverence for the truth than for the past. Help us to make party our servant rather than our master.

May we know that it profits us nothing to win elections if we lose our courage.

May we be worthy of the high calling of government. Amen.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the bill (S. 4808) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 68. An act authorizing Dominic I. Murphy, consul general of the United States of America, to accept a silver fruit bowl presented to him by the British Government;

S. 545. An act for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States;

S. 598. An act for the relief of Alexander McLaren;

S. 612. An act for the relief of Elizabeth Wooten;

S. 867. An act authorizing the Secretary of the Treasury to pay the Columbus Hospital, Great Falls, Mont., for the treatment of disabled Government employees;

S. 1304. An act for the relief of Hunter-Brown Co.;

S. 1456. An act authorizing the Court of Claims of the United States to hear and determine the claim of H. C. Ericsson;

S. 1860. An act for the relief of F. G. Proudfoot;

S. 2302. An act for the relief of Elisha K. Henson;

S. 2618. An act for the relief of the National Surety Co.;

S. 3064. An act for the relief of the Capital Paper Co.;

S. 3462. An act for the relief of Homer H. Hacker;

S. 3918. An act for the relief of Robert R. Bradford;

S. 4268. An act for the relief of H. W. Krueger and H. J. Selmer, bondsmen for the Green Bay Dry Dock Co., in their contract for the construction of certain steel barges and a dredge for the Government of the United States;

S. 4669. An act for the relief of the Kentucky-Wyoming Oil Co. (Inc.);

S. 4756. An act for the relief of Capt. Ellis E. Haring and Edward F. Batchelor;

S. 4933. An act authorizing an appropriation for public highways in the Virgin Islands of the United States;

S. 4943. An act for the relief of George H. Cecil;

S. 5084. An act to provide for the payment of the amount of an adjusted-service certificate to Irving D'Forrest Parks, beneficiary designated by Corpl. Steve McNeil Parks, deceased;

H. R. 2. An act to further amend the national banking laws and the Federal reserve act, and for other purposes; and

H. J. Res. 359. Joint resolution making an appropriation for the eradication or control of the European corn borer.

EXPENDITURES OF GEOLOGICAL SURVEY FOR INDIAN TRIBES

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Interior, submitting, pursuant to law, a report of November 17, 1926, and a supplemental report of November 27, 1926, by the Director of the Geological Survey relative to expenditures made by that survey for the benefit of Indian tribes, which, with the accompanying papers, was referred to the Committee on Appropriations.

INHABITANTS OF THE VIRGIN ISLANDS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2770) to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto, which was on page 4, after line 2, to insert the following:

SEC. 5. Section 4 of the act entitled "An act to provide a temporary government for the West Indian Islands acquired by the United States from Denmark by the convention entered into between said countries on the 4th day of August, 1916, and ratified by the Senate of the United States on the 7th day of September, 1916, and for other purposes," approved March 3, 1917, is amended by striking out the figure "8" and inserting in lieu thereof the figure "6."

Mr. WILLIS. Mr. President, I move that the Senate concur in the amendment made by the House of Representatives. I can explain it in a moment.

Under the present law there is an export duty of $8 per ton on sugar from the Virgin Islands. The House were of the opinion, after extensive hearings, that there ought to be a very considerable reduction in that duty. They favored a much larger reduction than is here proposed, but the members of the Senate committee were not agreeable to so large a reduction, though they were agreeable to a reduction of 25 per cent. The amendment provides for a reduction in the export duty on sugar from the Virgin Islands from $8 per ton to $6 per ton.

I move that the Senate concur in the amendment made by the House of Representatives.

The amendment was concurred in.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following resolutions of the Legislature of the State of North Dakota, which were referred to the Committee on Commerce: