SENATE

MONDAY, *April 30, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God, who hast formed and designed us for companionship with Thee, and hast called us to walk with Thee unafraid, show to us the life that serves Thee in the quiet discharge of each day's duty, that ennobles all our work by doing it as unto Thee. We ask Thee not to lift us out of toil but to prove Thy power within it; not for tasks more suited to our strength but for strength more suited to our tasks. Give to us the vision that moves, the strength that endures, that we may find a divine calling in the humblest claim of life and our abundant fruition in work well done; through Him who came to earth disguised in lowliness, Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 286) to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works, in which it requested the concurrence of the Senate.

DEVELOPMENT OF THE CAPITOL GROUNDS (H. DOC. NO. 252)

The VICE PRESIDENT laid before the Senate a report of the Commission for the Enlarging of the Capitol Grounds recommending the passage of legislation authorizing the Architect of the Capitol to proceed with a plan, as outlined, for the development of the Capitol area, which was referred to the Committee on Public Buildings and Grounds, ordered to be printed as a document, and printed in the RECORD, as follows:

APRIL 24, 1928.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES.

SIR: Under the act entitled "An act to create a commission to be known as the Commission for the Enlarging of the Capitol Grounds, and for other purposes," approved April 11, 1928, there was created the following commission for enlarging the Capitol Grounds:

The Vice President of the United States, the Speaker of the House of Representatives of the United States, the chairman and ranking minority member of the Senate Committee on Public Buildings and Grounds, the chairman and ranking minority member of the House Committee on Public Buildings and Grounds, the minority leader of the Senate, the minority leader of the House of Representatives, and the Architect of the Capitol. In the act referred to, the duty placed upon the commission is as follows:

"The commission is authorized to consider plans and estimates for the creation of a park area to enlarge the Capitol Grounds, including the plans showing the original scheme for the development of this area and the alternative scheme for the development of this and added areas, and to recommend to the Congress such original and alternative plans or schemes with estimates of costs therefor, together with recommendations for the purchase of such other areas as may be considered necessary to give to the plans for the enlargement of the Capitol Grounds a suitable landscape treatment for the Capitol Building in relation to the landscape treatment with the proposed arrangement of the Mall area."

From February 12, 1901, up to the passage of the sundry civil act of June 25, 1910, the intent to set apart the area to the north of the Capitol is clearly set forth in the legislation which provided for relocation of railroad tracks and the combining in a union station of the two separate railroad stations furnishing means of reaching by train the National Capital. Sundry civil act of June 25, 1910, declared it to be the purpose of Congress to ultimately acquire all of the squares Nos. 632, 633, 634, 680, 681, 682, 683, 684, 685, 721, 722, and 723 in the city of Washington, District of Columbia.

After various delays owing to different causes, among them being the World War, the completion of this purchase was not consummated until payment of the final voucher August 17, 1927. The property thus acquired was undeveloped for the purposes of a park and contained not only temporary buildings known as the Government hotels but also many other buildings the removal of which was necessary in order that the ground purchased should be in a condition to be further developed for park purposes. During the year 1927, 34 houses in squares 633, 683, and 684 were razed, the foundations removed, and the excavations filled. There still remains to be razed the Maltby Building, the Government hotels, the Senate garage, and the buildings occupied by the Senate as folding rooms. When the buildings just referred to have been removed the necessary grading of the entire area can be undertaken. Legislative act approved February 23, 1927, provided for the removal of the buildings not occupied by Government activities and the preparation of plans for the development of this area as a park, thereby extending the present grounds of the Capitol.

In the performance of its duties the commission has considered two sets of plans prepared under the direction of the Architect of the Capitol. These plans and the relative cost of each are as follows:

Scheme A contemplates the treatment of this area as a park and the location of a new avenue commencing at the western fountain in front of the Union Station and running in a southwesterly direction and ending at the Peace Monument at the foot of the Capitol Grounds. This plan contemplates in its development the cutting off of a small portion of the northwest corner of the present Capitol Grounds. The cost of the development of this scheme, known as Scheme A, with its contemplated improvements, is $1,585,465. Its disadvantages are—

The cutting off of a section of the present Capitol Grounds.

The bisecting of the area acquired as indicated by the squares previously named making a suitable treatment of this acquired property extremely difficult.

The avenue as contemplated would cross B Street where there is a 7 per cent grade, making the traffic conditions dangerous.

Scheme B provides for an avenue starting from the western fountain in front of Union Station running in a southwesterly direction, crossing B Street near the corner of Second Street and joining Pennsylvania Avenue between Second and Third Streets NW., thereby suitably connecting with the plan for the development of the Mall. This scheme virtually enlarges the present Capitol Grounds by extending the line of traffic one square west, thus diverting traffic from its present proximity to the west boundary of the Capitol Grounds. It also provides for the closing of North Capitol Street at D Street and detours the traffic to New Jersey Avenue and Delaware Avenue leaving North Capitol Street open for a vista street. It makes possible the closing of C Street to vehicular travel if provision is made for retaining existing street-car lines. This scheme provides for the placing of tracks in a subway crossing under Delaware Avenue and passing them under a terrace in such a way that the grounds afford an unbroken aspect. Included in this rearrangement the street-car lines and tracks on Delaware Avenue are removed and replaced on First Street NE., making a direct line to the Union Station with a car stop beneath Delaware Avenue for the C Street line with a convenient subway connection with the basement in the Senate Office Building. By the closing of North Capitol Street and C Street it becomes possible to treat the area of four city blocks as a park worthy to be called an extension of the Capitol Grounds. Scheme B also provides for a shelter for automobiles used in connection with the Capitol in the form of an underground garage with its floor approximately at the level of C Street and extending from Delaware Avenue to New Jersey Avenue by which a space for parking automobiles and trucks is amply provided.

These studies have been discussed at length with the Federal City Park and Planning Commission and the Fine Arts Commission, and the location of the avenue as presented in Scheme B was approved by both commissions. It is true that this scheme involves the acquisition of some private property, particularly the triangular points of the corners of blocks 630 and 631 at the intersection of North Capitol and D Streets and New Jersey Avenue and C Street, respectively. The resulting advantage of this is that by clipping the corners of those blocks there are produced facades of buildings facing the Capitol Park instead of leaving sharp angles projecting into it.

Scheme B contemplates the acquisition of land at the north end of Union Square, comprising blocks 631, lot 1; block 630, lots 1, 2, and 818; reservation 12; block 574, lot 800; and the western half of block 633 and square 575.

Pursuant to the authority of law and having in mind the unquestioned desire of Congress for a proper and artistic development of the Capitol Grounds and their environs as a harmonious factor in relation to the beautification of the city of Washington, the commission recommends the adoption of Scheme B. This plan in detail and in point of superiority over any alternative plans is as follows:

It contemplates an avenue starting from the western fountain in front of Union Station proceeding in a southwesterly direction to that portion of Pennsylvania Avenue between Second and Third Streets, to be known as Union Square in the proposed development of the Mall area. This gives a marginal avenue with a direct connection to Pennsylvania Avenue in a formal and splendid manner. This avenue crosses B Street at a point where the grade is suitable for a street crossing. This deflects travel which would go directly to the northwestern corner of the Capitol Grounds if Scheme A had been recommended. By the adoption of Scheme B and the rearrangement of existing streets in the 12 squares now owned by the Government, it makes possible the treatment of a large area in a suitable manner which could not be done if this large area were bisected by an avenue as in Scheme A. It provides thereby for a suitable approach to the Capitol from the north, the removal of such car lines, the building of terraces, the lowering of street-car tracks so that there are no cars seen between

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the Union Station and the Capitol, makes this view of the Capitol far more attractive than any other plan developed.

The cost of Scheme B is for improvements, $1,871,021; for acquisition of land, $3,041,393; total, $4,912,414.

The commission recommends the enactment of legislation which will authorize the Architect of the Capitol to proceed with the adopted plan as outlined herein. Its consummation involving as it does the purchase of land and buildings, perhaps condemnation proceedings, the removal of buildings, the cutting of new streets, the removal of tracks, etc., will require considerable time.

In order that the development of the Capitol Grounds may progress as the Congress evidently seriously intended as early as 1901, the commission urges early action on the recommendations herein contained.

Respectfully submitted.

CHARLES G. DAWES,
Vice President of the United States.
NICHOLAS LONGWORTH,
Speaker of the House of Representatives of the United States.
HENRY W. KEYES,
Chairman Senate Committee on Public Buildings and Grounds.
FRITZ G. LANHAM,
Ranking Minority Member of the House Committee on Public Buildings and Grounds.
RICHARD N. ELLIOTT,
Chairman House Committee on Public Buildings and Grounds.
JAS. A. REED,
Ranking Minority Member of the Senate Committee on Public Buildings and Grounds.
JOSEPH T. ROBINSON,
Minority Leader of the United States Senate.
FINIS J. GARRETT,
Minority Leader of the House of Representatives.
DAVID LYNN,
Architect of the Capitol.

MEMORANDUM

For the information of the Congress it is stated that certain parcels of land in which the title is vested in the District of Columbia have not been acquired by the commission, intrusted with the purchase of land within the 12 squares referred to, for the reason that there is no authority vested in the District of Columbia to convey the land in question. The parcels of land are as follows: Square 633. Lots 51, 52, 53, 67, 68, 70, 71, 72, 73, and 74, commonly known as the Arthur School property, containing 19,590 square feet, improved by a brick eight-room schoolhouse.

Square 722 contains parcels totaling 3,016 square feet, consisting of ground originally withheld by the District of Columbia for alley purposes.

Square 682, lot 12, a strip of ground 5 feet in width and tapering to zero. Area not given.

Square 721, a part of old E Street, a remainder created by readjustment of the street to conform to the contour lines of the Plaza. Area not given.

CLAIM OF PRIVATE RALPH RHEES, UNITED STATES ARMY

The VICE PRESIDENT laid before the Senate a communication from the Comptroller General of the United States relative to the claim of Ralph Rhees, United States Army, which, with the accompanying report, was referred to the Committee on Claims.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 286) to provide for the expenses of participation by the United States in the International Conference for the Purpose of Revising the International Convention for the Protection of Literary and Artistic Works was read twice by its title and referred to the Committee on Foreign Relations.

EFFECT OF GRAIN GRADING UPON EXPORTS FROM AMERICAN PORTS

Mr. WALSH of Massachusetts, Mr. President, recently several Senators and representative citizens of commercial, maritime and port development associations of seaport States along the Atlantic coast from Maine to Virginia have been in conference seeking to find a solution of the disadvantages which Atlantic seaports in the United States experience owing to the diversion of American grain by export shipment through Montreal and other Canadian ports.

The extent to which our American ports have been affected by the difference in the systems of grain inspection in recent years is startling.

Our exports of grain vary enormously from about 135,000,000 bushels in some years to as low as 40,000,000 bushels. When our exports are exceedingly high American grain cleared through Canada average 35 to 40 per cent. In the low year of 1924–25 it was more than 50 per cent. For the fiscal year ended June 30, 1927, the amount of American grain that cleared the port of Montreal was approximately 67,000,000 bushels, and in the fiscal year of 1922 it was 34,000,000 bushels, nearly 100 per cent increase since the difference in the systems of grading grain was inaugurated. So long as there is an advantage whereby importers can dispose of No. 3 American wheat as No. 2 by export through Montreal they are going to do it. It is doubtful if we can meet the situation by lowering American grades, for most of the grain graded in Montreal now is American grain and Montreal can retaliate by further lowering the grades. We could respond to that only by continued lowering, and we would get to the point where American grain would be discredited and only Canadian grain remain.

Naturally the ports nearest the Canadian ports of Montreal, St. John, and Halifax have suffered most, but every port along the seaboard has felt, and is feeling, the effects of this discrimination in the grading of American grain for export.

One Atlantic port, which formerly had four trans-Atlantic lines engaged in this business, has now but one line, and its shipments of grain have been reduced to almost zero. It is only a matter of time, if the present tendency continues, when the larger part of the exportation of American grain will be through Canadian ports.

There are several reasons for this situation. It is due, in part at least, because of the different methods employed by Canadian officials in the grading of American grain shipped for export, from those employed by United States officials in grading grain that is exported through American ports.

A conference at which Secretary Jardine was present, held some weeks ago by the representatives of the ports concerned and the several Senators interested, resulted in Secretary Jardine stating that he would give the matter further careful consideration, for the matter has been for years before his department, and report later what, if anything, could be done to remove the obstacles that are resulting so disastrously in diminishing the exportation of American grain through our own ports.

Recently I received a letter from Secretary Jardine in which he states his conclusions. He does not think favorably of proposed legislation that was discussed at the conference held. He now suggests negotiations through the State Department.

I request, in order that all who have an interest may know what the present situation is, that the letter which Secretary Jardine addressed to me on April 12, stating his final conclusion, and letters written by me to Secretary Jardine and to Secretary Kellogg, be printed in the CONGRESSIONAL RECORD.

Mr. COPELAND. Mr. President, before the request is granted I desire to say that we ought to express our gratification for the able manner in which the Senator from Massachusetts has gone into this matter so very thoroughly. It is a matter of great concern when we find that 93,000,000 bushels of American wheat went out through Montreal, while we exported through our Atlantic ports less than 40,000,000 bushels. I am very happy that the energetic Senator from Massachusetts has moved in the matter. It is a question of great importance.

Mr. WALSH of Massachusetts. I will say to the Senator from New York that the figures he mentions are included in the letters which I have asked to have placed in the RECORD. I will also say to the Senator that in a few days I expect to address the Senate somewhat at length upon the subject, and also submit a resolution asking that some action on the subject be undertaken.

The VICE PRESIDENT. Without objection, the letters referred to by the Senator from Massachusetts will be printed in the RECORD.

The letters are as follows:

DEPARTMENT OF AGRICULTURE,
Washington, April 12, 1928.

Hon. DAVID I. WALSH,
United States Senate.

DEAR SENATOR WALSH: Following my recent conference with you and representatives of the North Atlantic ports I have given careful consideration to the difficulties growing out of the grading by Canadian officials of United States grain that is being exported through Montreal. I have also discussed the matter fully with the Secretary of State. In view of the fact that the grain involved is beyond the confines of the United States it is doubtful whether administrative action under existing law, such as the United States grain standards act or new legislation supplementing it, would be effective in caring for the situation. It does appear, however, that some good may be accomplished by closer negotiations with Canadian officials, and the Secretary of State has undertaken this.

I do not feel that a further conference with the interests represented at our meeting would serve any useful purpose. I shall be glad to let you know the outcome of the negotiations with the Canadian officials.

Sincerely yours,

W. M. JARDINE, *Secretary.*

APRIL 21, 1928.

Hon. WILLIAM M. JARDINE,
Secretary of Agriculture, Washington, D. C.

MY DEAR SECRETARY JARDINE: I acknowledge your letter of April 12.

I think all parties concerned recognize the difficulties inherent in the present situation, yet the fact remains that the consequences to our American ports and American commerce by reason of the diversion of our export grain trade to Canadian ports are so grave that it seems to me we should not lightly conclude that the only relief lies in the ability of our State Department to persuade Canada to rectify her existing grain regulations as will result in restoring to us the export trade Canada is now enjoying.

At our recent conference you pointed to the fact that since 1920 American grain cleared through Montreal for export has increased from about 5 per cent to about 35 per cent, and that it is tending to still greater increase. Others cited figures to show that export grain shipments through Boston and Portland, Me., had faded almost to zero.

Though rail rates play some part in this condition, our difficulty is largely due to the fact that American grain exported through Canada is not subject to the same inspection which is imposed on it here—that American wheat passes through Canadian ports at lower grades than through American ports—that the "dockage" imposed here and not imposed in Canada represents a difference of several cents a bushel to the profit of the exporter who ships through Montreal.

I note that you write that "some good may be accomplished by closer negotiations with Canadian officials." I trust that may prove to be true. But I believe that there should be concerted endeavors, in part by administrative action by your department, in part by pressure upon Canada through diplomatic channels, and in part, perhaps, by legislative action with a view toward retaliatory action to Canada and a withdrawal of some of the privileges we now accord to her exporters.

Unless there is some indication in the near future that the diplomatic negotiations to which you allude are to be productive of effective results, I shall feel obliged to ask Congress to canvass all aspects of the existing perils to American trade and commerce due to encroachments from Canada.

Sincerely yours,

DAVID I. WALSH.

APRIL 21, 1928.

Hon. FRANK B. KELLOGG,
Secretary of State, State Department, Washington, D. C.

MY DEAR SECRETARY KELLOGG: With other Senators whose constituents have similar concern to my own over the diversion to Canada of American export grain trade, which rightly belongs to our own ports and our own ships, I have recently been in consultation with Secretary of Agriculture Jardine on this subject with a view to discovering what steps, administrative or legislative, ought to be taken by this Government to counteract this increasingly serious situation.

Secretary Jardine now advises me that this subject is receiving the attention of your department, and that negotiations with Canada are now in progress on this score. I hope that a strong assertion of American interests in its own export trade may result in a modification by Canada of its present policy with respect to American grain shipments. I rely upon you to advise me as promptly as the circumstances permit of the success of these negotiations.

For your information I inclose copy of my own reply to Secretary Jardine's recent communication to me on this subject.

Sincerely yours,

DAVID I. WALSH.

BOULDER DAM

Mr. WALSH of Montana. Mr. President, a few days ago I had inserted in the RECORD a report of some of the testimony taken by the Federal Trade Commission relating to public utilities. Because no particular publicity has been given the matter by the press generally, I ask that there be inserted in the RECORD an article appearing in Saturday's Washington Herald setting forth in general some of the testimony adduced the day before. I desire to read a few extracts from it. The first is as follows:

Propaganda against the Boulder Dam bill proved the main, if not the exclusive, activity of the power people, whose funds include the $1,100,000 being spent by the National Electric Light Association this year and the $400,000 collected since last June 1 by the joint committee of utility associations, the more specialized agent of anti-Boulder Dam activity.

I call the attention of the Senate particularly to the following:

2. Judge Healy put into the record a letter by Oxley to the Pennsylvania State utility information director asking for a list of State legislators in Pennsylvania because "we have a particular piece of work which we wish to do with them."

I call attention also to the following:

4. The minutes of the National Electric Light Association's public policy committee, headed by Russell H. Ballard, president of the Southern California Edison Co., threw light on the motive for an annual payment of $30,000 a year to the Harvard University School of Business Administration. The committee is on record as approving this payment on the ground that it will result in a text-book from Harvard on public regulation of utilities and "a textbook covering this ground would better appear under academic auspices than as a publication of the association."

Again:

5. The public policy committee voted to add to the $150,000 appropriated by the Puget Sound Power & Light Co. to attempt a publicity campaign demonstrating the failure of the Seattle municipally owned electric light plant. The policy committee said:

"Seattle's rates are continually cited as lower than those charged by privately owned plants; the claim of successful results of such a policy in Seattle is dangerous and requires refutation."

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The article referred to is as follows:

POWER INQUIRY DIGS DEEPER IN PROPAGANDA'S FAR-FLUNG NET—HAND OF GIANT CORPORATIONS FASTENED ON NEWSPAPERS AND SCHOOLS, PROBERS FIND—METHODS UNPARALLELED

By Edwin J. Clapp

The hearing yesterday in the Federal Trade Commission's investigation of the power lobby brought out the unparalleled methods by which the public utility interests have got hold of the newspapers and schools which form the public opinion of the country, and the legislators who pass its laws.

In solemn review, Judge Healy, counsel of the commission, conducted a parade of subsidized professors and writers who prepared books and delivered lectures paid for by the power lobby, which then disseminated this literature through the country disguised as bona fide investigations by impartial scientific men.

STUCK TO PROPAGANDA

Propaganda against the Boulder Dam bill proved the main, if not the exclusive, activity of the power people, whose funds include the $1,100,000 being spent by the National Electric Light Association this year and the $400,000 collected since last June 1 by the joint committee of utility associations, the more specialized agent of anti-Boulder Dam activity.

Among the day's revelations of the marvelous workings of light and power in the year 1928 were the following:

1. George F. Oxley, publicity director for the National Electric Light Association, defended the practice of inspiring newspaper editorials with the novel explanation that "it is absolutely fair for me to put into the hands of the editor material so that he can reflect on his own views in editorials."

2. Judge Healy put into the record a letter by Oxley to the Pennsylvania State utility information director asking for a list of State legislators in Pennsylvania because "we have a particular piece of work which we wish to do with them."

$100 A WEEK FOR BOHN

3. Dr. Frank Bohn, a writer, was revealed as recipient of a retainer of $100 a week from the joint committee of National Utility Associations while he was publishing power articles in the Sunday edition of the New York Times of October 2, 1927, and October 30, 1927.

4. The minutes of the National Electric Light Association's public policy committee, headed by Russell H. Ballard, president of the Southern California Edison Co., threw light on the motive for an annual payment of $30,000 a year to the Harvard University School of Business Administration. The committee is on record as approving this payment on the ground that it will result in a textbook from Harvard on public regulation of utilities and "a textbook covering this ground would better appear under academic auspices than as a publication of the association."

5. The public policy committee voted to add to the $150,000 appropriated by the Puget Sound Power & Light Co. to attempt a publicity campaign demonstrating the failure of the Seattle municipally owned electric-light plant. The policy committee said:

"Seattle's rates are continually cited as lower than those charged by privately owned plants; the claim of successful results of such a policy in Seattle is dangerous and requires refutation."

6. Paul Clapp, managing director of the National Electric Light Association, testified to a swing around the circle in the Southwest and Southeast, organizing meetings of utility executives, subordinate officials, and employees to stir up "generally diffused" opposition to the Swing-Johnson bill for Boulder Dam.

7. Alfred Fisher, director of the Missouri committee on public-utility information, in 1926 reported to Oxley that "the most important work done by the Missouri committee last year was in directing the attention of the industry to textbooks in public schools. You will agree with me that it would be most unwise to give this work any publicity." He added: "It is a matter for executive session between leaders of the industry, writers of textbooks, and printers thereof."

8. Prof. Theodore J. Grayson, of the University of Pennsylvania, is shown as the recipient of $407.27 as "fees and expenses" for a public lecture delivered in New Orleans last October. The news report of the lecture, sent to editors by Grayson as a Pennsylvania professor, discloses that he classed Boulder Dam advocates with socialists. This designation would include such supporters of the legislation as the Los Angeles Chamber of Commerce, John Hays Hammond, Gen. George W. Goethals, and President Coolidge.

$291.50 FOR A LECTURE

Grayson received an additional $291.50 for a lecture at Richmond on December 1 last, and $288.29 for another address at Geneva, N. Y., on December 31. Judge Stephen B. Davis, New York head of the power lobby, in a letter to the Federal Trade Commission of March 21, 1928, wrote that "Mr. Grayson is an official of the New Jersey Public Utility Association as well as a college professor." The commission has also learned he is a Philadelphia lawyer, attorney for the New Jersey Water Service Co.

Doctor Bohn was shown to have been paid $100 a week from July 16 to November 23, 1927. Maj. J. S. S. Richardson, publicity director of the joint committee, testified Thursday Bohn was paid this sum for "editing." His activity during this period included an article, "Superpower era of electricity," published in the Sunday New York Times of October 2, 1927, and an article, "The struggle over Government versus private development of water power," in the Sunday New York Times of October 30, 1927. In the October 30 article Doctor Bohn carefully balanced the advantages of public versus private ownership, with the balance always slightly in favor of private ownership.

ADDRESSES SOUGHT

The doctor's services were further explained in a letter of September 16, 1927, written by George F. Oxley, of the National Electric Light Association, to Thorne Brown, director of the Mid West of the National Electric Light Association, and reading:

"I am taking up with the joint committee the question of whether it is possible to arrange for Mr. Frank Bohn to make two or three additional addresses while he is in your division, and I am asking Judge Davis to correspond with you direct."

Perhaps the most amusing exhibit in the hearing is a letter written by Prof. E. A. Stewart, of the University of Minnesota, in 1925, to Dr. S. S. Wyer, long-established writer against public ownership, whose wares have been broadcast by the National Electric Light Association and the joint committee. Stewart thanks Wyer for sending him a pamphlet disputing the success of the Government-owned power system of the Province of Ontario. The professor writes that after reading a few of the excerpts contained in Wyer's pamphlet, "I couldn't help but think of the song:

"'Hallelujah! Thine the glory,
Hallelujah, Amen.
Hallelujah, Thine the glory,
Revive us again!'"

TRIES IT HIMSELF

Professor Stewart became so affected by the Wyer effort that he has recently himself made an elaborate report on what he calls the failure of the Ontario plan for providing cheap electricity for farmers. The pamphlet is being given nation-wide distribution by a Minneapolis public utility.

Dr. S. S. Wyer is author of the latest anti-Boulder Dam pamphlet entitled "Study of the Boulder Dam Project," by Samuel S. Wyer, consulting engineer. This pamphlet, issued by the Ohio State Chamber of Commerce on January 30, 1928, and one of the exhibits introduced into the record, has been distributed broadcast through the country and put into the hands of every Representative and Senator.

The Ohio State Chamber of Commerce came into the picture yesterday when George B. Chandler, its secretary, was shown by exhibits and testimony to have labored for an anti-Boulder Dam resolution at a meeting of State chambers of commerce officials assembled in Atlantic City.

He actually succeeded in getting such a resolution considered favorably by the Connecticut Chamber of Commerce. However, they insisted upon expert advice as to what to do about Boulder Dam, and voted against it only after an adverse resolution had been prepared and submitted by Samuel Ferguson, president of the Hartford Electric Light Co.

WANTED AN INQUIRY

The next move for delaying action on Boulder Dam was prefigured by a resolution presented at the February 16, 1928, meeting of the public policy committee of the National Electric Light Association. The minutes of this session contain the following item:

"Mr. Paul A. Schollkopf, of the Niagara Falls Power Co., presented to the committee the desirability of securing an independent engineering investigation on the Colorado River. It was suggested that the United States Chamber of Commerce might properly set up a commission with the object in view of determining the soundest possible engineering treatment of the river, such a study to be started promptly in order that it may be completed early this fall."

The power lobby's method of working the newspapers is nicely illustrated in a letter of January 19, 1926, written by Oxley, of the light association, to Richardson, then head of the Pennsylvania public service information committee:

"Inclosed please find uncorrected proof of an editorial which will be published in the January 21 issue of the Progressive Labor World, which, of course, you know. Arrangements have been made to have the revised proofs of the editorial in the hands of Charles Penrose to-morrow.

"I thought it might be possible for you to call the editorial to the attention of some of your newspaper friends and perhaps the Associated Press representatives with a view to having them list at least a part of it for use in some other paper in the city."

GREENWOOD'S BOOK

Yesterday's hearings gave further information regarding the propaganda book, "Aladdin, U. S. A.," by Ernest Greenwood, former member of the District of Columbia school board. The book was financed by the National Electric Light Association, which advanced $5,000 in money to Greenwood and then purchased 5,000 copies for $7,500 from Harper & Bros., publishers, "in anticipation of reselling" to public utility companies.

Oxley, in a letter of January 8, 1928, "to member company executives," urged the wide distribution of the book and added the following quaint comment on its scientific value:

"Thomas A. Edison has written a foreword to the book and authorized the use of an autographed photograph as frontispiece. This, of course, will add to the value and convincing quality of the material in the book."

On January 13, 1928, Oxley again circularized "member company executives" with a "pamphlet reprint of an article by Ernest Greenwood which will appear in the February issue of the Industrial Digest." The magazine article, attached to Oxley's letter, was entitled "Panning public utilities," and the subtitle was "What is the basis of the popular pastime of picking on organizations with clean business records which always have paid dividends to their security holders?"

WOMAN URGES BOOK

Sophia Malicki, chairman of the women's committee of the National Electric Light Association, on March 22, 1928, addressed an appeal to "chairmen of women's committees":

"'Aladdin, U. S. A.,' by Ernest Greenwood, is a book every member of the electrical industry ought to read. Students and club members frequently ask for material on the industry; this book is an authoritative source. Teachers and librarians will appreciate having the book brought to their attention or given them."

Further data were produced with respect to the trip to Washington made by ex-Gov. James G. Scrugham, of Nevada, in January, to confer with Judge Stephen B. Davis, director of the joint committee of National Utility Associations, which is leading the fight against Boulder Dam. For this trip Governor Scrugham was paid $600 expense money. The controversy is still unsettled as to whether Scrugham invited himself to the conference or was invited by Judge Davis. Governor Scrugham has been an outstanding advocate of Boulder Dam legislation.

The exact date of the Scrugham-Davis conference was established as January 19 by an entry in an expense memorandum prepared by Judge Davis, accounting for a matter of $3,395.04 of special expenses from December 9, 1927, to January 25, 1928. Attention was called to the fact that from January 12 to January 27 Judge Davis and George B. Cortelyou, president of the Consolidated Gas Co., of New York, and chairman of the joint committee, were together in Washington, as shown by an item of $1,282.14, described as expended for "Mayflower Hotel—Mr. Cortelyou and Judge Davis, railroad tickets, meals, and incidentals."

Scrugham apparently arrived in Washington in the middle of this period. Davis and Cortelyou were obviously in Washington fighting the Walsh resolution for investigation of the so-called Power Trust, for the resolution was defeated after Senate committee hearings on January 16 to 21, inclusive.

Yesterday afternoon the commission's hearings adjourned until next Wednesday to give time to digest the trunk full of additional subpœnaed documents dumped in the hearing room yesterday.

ODDIE SCORES SCRUGHAM FOR POWER LOBBY PAY

Senator TASKER ODDIE, of Nevada, yesterday made a statement criticizing ex-Gov. James G. Scrugham, of Nevada, for accepting money from the power lobby:

"I was amazed that ex-Governor Scrugham should have accepted money from the power interests which are trying to defeat the Boulder Dam legislation.

"This partly accounts for some of the opposition on the part of Secretary Work and ex-Governor Scrugham to myself and to some of the important features of my stand on Boulder Dam legislation.

"Secretary Work and ex-Governor Scrugham have been working very closely together, and ex-Governor Scrugham is Secretary Work's personal representative on these matters in Nevada.

"Their attacks on my policy, in my opinion, were for the purpose of embarrassing the Boulder Dam legislation which we are trying to get through.

"I can see now where some of this influence came from."

Mr. ASHURST. Mr. President, following the example set by the Senator from Montana, who is a past master in filling the RECORD with articles from the press, the time has arrived when I should declare the fact that there is a more insidious lobby here for the Boulder Dam bill than there is against the Boulder Dam bill.

I have no criticism of the Senator from Montana for filling the RECORD. His resolution proposing to allow him to investigate the Power Trust was defeated and my colleague and I voted with him. Doubtless he feels that if he could have disseminated this information from his committee rather than have it filtered out through the Federal Trade Commission it might have some favorable effect upon certain presidential aspirations.

I ask the clerk to read from the Evening Tribune of San Diego, Calif., of date of April 20.

The VICE PRESIDENT. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[From the San Diego Tribune, April 20, 1928]

SEEK FUNDS HERE FOR BOULDER LOBBY

C. A. Hall and George Whitlock, of the American Conservation Club of Imperial Valley, are in San Diego seeking funds to help swell the $100,000 total necessary to maintain the lobby in Washington this year to "put through" the Boulder Canyon Dam legislation.

"The people of the valley can't carry all the load," declared Hall yesterday; "and they are appealing to San Diego County, which will benefit almost as much as Imperial from the dam construction, to help carry on the work."

I regret that the Senator's resolution to allow him to investigate the Power Trust was not adopted. The Senator is a thorough investigator and holds the scales fairly. I ask him now to hold the scales fairly on the Boulder Dam question and to print in the RECORD the views of both sides instead of one. A man fit to aspire to the Presidency ought not to present one side only of a great controversy.

Mr. WALSH of Montana. Mr. President, I merely desire to say that I am particularly interested in the investigation that is being conducted by the Federal Trade Commission. It is natural that I should be. But the Boulder Dam question is a mere incident of that investigation.

PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. ROBINSON of Arkansas. Mr. President, I desire to submit a resolution and ask its reference to the Committee to Audit and Control the Contingent Expenses of the Senate. The resolution provides for the appointment of a special committee of five Members of the Senate to inquire into expenditures in connection with the presidential campaign. It is believed that the committee created under similar resolutions previously adopted by the Senate have served a useful and a wholesome purpose and many Senators believe that such a resolution and such a committee would prove helpful in informing the public and the Senate in connection with this important subject.

I submit the resolution, which I believe to be in form identical with that proposed four years ago by the Senator from Idaho [Mr. BORAH] and adopted by the Senate, and ask that it be reported and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The clerk will report the resolution.

The Chief Clerk read the resolution (S. Res. 214), as follows:

Resolved, That a special committee of five be appointed by the Presiding Officer of the Senate to investigate forthwith and report to the Senate as soon as possible the campaign expenditures of the various presidential candidates in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage and the providing of funds for setting up contesting delegations, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in any necessary remedial legislation.

That said committee is hereby empowered to sit and act at such time and place as it may deem necessary; to require, by subpœna or otherwise, the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding $1 per printed page. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The expense thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by the Laramie Council of Industry of Laramie, Wyo., favoring the passage of legislation to establish a mining experiment station in Wyoming, which was referred to the Committee on Mines and Mining.

Mr. JONES presented telegrams and letters in the nature of memorials from various organizations, attorneys, and citizens of the State of Washington, remonstrating against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which were ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of Senate bill 1093, the so-called Caraway bill, prohibiting the sale of cotton and grain in future markets, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, protesting against the passage of Senate bill 1094, amending the practice and procedure in the Federal courts, which was ordered to lie on the table.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, favoring the passage of House bill 5641, the so-called Parker-Watson bill, to limit the unification of carriers engaged in interstate commerce, and for other purposes, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Seattle (Wash.) Chamber of Commerce, favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which was referred to the Committee on Irrigation and Reclamation.

Mr. CAPPER presented resolutions adopted by the Lions Club of Winfield, Kans., favoring the passage of the so-called Capper-Johnson universal draft bill, which were referred to the Committee on Military Affairs.

LANDOWNERS IN THE ATCHAFALAYA FLOOD WAY

Mr. STECK presented a letter from H. R. Trewin, secretary St. Martin Land Co., of Cedar Rapids, Iowa, relative to lands in the Atchafalaya flood way in connection with flood-control plans, which was referred to the Committee on Commerce.

JURISDICTION OF DISTRICT COURTS

Mr. SHORTRIDGE presented telegrams in the nature of memorials from Messrs. Brobeck, Phleger & Harrison; Miller & Boyken; Sloss & Ackerman; Francis V. Keesling; Herbert W. Clark; Ira S. Lillick, all attorneys at law, of San Francisco, and a letter in the nature of a memorial from William H. Barry, manager Master Printers Association, of Los Angeles, all in the State of California, remonstrating against the passage of the bill (S. 3151) to limit the jurisdiction of district courts of the United States, which were ordered to lie on the table and to be printed in the RECORD, as follows:

SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,

United States Senate, Washington, D. C.:

We are informed that Senate Judiciary Committee has approved Senate bill 3151, which would have the effect of depriving Federal courts of jurisdiction in equity to protect private litigants in their rights under Federal Constitution. We respectfully protest against this legislation as being unwise and dangerous and urge you to oppose its adoption.

BROBECK, PHLEGER & HARRISON.

SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,

Senate Office Building, Washington, D. C.:

As practicing attorneys in Federal court we desire to express our disapproval of Senate bill No. 3151, taking certain jurisdiction from United States district courts and giving it to State courts, and hope you will see fit to vigorously oppose passage in Senate.

MILLER & BOYKEN.

SAN FRANCISCO, CALIF., *April 12, 1928.*

Hon. SAMUEL M. SHORTRIDGE,

United States Senator, Washington, D. C.:

We earnestly hope and urge you will oppose passage of Senate bill 3151, favorably reported by Judiciary Committee. Proposed legislation would deprive Federal courts of jurisdiction in many cases in which resort to those courts has been shown by experience of over a century to be necessary to insure impartial administration of justice.

SLOSS & ACKERMAN.

SAN FRANCISCO, CALIF., *April 21, 1928.*

Hon. SAMUEL M. SHORTRIDGE,

United States Senator, Washington, D. C.:

I urge your opposition to Senate bill 3151, now in Senate Judiciary Committee, abolishing right to remove cases to Federal courts on ground of diversity of citizenship, because it is subversive of the principle which extends to citizens of diverse citizenship the protection of Federal courts.

FRANCIS V. KEESLING.

SAN FRANCISCO, CALIF., *April 12, 1928.*

Senator SAMUEL M. SHORTRIDGE,

Senate Office Building, Washington, D. C.:

We protest most earnestly against Senate bill 3151, attempting to deprive United States courts of jurisdiction which they have had for many years and giving this to State courts. Necessary result would be conflict of decisions in different States and would remove great bulwark of protection to property interests. Have canvassed sentiment among many prominent attorneys in San Francisco, and they are all unanimous in condemnation of bill. Would be great blow to stability and certainty of law and distinctly a backward rather than a forward step. My partners join me in asking you to use your utmost efforts to prevent the passage of this most pernicious bill.

HERBERT W. CLARK.

SAN FRANCISCO, CALIF., *April 13, 1928.*

Hon. SAMUEL M. SHORTRIDGE,

The Senate, Washington, D. C.:

In common with other lawyers to whom we have spoken and with what we understand is the consensus of opinion, we desire to most earnestly protest against adoption of Senate bill 3151, which we understand alters forum for constitutional questions. My six associates join me in this protest.

IRA S. LILLICK.

MASTER PRINTERS ASSOCIATION,
OFFICE OF SECRETARY-MANAGER,
Los Angeles, April 11, 1928.

Senator SAMUEL M. SHORTRIDGE,

United States Senate, Washington, D. C.

DEAR SIR: This association has been informed that S. 3151, by Senator NORRIS, of Nebraska, is another assault on our Federal judicial system. We are appealing to you as the only defender against radicalism that California has in the United States Senate to throw your strength against this revolutionary measure which, if enacted into law, would wreck the whole scheme of the Federal judicial system.

Very truly yours,

MASTER PRINTERS ASSOCIATION,
WM. H. BARRY, *Manager.*

Mr. FLETCHER. Mr. President, there is pending before the Senate a very important bill, S. 3151, to limit the jurisdiction of district courts of the United States. For general enlightenment on the subject I offer and ask to have printed in the RECORD an editorial appearing in the American Bar Association Journal of April, 1928; also an editorial appearing in the Florida Times-Union of April 28, 1928, and a letter from John J. Swearingen, of Bartow, Fla., on the same subject.

Mr. WALSH of Montana. Mr. President, will the Senator kindly tell us what the bill is?

Mr. FLETCHER. It is a bill reported from the Judiciary Committee, introduced by the Senator from Nebraska [Mr. NORRIS], to amend the code so as to limit the jurisdiction of Federal courts, particularly with reference to adverse citizenship.

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

[From the American Bar Association Journal]

WHITTLING AWAY AT THE FEDERAL TRIBUNALS

Bills which vitally concern the administration of justice in the Federal courts are pending in Congress. They deserve and should receive the attention of the entire bar.

The Caraway bill is the effort, made familiar at previous sessions, to destroy the power of Federal judges to comment on the credibility of witnesses or the weight of evidence. It has been passed by the Senate and is pending before the House Judiciary Committee.

The American Bar Association is on record as being strongly against this measure. And with good reason. It runs counter to a principle which lies at the heart of the present general movement for the improvement of the administration of criminal justice. Restoration to the State judges of the common-law power of the judge to do exactly the thing complained of in this bill is recognized as a needed step by the various bodies that have been giving most attention to the subject.

If just verdicts are the objects of trials, why deprive the jury of the help it so plainly needs? Juries are not versed in the fine art of weighing the evidence. The judge by his comment has the opportunity to give them the valuable aid of his long experience in weighing and analyzing testimony; he can explain to them the processes by which they can find the truth and distinguish it from error.

The Federal judges have this power now and it works well. It is to a large extent the secret of the greater efficiency of the Federal courts as compared with a large majority of the State courts. The efficiency of English courts in the administration of criminal justice rests to a large extent on this power. To throw it away in the Federal district courts would be a step backward, and one that the Nation can not afford to have taken.

Two other pending bills would affect the jurisdiction of the United States district courts in cases where it is grounded on diversity of citizenship. One (S. 3151) would take away all jurisdiction in such cases, and it has been reported favorably by the Judiciary Committee of the Senate. The other (H. R. 6679) raises the amount necessary to give jurisdiction in such cases from $3,000 to $10,000, and the subcommittee of the Judiciary Committee has reported to that body in favor of an increase to $5,000.

The report of the Senate Judiciary Committee on the Senate bill to take this jurisdiction entirely away observes that "the only reason why this kind of jurisdiction was originally given to United States courts in preference to State courts was because it was believed that a prejudice would exist in State courts against nonresident litigants. Whatever reason may have existed for this belief, it is certain it has long since disappeared and there is no reason now why a nonresident litigant can not get the same justice in State courts that is secured by residents of the State."

In spite of the categorical way in which it is stated, probably very few practicing lawyers would agree with this generalization. In an address at the San Francisco meeting of the American Bar Association, Chief Justice Taft, while disclaiming any discussion of legislative policy, made the following pertinent remarks by way of comment on the proposal to relieve the Federal courts of congestion by taking away this jurisdiction:

"I venture to think that there may be a strong dissent from the view that danger of local prejudice in State courts against nonresidents is at an end. Litigants from the eastern part of the country who are expected to invest their capital in the West or South will hardly concede the proposition that their interests as creditors will be as sure of impartial judicial consideration in a Western or Southern State as in a Federal court.

"The material question is not so much whether the justice administered is actually impartial and fair, as it is whether it is thought to be so by those who are considering the wisdom of investing their capital in States where that capital is needed for the promotion of enterprises and industrial and commercial progress. No single element—and I want to emphasize this because I don't think it is always thought of—no single element in our governmental system has done so much to secure capital for the legitimate development of enterprises throughout the West and South as the existence of Federal courts there, with a jurisdiction to hear diverse citizenship cases."

The committee report in question further observes that "there is no logical reason why there should be an arbitrary distinction as to the amount in controversy. If there is any reason why the United States

district court should have jurisdiction of cases between citizens of different States, where the amount in controversy is over $3,000, it would seem only just and fair that it should likewise have similar jurisdiction where the amount is under $3,000."

Not necessarily. Assuming that there is a reason why the United States district courts should have jurisdiction in diverse citizenship cases—and a very good reason was suggested above—it does not by any means follow that a distinction as to jurisdictional amount is illogical or unfair. If the legislators are of the opinion that the danger of prejudice or partiality, for instance, may arise in the case of litigation involving fairly large amounts and is quite unlikely in the case of less important litigation, it is entirely logical and fair for it to decide, in the light of experience and all the facts obtainable, on the amount required to give jurisdiction. Legislation is familiar with such distinctions, which are not arbitrary but represent a working formula giving due weight to various factors. Congress has heretofore found the device worth while.

Another measure is known as the Shipstead injunction bill and its purpose is to add a new section to chapter 2 of the Judicial Code, reading as follows:

"Equity courts shall have jurisdiction to protect property when there is no remedy at law; for the purpose of determining such jurisdiction, nothing shall be held to be property unless it is tangible and transferable, and all laws and parts of laws inconsistent herewith are hereby repealed."

The proposal on its face would leave the equity courts free in a proper case to employ the writ of injunction to protect physical property—using the word tangible in its customary sense—but would deprive them of the authority to exercise this power where the property in question was intangible, though it might conceivably be much more valuable and more likely to suffer irreparable injury than the tangible property.

For example, the plant would have a right to this protection, but the right to carry on one's business, the right to work, the right to engage in an occupation or profession, the right to employ, would be deprived of it as not being "tangible property."

The bill also deprives the Federal courts of jurisdiction in equity suits on complaint of the United States as well as of private citizens. It undertakes to deprive these courts of jurisdiction in all cases where there is any remedy at law, notwithstanding that the remedy is inadequate. It does not apply alone to labor disputes, where the conflict over the use of injunctions is fiercest—but also deprives all intangible property of protection by means of injunctions.

A proposal so drastic in character—so narrow in its conception of the sort of "property" that is entitled to the full protection of the courts—so extensive in scope and in possible consequences, can not commend itself to the bar as a sober and reasoned effort to improve the administration of justice. It will also doubtless strike many members of the bar as something that can not be done—as an attempt to take away an inherent judicial power with which the legislature has no right to interfere.

As above suggested, the bar should give each of these measures its attention and express its opinion upon them personally and through its accredited organizations. The powers, jurisdiction, and functioning of the Federal courts are matters that peculiarly concern its members, and a strictly professional and impartial view is greatly needed to counteract the political atmosphere in which these proposed changes are brought forward.

[From the Florida Times Union, April 28, 1928]

NO DEMAND FOR CHANGE IN LAW

There is no demand whatever, so far as has been noted, for changing the law that for a century and a half has made effective the provision of the Constitution for the establishment and maintenance of Federal courts, which change is proposed in Senate bill 3151, introduced by Senator NORRIS, of Nebraska, and reported to the Senate by the Judiciary Committee of that legislative body.

On the other hand, there are emphatic protests against the bill, including that of the Chief Justice of the United States Supreme Court, who is reported to have said that this bill has features that can be regarded only as most undesirable and harmful. Similar criticism, more freely expressed, however, comes from prominent members of the bar and from individual attorneys at law who have made careful study of this proposed change in the law whereby it is proposed to limit and restrict the jurisdiction of the district courts of the United States to an extent regarded as highly prejudicial to the best interests of the people, and especially of those who have occasion to seek the protection of their interests through the Federal courts.

It is true that the Senate Judiciary Committee has reported the bill to the Senate where it now reposes, to be taken up at any time for final action. But, as called to public attention recently, the Judiciary Committee did not consider it worth while to give opportunity for a hearing of those opposed to the bill, Senator NORRIS, chairman of the Judiciary Committee, explaining that he thought hearings on the bill were not necessary. He further stated that the bill, for which he stands sponsor, is "purely a question of practice that the lawyers on the Judiciary Committee understand as well as other attorneys." To this, reply has been made to the effect that "anyone who read the list of the Senators who now compose the Judiciary Committee will note a sad falling off from the time when eminent lawyers like Edmunds and Thurman, to mention no more, were its ornament and protection."

Notwithstanding the statement made by Senator NORRIS, as above quoted, eminent lawyers, men gifted with understanding and also possessing a high sense of right and justice, have expressed their emphatic disapproval of the Norris bill, asserting, in the language of one such, who has made a painstaking and thorough study of this bill and its effect, that "the bill if enacted would inflict incalculable harm upon the citizens of this country," as was set forth in a preceding article published in these columns.

It is impossible here to discuss Senate bill 3151 in all its various details and to set forth the various forms of disaster it portends and threatens to bring upon the people in the form of revised or amended law that is wholly unnecessary. Moreover, in its present stage the bill is one calling for the immediate and serious attention of Members of Congress, Senators and Representatives from Florida, as from other States, who can not desire to see the interests of their constituents imperiled, their rights and privileges under present law swept away, with the jurisdiction of certain courts that stand as guardians of the property and investment rights of the people curtailed to an extent that makes such courts powerless to aid the people when the latter are called upon to defend their rights and privileges under the law that extends certain guaranties to them and that provides the ways and means by which such guaranties may be enforced legally and justly as well as expeditiously.

This newspaper, therefore, has served its readers and the people generally when it has called public attention to a bill so filled with danger as is Senate bill 3151, and it now remains for the people, through their representatives in Congress, to demand that this bill shall not be enacted into law. Immediate action by letter, telegram, or by personal appeal, however, is necessary, as final action on the bill is likely to be hastened in the rush incident to early adjournment of Congress.

BARTOW, FLA., *April 27, 1928.*

Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SENATOR: The Associated Industries of Florida from Jacksonville have called our attention, as well as the other members of the bar, I presume, in Florida, to a proposed amendment to section 24 of Judicial Code pertaining to the original jurisdiction of United States district courts, in which said amendment the diversity of citizenship is stricken. That would practically eliminate the transfer of cases from the State to the Federal court, which, in the humble opinion of the writer, is not, for all the reasons with which you are familiar, and which I might repeat, altogether fair to many litigants who find themselves involved in litigation in the various State courts.

I always hesitate to impose my views on pending legislation on you gentlemen who are there on the job and make this your business; but when called on at times by those who feel the right so to do, we are more or less forced to pass our opinion on for what it is worth.

Thanking you, I am,

Yours very truly,

JOHN J. SWEARINGEN.

SHAKESPERIANA COLLECTION

Mr. FESS. Mr. President, the Capital of the United States is rapidly becoming one of the world's greatest centers of culture. One of the most recent evidences of that is the proposal of Mr. Henry C. Folger, of New York, to house permanently the most remarkable collection of Shakespeare writings that has ever been collected, including some of the original copies, such as the Merchant of Venice and others, valued, it is said, at $100,000. Mr. Folger has expressed a desire to deposit this great collection permanently in Washington. He proposes to erect a building east of the Library here in the Capital for a permanent housing and dedicate this remarkable collection to the culture of the American public.

Recently a rather descriptive account was given of this collection in the United States Daily. I think it ought to be published in the RECORD for a better dissemination than it has had. I therefore ask unanimous consent that it may be inserted in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[From the United States Daily, Washington, Friday, March 23, 1928]

HENRY C. FOLGER WILL ERECT BUILDING ADJACENT TO LIBRARY OF CONGRESS IN WASHINGTON

Plans of Henry C. Folger, of New York, to erect on land immediately adjacent to the proposed extension of the Library of Congress a building to house his collection of Shakesperiana, described as "one of the finest in existence," and to dedicate the building and collection to the American people was announced March 22 by the Library of Congress.

The building is to be located on the northern half of square 760, fronting on East Capitol Street. This area in the square was eliminated from a bill just introduced in Congress proposing the acquisition of the remainder of square 760 and all of square 761, to the rear of the Library, to be used for extension of the present Library structure.

GREAT SHAKESPERIANA COLLECTION

The full text of the announcement follows:

A prospect of extraordinary interest to scholars and to connoisseurs has just been disclosed in connection with a bill recently reported by the House Committee on the Library, the bill (H. R. 9355) for the acquisition of the two squares (760 and 761) to the rear of the Library, with a view to the erection thereon of a structure auxiliary to the present building.

It is that a considerable portion of the land originally included in the bill—in fact, the entire northern half of square 760, fronting on East Capitol Street and known as Grant Row—has been acquired by the owner of one of the finest existing collections of Shakesperiana, with the intention of constructing thereon a suitable building, placing in it his collection, and endowing it with an ample fund for its maintenance and further development, the whole dedicated to the public.

In reporting out the bill, therefore, the committee recommends that this tract be omitted from the area proposed to be acquired for the Government, the report explaining the omission by the statement that the tract "is to be developed in a project that will not merely not interfere with the utilization of the residue of the two squares for Library uses but be fully consistent with it and, indeed, prove cooperative with the larger purposes of the Library as an institution."

No further particulars accompany the reports, but they are now released by the librarian, Mr. Putnam.

20,000 VOLUMES IN LIBRARY

The collection itself—the result of years of patient effort and costly expenditure—though developed very quietly and held rather privately, has a world fame for its editions and its numerous variant copies of the works of Shakespeare himself, and of his Elizabethan contemporaries.

No catalogue of it has been before the public; but from time to time its treasures have been disclosed through some "census" of the existing Shakespeare rarities (quartos or first folios), or note of some extraordinary acquisition, as of a copy of the first "collected" edition preceding the first folio. Some years ago it was estimated to contain about 20,000 volumes; and in the quality of its items it is not surpassed even by the British Museum.

The building that Mr. Folger proposes for it will, he assures the committee, be in full harmony with the monumental character of the group with which it will be associated. This implies that, as seen from Capitol Square, it will prove a fitting vista through the gap formed by the Library of Congress on the south side of East Capitol Street and the proposed Supreme Court building on the north.

His further assurance of an ample endowment for its maintenance and the further development of the collection perfects the project in its general outlines.

In the completeness of its provisions, as well as in the distinction within its field of the subject matter involved, it has had no parallel in Washington since the establishment of the Freer Gallery. And the selection of Washington for it—as "the ideal place"—and this proximity to the Library of Congress as "the ideal site," carries extraordinary promise of what the National Capital and Capitol Hill may become as a center for cultural studies.

CONTROL NOT IMPORTANT

Asked whether the Folger Library would be under the general jurisdiction of the Library of Congress, as the Freer Gallery is of the Smithsonian, Mr. Putnam stated that Mr. Folger had not indicated such an intention. He added that the matter (of jurisdiction) was, however, relatively immaterial.

"What is of prime importance," he remarked, "is that this collection will, in its service to scholarship and to culture, be linked with the service of the National Library. Also, that the sort of material that it includes (the expensive rarities) is the sort that the Library of Congress could not possibly acquire out of the public funds.

"As an example, therefore, of the cooperation of individual citizens which may amplify and complement what the Government itself has developed here in the promotion of scholarship, it should exercise a far-reaching influence."

As to the effect of Mr. Folger's project upon the plans for the Library of Congress itself, Mr. Putnam pointed out that the immediate effect was to reduce the proposed acquisition by one-fourth, leaving, however, a residue (square 761 and one-half of square 760) as large as the area covered by the present Library Building.

It reduces also by $180,000 the amount proposed to be appropriated, leaving this as $600,000 instead of the $780,000 originally proposed. It will also simplify and economize the treatment of the proposed auxiliary library structure, the frontage on East Capitol Street being taken care of in a dignified way by the façade of the building to be erected by Mr. Folger.

In brief, Mr. Folger's project fits so neatly into the official one that if the two squares were already Government property, this northern section might well have been dedicated to it.

Mr. Folger (born in New York City in 1857) is a graduate of Amherst College (class of 1879), from which he has also a master's degree in arts and an honorary doctorate of letters, conferred in 1914. During law studies at Columbia he entered the service of the Standard Oil Co. of New Jersey, and from 1911 on was for some years president of the Standard Oil of New York.

His outside interest, amounting to an avocation, has been the study of Shakespeare and of the Elizabethan drama and the collection of this library of Shakespeariana. He has contributed many monographs to the critical literature of the subject.

REPORTS OF COMMITTEES

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

A bill (S. 1643) for the relief of Joseph J. Baylin (Rept. No. 926); and

A bill (H. R. 4229) for the relief of Jennie Wyant and others (Rept. No. 927).

Mr. TYSON, from the Committee on Military Affairs, to which was referred the bill (S. 1587) for the relief of Nelson K. Holderman, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

Mr. STECK, from the Committee on Military Affairs, to which was referred the bill (S. 2894) for the relief of Robert O. Edwards, reported it without amendment and submitted a report (No. 928) thereon.

He also, from the same committee, to which was referred the bill (H. R. 6908) for the relief of Michael Ilitz, reported it with an amendment and submitted a report (No. 929) thereon.

Mr. BLAINE, from the Committee on Military Affairs, to which was referred the bill (H. R. 7227) for the relief of William H. Dotson, reported it without amendment and submitted a report (No. 930) thereon.

He also, from the same committee, to which was referred the bill (S. 3690) to correct the military record of Harley O. Hacker, reported it with amendments and submitted a report (No. 931) thereon.

He also, from the same committee, to which was referred the bill (H. R. 7992) for the relief of Sally Mattie Macready, widow of Edward Daniel Macready, reported adversely thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 3828) to amend Public Law No. 254, approved June 20, 1906, known as the organic school law, so as to relieve individual members of the Board of Education of personal liability for acts of the board, reported it with amendments and submitted a report (No. 932) thereon.

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 4135) to conserve the water resources and to encourage reforestation of the watersheds of Los Angeles County by the withdrawal of certain public lands included within the Angeles National Forest from location and entry under the mining laws, reported it without amendment and submitted a report (No. 933) thereon.

Mr. McNARY. From the Committee on Agriculture and Forestry I report back adversely the joint resolution (H. J. Res. 26) authorizing the Secretary of Agriculture to dispose of real property, located in Hernando County, Fla., known as the Brooksville Plant Introduction Garden, no longer required for plant introduction purposes, and I move that it be indefinitely postponed, a similar resolution, Senate Joint Resolution 95, having been previously approved by the President.

The motion was agreed to.

Mr. REED of Pennsylvania, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 244) to enable members of the Reserve Officers' Training Corps who have interrupted the course of training prescribed in the act of June 4, 1920, to resume such training and amending accordingly section 47c of that act (Rept. No. 934);

A bill (H. R. 4588) authorizing an appropriation for the repair and resurfacing of roads on the Fort Baker Military Reservation, Calif. (Rept. No. 935);

A bill (H. R. 5789) to provide for the gratuitous issue of service medals and similar devices, for the replacement of the same, and for other purposes (Rept. No. 936);

A bill (H. R. 5806) to authorize the purchase of real estate by the War Department (Rept. No. 937);

A bill (H. R. 6652) to fix the pay and allowances of chaplain at the United States Military Academy (Rept. No. 938);

A bill (H. R. 7752) to limit the issue of reserve supplies or equipment held by the War Department (Rept. No. 939);

A bill (H. R. 7937) to authorize mapping agencies of the Government to assist in preparation of military maps (Rept. No. 940);

A bill (H. R. 11808) to authorize an appropriation for the purchase of land at Selfridge Field, Mich. (Rept. No. 941); and

A bill (H. R. 11809) to authorize an appropriation to complete the purchase of real estate in Hawaii (Rept. No. 942).

Mr. REED of Pennsylvania, also, from the Committee on Military Affairs, to which was referred the bill (H. R. 8105) to provide for the membership of the Board of Visitors, United States Military Academy, and for other purposes, reported it with an amendment and submitted a report (No. 943) thereon.

Mr. BAYARD, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 1537) for the relief of William R. Connolly (Rept. No. 944);

A bill (H. R. 6436) for the relief of Mary E. O'Connor (Rept. No. 945); and

A bill (H. R. 10192) for the relief of Lois Wilson (Rept. No. 946).

Mr. BAYARD also, from the Committee on Claims, to which was referred the bill (H. R. 2473) for the relief of Louie June, reported it with an amendment and submitted a report (No. 947) thereon.

Mr. BLACK, from the Committee on Military Affairs, to which was referred the bill (H. R. 1598) to provide for the retirement of August Wolters as a first sergeant in the United States Army, reported adversely thereon and moved that the bill be indefinitely postponed, which was agreed to.

He also, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 3372) for the relief of George M. Browder and F. N. Browder (Rept. No. 948);

A bill (H. R. 3442) for the relief of Clifford J. Sanghove (Rept. No. 949);

A bill (H. R. 3936) for the relief of M. M. Edwards (Rept. No. 950); and

A bill (H. R. 7061) for the relief of William V. Tynes (Rept. No. 951).

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

A bill (H. R. 3216) for the relief of Margaret T. Head, administratrix (Rept. No. 952); and

A bill (H. R. 4993) for the relief of William Thurman Enoch (Rept. No. 953).

Mr. SWANSON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 5968) for the relief of Byron Brown Ralston, reported it without amendment and submitted a report (No. 954) thereon.

Mr. SHORTRIDGE, from the Committee on Naval Affairs, to which was referred the bill (H. R. 4012) for the relief of Charles R. Sies, reported it without amendment.

Mr. CAPPER, from the Committee on Claims, to which were referred the following amendments, reported them severally without amendment and submitted reports thereon:

A bill (H. R. 1529) for the relief of the heirs of John Eimer (Rept. No. 955);

A bill (H. R. 5398) for the relief of the heirs of the late Dr. Thomas C. Longino (Rept. No. 956); and

A bill (H. R. 11741) for the relief of Thomas Edwin Huffman (Rept. No. 957).

Mr. HOWELL, from the Committee on Claims, to which was referred the bill (H. R. 8808) for the relief of Charles R. Wareham, reported it without amendment and submitted a report (No. 958) thereon.

He also, from the same committee, to which was referred the bill (S. 513) for the relief of the Hottum-Kennedy Dry Dock Co., of Memphis, Tenn., reported it with an amendment and submitted a report (No. 959) thereon.

Mr. WATERMAN, from the Committee on the Judiciary, to which was referred the bill (H. R. 8229) for the appointment of an additional circuit judge for the sixth judicial circuit, reported it without amendment.

ELIZABETH A. MANION

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 149, to pay to Elizabeth A. Manion a sum equal to six months' compensation of her deceased sister, Mary Kenny.

Mr. BAYARD. I ask for the immediate consideration of the resolution.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to, as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate to Elizabeth A. Manion, sister of Mary Kenny, who was an attendant in charge of the ladies' retiring room in the Senate Office Building, six months' compensation at the rate she was receiving by law at the time of her death, the said sum to be considered inclusive of funeral expenses and all other allowances.

HEARINGS BEFORE THE COMMITTEE ON INTEROCEANIC CANALS

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 209 and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution was considered by the Senate and agreed to, as follows:

Resolved, That the Committee of Interoceanic Canals, or any subcommittee thereof, be, and hereby is, authorized during the Seventieth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

INVESTIGATION OF SINKING OF SUBMARINE "S-4"

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 205, providing for an investigation of the sinking of the submarine *S-4*, and ask unanimous consent for its immediate consideration.

Mr. KING. Let the resolution be read. First I will inquire, Is the report of the committee a unanimous one?

Mr. FESS. It is.

Mr. KING. And does the Senator from Virginia [Mr. SWANSON] approve of it? I do not see him here.

Mr. FESS. If the Senator wishes, we will let it go over.

Mr. KING. I should not want to object if the Senator from Virginia, the ranking Democratic member of the committee, approves of it.

Mr. WARREN. Mr. President, may I ask the Senator what amount is designated as the limit of expense?

Mr. FESS. Ten thousand dollars.

Mr. WALSH of Massachusetts. Mr. President, what was the inquiry of the Senator from Utah?

Mr. KING. Whether the resolution is unanimously reported and whether it has the approval of the Senator from Virginia.

Mr. WALSH of Massachusetts. Let it be read.

Mr. McKELLAR. I ask to have the resolution read.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 205) submitted by Mr. ODDIE April 23, 1928, as follows:

Resolved, That the Committee on Naval Affairs or a duly authorized subcommittee thereof is hereby authorized and directed to make a full and complete investigation of the sinking of the submarine *S-4* in collision on December 17, 1927, with the United States Coast Guard destroyer *Paulding* off the Massachusetts coast, and the rescue and salvage operations carried on by the United States Navy subsequent thereto; and to report thereon to the Senate as soon as practicable, giving the results of its investigation and with such recommendations as it deems advisable. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other assistance, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of such stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittee, which shall not be in excess of $10,000, shall be paid from the contingent fund of the Senate.

Mr. SWANSON entered the Chamber.

Mr. WALSH of Massachusetts. Mr. President, I will say to the Senator from Utah that the chairman of the Committee on Naval Affairs [Mr. HALE] has already appointed a subcommittee who are investigating the disaster to the submarine *S-4*. This

resolution provides the funds to enable that subcommittee to carry on the investigation, and is approved by the Committee to Audit and Control the Contingent Expenses of the Senate, of which I am a member, and from which the Senator from Ohio is now making the report.

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

The resolution was considered by unanimous consent and agreed to.

INVESTIGATION OF SALT CREEK OIL LEASES

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably, with an amendment, Senate Resolution 202, and ask the attention of the Senator from Nebraska [Mr. NORRIS] to it. The resolution is reported with an amendment in the nature of a substitute.

Mr. WARREN. May we have the amendment read?

The VICE PRESIDENT. The amendment, in the nature of a substitute, will be read.

The CHIEF CLERK. The committee proposes to strike out all after the word "*Resolved*" and to insert:

That the Committee on Public Lands and Surveys, or any subcommittee thereof, in addition to the authority conferred upon it by S. Res. 282, in the Sixty-seventh Congress, and S. Res. 101, in the Seventieth Congress, be, and it is hereby, authorized and directed to make a full and complete investigation as to the occupation, leasing of, and contracts for oil and oil lands in the Salt Creek field in the State of Wyoming, and any other adjacent Government oil lands, for the purpose of ascertaining whether said occupation, leases, or contracts, or any of them, were illegal or fraudulent, and whether the assigning of any such leases or contracts, or the operation under said leases or contracts, has given to any individual, agency, association, partnership, or corporation a monopoly in the production or distribution of oil, or whether the said leases or contracts or assignment of leases or contracts, or operation thereof has tended toward the creation or organization of any monopoly in the production or distribution of oil; and to ascertain and report to the Senate whether said occupation, leases, or contracts, or any of them, are illegal or fraudulent and could or should be annulled or canceled by the United States Government; and, if the said leases or contracts or the assignment of any of said leases or contracts or the operation thereof has been illegal or fraudulent, or has resulted in a monopoly or tended toward a monopoly, to report to the Senate what, if any, legislation should be enacted by Congress for the purpose of curing such evils.

The authority conferred upon said committee by said S. Res. 282, in the Sixty-seventh Congress, and S. Res. 101, in the Seventieth Congress, is hereby extended and continued for the purpose of the additional investigation herein provided for, to the same extent and as fully as though the said resolution were incorporated herein.

The said committee or subcommittee is hereby authorized to sit, act, and perform its duties at such times and places as it deems necessary or proper; to require by subpœna or otherwise the attendance of witnesses; to require the production of books, papers, documents, and other evidence; and to employ counsel, experts, and other assistants. The cost of stenographic service to report such hearings shall not exceed 25 cents per hundred words. The chairman of the committee or subcommittee, or any member thereof, may sign subpœnas and administer oaths to witnesses; and every person duly summoned before said committee or subcommittee who refuses or fails to obey the process of said committee or subcommittee, or appears and refuses to answer questions pertinent to the investigation, shall be punished as prescribed by law.

The cost of the aforementioned investigation and continued investigations shall be paid out of the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate, and shall not exceed the sum of $40,000, in addition to the amount heretofore authorized.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WARREN. What is the amount that is still at the disposal of the committee in addition to the sum provided by this resolution?

Mr. FESS. My memory is that there is $8,000 still available.

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

The amendment was agreed to.

The resolution as amended was agreed to.

SENATOR FROM MAINE

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 174 and ask unanimous consent for its immediate consideration.

The resolution was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for expenses of inquiries and investigations, fiscal year 1927, contingent fund of the Senate, to Hon. ARTHUR R. GOULD, a Senator from the State of Maine, $10,906.04, in full reimbursement for all expenses incurred, including fees and expenses of his attorneys, in defending charges made against him and ordered to be investigated by S. Res. 296, agreed to January 3, 1927.

BILLS INTRODUCED

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

By Mr. SHORTRIDGE:

A bill (S. 4267) for the relief of Edward Hewitt; and

A bill (S. 4268) for the relief of George H. Clayberger; to the Committee on Military Affairs.

By Mr. SMOOT:

A bill (S. 4269) to amend the salary rates contained in the compensation schedules of the act of March 4, 1923, entitled "An act to provide for the classification of civilian positions within the District of Columbia and in the field services"; to the Committee on Civil Service.

By Mr. VANDENBERG:

A bill (S. 4270) to admit Stephen Komarik permanently to the United States; to the Committee on Immigration.

By Mr. TYDINGS:

A bill (S. 4271) creating a commission to investigate and report on the relocation of the food-distributing district of the District of Columbia to be moved to make way for the public-building program, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 4272) to carry out the provisions of the Court of Claims in the case of Martha J. Briscoe, widow of John A. Briscoe; to the Committee on Claims.

By Mr. JONES:

A bill (S. 4273) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. GOFF:

A bill (S. 4274) for the relief of James Evans; to the Committee on Military Affairs.

By Mr. McKELLAR:

A bill (S. 4275) interpreting the construction to be placed upon the words "child" and "children" as used in certain sections of the acts approved May 18, 1920, June 10, 1922, and June 1, 1926; to the Committee on Military Affairs.

By Mr. SWANSON:

A bill (S. 4276) granting a pension to Edith Bolling Wilson; to the Committee on Pensions.

By Mr. NEELY:

A bill (S. 4277) granting an increase of pension to David Klingensmith; to the Committee on Pensions.

By Mr. HALE:

A bill (S. 4278) granting an increase of pension to Sarah J. Skillings (with accompanying papers); to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 4279) granting an increase of pension to Anna B. Hutchinson (with accompanying papers); and

A bill (S. 4280) granting an increase of pension to Elizabeth Meyer (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 4281) granting a pension to Don I. Littell;

A bill (S. 4282) granting a pension to Francis Warren Lavely (with accompanying papers); and

A bill (S. 4283) granting an increase of pension to Lenna Longanecker (with accompanying papers); to the Committee on Pensions.

By Mr. EDWARDS:

A bill (S. 4285) granting a pension to Eliza S. Hull (with accompanying papers); and

A bill (S. 4286) granting a pension to Catherine Ryan (with accompanying papers); to the Committee on Pensions.

AMENDMENT OF TRANSPORTATION ACT OF 1920

Mr. COPELAND. Mr. President, the other day I entered a motion to reconsider the votes by which the bill (S. 3723) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was read the third time and passed. I

desire to withdraw that motion, and to introduce a bill to cover the amendments I had in mind. I ask that the bill be referred to the Committee on Interstate Commerce, and request that there may be early action upon it.

The VICE PRESIDENT. Without objection, the motion to reconsider the votes by which Senate bill 3723 was read the third time and passed will be withdrawn, and the bill now introduced by the Senator from New York will be read twice by its title and referred as he has requested.

The bill (S. 4284) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920, was read twice by its title and referred to the Committee on Interstate Commerce.

HERBERT HOOVER

Mr. BLEASE. Mr. President, I ask permission to have printed in the RECORD without reading an article from the China Weekly Review, published at Shanghai, China, Saturday, March 31, 1928; also an article from a paper published in this city called Politics, being an editorial entitled "Jekyll and Hyde"; also an article from the same paper entitled "Hoover no friend of the farmers"; and on page 2 of the same paper an article entitled "FESS defeated for delegate will still be the keynoter"; also an article entitled "Hoover's first vote cast for Woodrow Wilson in 1916." I shall not take the time of the Senate now, but later shall ask for a few moments to discuss one phase of the articles.

The VICE PRESIDENT. Without objection, it is so ordered.

The articles are as follows:

[From the China Weekly Review, Shanghai, China, Saturday, March 31, 1928]

According to Mr. Hoover's biographical sketch which appears in the 1926–27 American Who's Who, his connection with China is indicated in the following sentence: "Professional work in mines, railways, metallurgical works in the United States, Mexico, Canada, Australia, Italy, Great Britain, South Africa, India, China, Russia, etc., 1895–1913." However, an earlier issue of the American Who's Who, the 1916–17 issue, contains more information, as the following excerpt shows: "Chief engineer, Chinese Imperial Bureau of Mines, 1899, doing extensive exploration in interior of China. Took part in the defense of Tientsin during Boxer disturbance, 1900. Representative of bondholders in construction of Ching Wang Tao Harbor, 1900; general manager Chinese Engineering & Mining Co., 1901." Hoover and his wife came to China prior to the Boxer uprising, and according to the report which has been widely published was employed by the Chinese to conduct a mining survey of Shansi, Shensi, and the Manchuria Provinces. He was about 25 years old at the time. Soon after his arrival in north China the Boxer trouble developed and he and Mrs. Hoover were bottled up in Tientsin and assisted in the defense of that city against the Boxer forces. Since there was general talk of foreign intervention and the division of China among the powers, the Chinese feared that the extensive coal beds at Chinwantao, popularly known as the Kaiping mines, would be seized by either the Russians or the Japanese. In order to prevent this the Chinese, in accordance with their usual practice in times of international crisis, transferred the title to the mines to Hoover, thus making them, technically at least, an American property and safe from seizure by the Russians or Japanese. The understanding which existed between the Chinese authorities of Chihli Province and Mr. Hoover at the time is not known, but according to report Mr. Hoover went to America for the purpose of obtaining capital for the development of the properties. Being unsuccessful in New York he proceeded to London, where the money was forthcoming and where the Chinese Engineering & Mining Co. (Ltd.) was incorporated. This organization was the father of the present Kailan Mining Administration, the largest coal-producing property in the Chinese Republic. The Kailan Mining Administration is a British corporation, which is supposed to contain a considerable Chinese share interest.

The only criticism which has ever been made regarding Mr. Hoover's record in China hinges on the organization of the Chinese Engineering & Mining Co. (Ltd.), which was incorporated in London for the purpose of taking over and developing the Kaiping coal mines. One of the few living Chinese officials who passed through the exciting Boxer events at Tientsin in 1900 and 1901 is Mr. Tong Shao-yi, former premier in the Peking Government and veteran member of the Kuomintang, who is now living in retirement in his home village in Kwangtung Province. Several years ago, when Hoover was first mentioned for the presidential nomination, the writer of these paragraphs, upon instructions of an American newspaper of which he was correspondent in China, interviewed Mr. Tong Shao-yi regarding Mr. Hoover's connection with the Kaiping mines. Mr. Tong talked very frankly on the subject and stated that the only criticism which any Chinese had in reference to Mr. Hoover's activities at the time was based on a complaint that he had incorporated the Chinese coal interests as a British property. Many Chinese, according to Mr. Tong, thought at the time that Mr. Hoover should have incorporated the properties under American law, or had simply retained the title in his own name until the subsidence of the Boxer trouble and then transferred the property back to the Chinese provincial authorities. One Chinese, Chang Yen-mao, did make a trip to London and, according to report, instituted an action in the British law courts to have the Kaiping mines returned to Chinese control. He lost his case and the British Chinese Engineering & Mining Co. immediately proceeded to develop the properties. This apparently is all there is to the story, except a rumor which has been circulated recently that Hoover became a British subject at the time, which, of course, has no basis in fact whatsoever, and which probably originated from the fact that he participated in the incorporation of the coal properties as a British enterprise. When Mr. Tong Shao-yi was asked flatly whether he approved or disapproved of Mr. Hoover's action at the time, Mr. Tong declined to make a statement.

[From Politics, Washington, D. C., April 28, 1928]

JEKYLL AND HYDE

In 1920 there was no concealment of the fact that the firm of Dr. Jekyll Hoover and Mr. Hyde Hoover belonged to the Democratic Party and, as has been previously related in these columns, ran as such in the presidential primaries of several States. In that same year there isn't the shadow of doubt that President Wilson wished a third nomination for himself and was not at all pleased that the San Francisco convention ignored his desire. Next to himself, his preference was for Herbert Hoover, who had consistently upheld all the Wilson policies, even going so far as to indorse the President's plea for a partisan Congress, though at a prior period there had been a statement from him to the effect that "politics was adjourned."

It goes without saying that Mr. Wilson must have entertained the belief that his protégé was a regular Democrat, else he could not have entertained the notion of putting him over as his own successor. It was all well enough to give a place in his Cabinet to Bainbridge Colby, a former henchman of Theodore Roosevelt, and a defeated candidate for the United States Senate on the Bull Moose ticket, or to give secondary offices to nondescripts and misfits like Dudley Field Malone, but the Presidency was a horse of another color. As great as was the power and prestige of the President, he was far too sagacious to have cherished the idea that he could put over the candidacy of any aspirant to the highest office in America about whose Democracy there was the least doubt.

The matter of Hoover's eligibility was discussed by members of the Wilson Cabinet, but while several of them were sympathetic in order to please their chief, there was no enthusiastic response from this source; not that any of them voiced hostility to him on the ground of his membership in the opposition party; they took it for granted that his Democracy was of the simon-pure brand. Hoover himself had so recently returned to America that he had not made up his mind in which camp to alight; his identification with a Democratic administration had not made him a zealous convert, and up to that time he had failed to score a big hit with the G. O. P. In fact, in a political way his mind was confused. In England he had favored the Liberal Party, and when asked here what his party affiliations were proclaimed himself a Liberal, either by reason of his constitutional tendency to avoid a straight-out committal or else because he was too new an inhabitant of the United States of America to recognize that there were differences between the two major organizations.

The country at large, though, had formed the very definite opinion that Hoover was a Democrat by reason of the favor he enjoyed at the White House. For the same identical reason multitudes of Americans to-day believe that he has the cordial though silent approval of President Coolidge and that sooner or later Mr. Coolidge will come out openly in an indorsement of the ex-Briton for the Presidency. So sure were the Democrats of Ohio, Vermont, and Michigan that he spoke their language they entered him in their State primaries, in 1920, and in Michigan he was such a red-hot favorite that he carried the State by a heavy vote over McAdoo, Bryan, and other competitors.

Hats off to the man who can turn such a trick as to "stand in" with two Chief Executives of warring parties and conflicting policies and adapt himself to both without turning a hair. Here is the chameleon outdone. In England a Liberal, in America a Democrat and a Republican by turns. In the vernacular of the sporting world Sir 'Erbert "plays both ends against the middle," and up to date he has worked it with amazing success without experiencing half the difficulty he encountered in getting possession of Chang Yen Mao's valuable coal properties. The Chinese went to the mat with him and got back their coal mines by decision of a London judge; over here they fall for him. Why not, seeing that he had the O. K. of a Democratic President and poses as the legatee of the present holder of that office?

The populace is ever prone to accept a tip from the most august quarter from which political suggestion can come. Andrew Jackson told his countrymen he wanted Martin Van Buren as his successor; Roosevelt did the same friendly act for Taft, and in both cases the result was victory. In these instances there was no hostile public criticism, but at the present time Messrs. Lowden, CURTIS, WATSON, and GOFF fail to see anything admirable in Hoover's retention in the Cabinet and the resulting advantage given him by his occupancy of this post of proximity to the White House.

It must be conceded that it is no ordinary politician that can win the imprimatur of two Chief Executives. Here we have Doctor Jekyll Hoover (Democrat) certified as proper timber to guide the destinies of the Nation in 1920 and eight years later find Mr. Hyde Hoover (Republican) pictured as worthy of G. O. P. support for the same great rôle. Was old P. T. Barnum much in error when he declared the American people loved to be humbugged?

In connection with his own success in humbuggery the shrewd Barnum made use of all the arts of publicity known in his day, but this modern disciple of his has gone the old master a lot better, with no very great difference in methods. Barnum was a wonderful advertiser and here is where his successor shines. Who but Hoover could have commandeered the claque that has given him the amazing amount of publicity he has been enjoying? What other candidate ever had such constant adulation of the press? "The little dogs and all, Tray, Blanche, and Sweetheart" have barked his praises in endless columns of the newspapers and in the pages of many magazines and yet not one of them barks that he has ever done anything for the party he claims to represent; not a yelp to tell of his sinister exploitation of luckless orientals; not a whining reminder that he tried to defeat every Republican who ran for Congress in 1918.

Meanwhile the "great English statesman" is said to be not altogether happy. Sustained by the supposedly overwhelming propaganda of his organized bureau of publicity he had not counted on the digging up of a record that should have been covered with the oblivion of vanished years. As smart as the claque was it could not forestall the exposé of those enterprises in the Far East. The claque and its hero are much put out about this, for it's deucedly annoying; so much so, in fact, that if the candidate had known of the revelations there is the best ground for believing he never would have stretched forth his hand for the prize he covets but will never obtain.

HOOVER NO FRIEND OF THE FARMERS

EDITOR POLITICS:

In the issue of the Enid Eagle, Friday, April 13, is an article headed "Jardine takes up defense of Secretary Hoover." He brands charges against Hoover of working a hardship on farmers as false. I am surprised at Jardine, as we farmers, upon whom hinge all other industries of our country, had perfect faith in him as our friend and coworker.

During the late war Mr. Hoover, as food administrator, worked a hardship on the entire farming interests of our country. Farmers remember when wheat was bringing $2.80 per bushel; Mr. Hoover put a minimum price on it which made the price of wheat in Enid, Okla., $1.80 per bushel. One dollar a bushel less, yet kept the price of flour up to high mark for many weeks after. One farmer, 10 miles southeast of Enid, lost by Hoover's reign $1,300 on his wheat crop. This is only one instance of many thousands who lost like amounts. Farmers were buying tons of mill feed, paying same price as before drop in wheat.

I had gone to raising hogs—had 75 head. Hogs were bringing on the market $23 per hundred, and corn on the Enid, Okla., market was $2.25 per bushel. Hoover put a minimum price of $15.50 per hundred on hogs. One bushel of corn puts on 10 pounds of pork. It took $2.25 worth of corn to put on $1.50 worth of pork. Yet Hoover kept on crying "Raise more hogs." It put me, and many others, out of business. Mr. Hoover now pretends to be the farmers' friend. It doesn't take a man with an extra large brain to see why. It worked a very great hardship on the farmers. Some were able to stand it. Many farms were mortgaged. Many could not make the riffle and were closed out. It would be hard to estimate the enormous loss to the farmers. Hoover is a man for the monopolies. These are facts that can not be denied.

R. K. WILSON.

FESS DEFEATED FOR DELEGATE WILL STILL BE THE KEYNOTER

Senator SIMEON D. FESS, of Ohio, chosen to make the keynote speech at the Republican National Convention in Kansas City June 12, failed to win a place among the delegates at large from his own State. His defeat, however, will not mean that his place will be taken by another. The permanent chairman of the convention necessarily must be a member of the convention, but the temporary organization can invite anyone to make the opening address. In 1924, for instance, Dr. Marion Burton was personally selected by President Coolidge to make the keynote address, and was formally invited by the convention. Doubtless this will be done in the case of Senator FESS.

As a candidate for delegate at large, FESS was pledged as a Willis delegate, with Senator CURTIS as his second choice. Since the death of Senator Willis, FESS has been looked upon as favorable to Secretary Hoover's nomination, notwithstanding his pledge to CURTIS. It is inconceivable that, in the circumstances, the Ohio Senator could or would use his position to favor the Commerce Secretary.

Ten years ago, when Hoover joined President Wilson in an appeal to the country for the election of a Democratic Congress, FESS, then chairman of the Republican congressional committee, in the strongest terms denounced Hoover, then food administrator, as an internationalist, questioning his Republicanism, and declaring the Republican Party could not nominate him. In a formal reply to the appeal of Hoover and Samuel Gompers, FESS, as head of the congressional committee, issued this unequivocal statement:

"American voters will not be deceived with specious appeals from Democratic headquarters that a Republican Congress will be interpreted in Europe as against the war. They know as well as Europe knows that every country fighting Germany has a coalition government, adopted since the war began, as an effective war measure, and that ours is the only great country at war which has been conducted on strictly party lines. Europe as well as America knows the attitude of Republicans, whose record is before the world, both on war and peace.

"As to Gompers's psychological appeals, no voter will be stampeded by a report made to order, both as to time and character, and both of which were not only expected but announced by us some days ago. As to Hoover's appeal in an attempt to capitalize the blood of our sons fighting and dying in France, the voters will properly interpret such prostitution of official station the day before election. The Food Administration need only fear such results of investigation as findings in the interest of public welfare compel it. The character of his appeal to be continued uninterrupted and the basis upon which he puts it arouse new interest in his department."

Is it possible that at this date Senator FESS can have changed his mind about the man he so bitterly denounced? Is it possible that the man who would have accepted the Democratic presidential nomination in 1920, and who carried the Democratic presidential primary in Michigan that year, can be regarded now by the man who will make the keynote speech of his party at Kansas City, as a true Republican?

A leopard can not change its spots.

HOOVER'S FIRST VOTE CAST FOR WOODROW WILSON IN 1916

Herbert Hoover's first vote in a national election in America was cast for Woodrow Wilson, Democratic candidate for President in 1916. This statement was made by Senator COLE BLEASE, of South Carolina, on the floor of the Senate. The South Carolinian quoted verbatim, he declared, from a statement made by a Senator when Hoover's name was up for confirmation as a member of President Harding's Cabinet. The statement said:

"This man, Herbert C. Hoover, has spent all his grown-up life in the employ of British corporations in England and Australia. He never voted in the United States until 1916 for Woodrow Wilson."

Senator BLEASE gave this as the first of four reasons why Hoover should never be President of the United States. The other reasons were:

Second. When Americans—in the United States—were paying 10 cents a pound loaf for green, soggy "substitute" bread, England, France, and Belgium were paying 3½ and 4 cents a pound loaf for all-flour, American wheat bread, furnished them by Herbert C. Hoover, the American.

Third. He never accounted for $11,000,000 of the $33,000,000 placed in his hands by the "American Charities (Inc.)" for the starving children of central Europe. Repeated efforts and interrogations by New York publications failed to elicit any response from Herbert C. Hoover or his subordinate in office.

Fourth. When newly appearing in American affairs he, with friends, speculated in American wheat up to $50,000,000 at a time in the Far East. No denial was ever made.

WHITE RIVER BRIDGE NEAR COTTER, ARK.

The VICE PRESIDENT laid before the Senate the bill (S. 3511) granting the consent of Congress to the State Highway Commission of Arkansas to construct, maintain, and operate a bridge across the White River at or near Cotter, Ark., which had been returned from the House of Representatives in compliance with the request of the Senate.

Mr. CARAWAY. Mr. President, a bill providing for the construction of that bridge has passed the House, and the Senate concurred in it after this bill had passed the Senate. I therefore ask that the votes by which this bill was read the third time and passed be reconsidered and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, the votes by which the bill was read the third time and passed are reconsidered, and the bill will be indefinitely postponed.

ANNUAL REPORT OF FEDERAL FARM LOAN BUREAU

Mr. BLEASE. Mr. President, I submit a resolution, which I ask to have read, and then I shall ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 215), as follows:

Whereas by act of Congress, July, 1916, known as the farm loan act, it becomes the duty of the Secretary of the Treasury to annually transmit to the Congress the annual report of the Federal Farm Loan Bureau of said department for the purpose of advising the Congress and the public of the true financial condition of the 12 district farmer-

owned Federal land banks and of the privately capitalized joint-stock land banks chartered under said act; and

Whereas said report has not to this late date been filed with Congress, whereas prior to 1927 said report was always available for the deliberation of Members early in January, that necessary remedies might be adopted to safeguard and strengthen a system intended for the financial support of American agriculture; and

Whereas we have reason to believe that the said Secretary of the Treasury now has available said annual report for the last fiscal year, and is again withholding same from the public until after the adjournment of this session of Congress, as he did in 1927, which is contrary to the intent of demanding an annual report, and which deprives thousands of farmer-owners of the 12 district land banks of knowledge of the real condition of their banks; and

Whereas a national scandal is now impending with respect to the financial condition of 6 of the 12 district Federal land banks, due to the failure of the political appointees who have been named to act for the Farm Loan Bureau in the operation of these banks, which the farmer stockholders now fully own; and

Whereas so grave has become the condition in one of these banks that the Committee on Banking and Currency is now considering a resolution which calls for a full investigation of the entire system as a result of startling revelations recently come to light; and

Whereas the financial welfare of thousands of farmer-owners of these district Federal land banks, whose banks are now manipulated by political appointees, is at stake, and their property may be so depressed that it become beyond repair unless Congress is immediately advised of the condition, permitting of necessary remedies; and

Whereas political appointees of the Farm Loan Bureau and the Treasury Department have assured Members of Congress, and are now carrying on a propaganda program among farm-paper and newspaper editors, in order to suppress the real truth being printed, or necessary legislative action taken by this session of Congress; said annual report being the only basis upon which intelligent conclusions may be reached: Therefore be it

Resolved, That the Secretary of the Treasury be, and is hereby, directed to immediately transmit to the Senate the annual report of the Farm Loan Bureau for the past fiscal year which he is now withholding from release unnecessarily.

Mr. CURTIS. Mr. President, I have no objection to the adoption of a resolution requesting the Secretary of the Treasury to make the report referred to; but I think it would be unfair to the Secretary to charge that he was unjustly withholding the report unless we had more facts. If the Senator will amend his resolution.

SEVERAL SENATORS. Let it go over.

Mr. CURTIS. Several Senators have asked that the resolution go over, under the rule. I will talk with the Senator about it. I ask that it go over, under the rule.

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

Mr. BLEASE. I ask that the letter which I send to the desk be printed in the RECORD following the resolution.

The VICE PRESIDENT. Without objection, it will be so ordered.

The letter is as follows:

[Extract from letter of farm borrower of Russianized Federal land bank]

WHERE IS THE FARM LOAN BOARD'S REPORT?

Members of the Senate and House should insist upon the Federal Farm Loan Bureau of the Treasury filing with them, in accordance with the farm loan act, the annual report of their administration of the 12 district Federal land banks, and of the transactions of the more than 50 privately capitalized joint stock land banks. This report has been withhheld more than four months, because the Farm Loan Bureau and Andrew W. Mellon, chairman ex officio of the board, fear to let the public know the deplorable facts while the Congress is in session.

SOVIETS FEAR FACTS

This same trick was played on Congress last year when the Farm Loan Bureau, under the domination of Mellon, neglected to file their report until after Congress adjourned, when it was too late for the representatives to take necessary action to remedy many failures of the political hirelings of Mellon, who are now engaged in wrecking the Federal farm loan system and who for the past few months have been busily engaged, under the guidance and leadership of Eugene Meyer, in passing out propaganda about the country to the effect that "everything is all right with the system." If that is so, where is their annual report? Why has not this report of their stewardship of the administration and supervision of the system long since been made public?

CONGRESS SHOULD ACT NOW

The Senate should adopt a resolution demanding that the Farm Loan Board's report be transmitted by Mellon, as becomes his public duty. No longer should the hirelings of the Treasury be permitted to suppress the report of their sovietized manipulations of the 12 district Federal land banks, which, in common with Russianized methods, they stole from the farmers, through a tricky piece of legislation, and which they now hold under their political domination contrary to the Constitution of the United States. By all means, Congress should act now if they wish to return to the folks "back home" with clean hands. No honest representative of the people can consistently say that he has done his best by his people and by the country at large if he is partner (through silence) in permitting his suppression of essential facts to continue longer.

Each and every year prior to 1927 the annual report of the Farm Loan Bureau was released by the Secretary of the Treasury early in the new year session, and printed as a public document and distributed. This year and last, due to the acknowledged miserable failure of the political manipulators of the system, this report has been suppressed and withheld by Mellon, until after the session of Congress adjourned, to permit of no possible action of remedy. How can honest legislators permit this to be repeated this year, in face of the nation-wide scandal now pending, and of the enormous amount of facts revealed by Senator BLEASE, calling for the most rigid investigation of the entire political banking system?

SCANDAL NOW PENDING IN BACKGROUND

Of the 12 district Federal land banks, the capital stock of which is owned by the farmer borrowers, who likewise assume all the liability, half, or 6 now find themselves confronted with a pending scandal. The Farm Loan Bureau and the political directors of these banks are hoping that they can keep the lid on until after Congress adjourns. Some of the most startling revelations are sure to result from facts which are now available, and only a little time will now be needed before the bomb explodes and these banks find their names on the front pages of the daily press, assuming news proportions along with Teapot Dome and Sinclair's oil manipulations. The politicians are anxious to stay on, yet wish to get out before the explosion. Such is the life of the political banker; he lives in deadly fear, both night and day.

In view of the pending scandal, the illegal manipulations of Mellon and his hireling—Dewey—of the Treasury, in closing up the Kansas City, Mo., joint stock land bank, of Department of Justice hirelings forcefully entering private chambers in the offices of this bank and stealing—that is the only word that accurately describes the act—stealing the papers of that bank, forcing it into the hands of a receiver, named by Mellon, who is and has been Mellon's tool in manipulating the affairs of that bank ever since—in view of these and many other illegal acts of the present gang in possession of the farmer's land-banking system, it becomes necessary that the report of the Farm Loan Board be immediately released by Mellon and that a searching investigation of the entire system be set in action immediately by the Senate, in accordance with Senator BLEASE'S resolution.

MEYER PASSES OUT PROPAGANDA

Since the facts have been inserted in the CONGRESSIONAL RECORD by Senator BLEASE regarding the true conditions of the farm loan system—a deplorable situation, which is growing worse and worse each day—Farm Loan Commissioner Eugene Meyer and his political hirelings have been busy traveling about the country visiting farm-paper and other editors in an endeavor to suppress the news of their political shortcomings. In customary Republican paroxysms they have tried the slapping on the back of method of assuring one and all that "I am not only great, but also good." Few of the farm-paper editors can swallow this bitter dose—they hear too often and too much from their farmer readers "back home." Some of the larger papers did for a time fall for Meyer's propaganda, but the New York Times, in a notable exposure of the present political methods, revealed to Meyer just how much of his stock they would have; immediately after Meyer's agents visited their offices an exposure article appeared with a two-colmn blackface-type headline. As Abe Lincoln said, "You can't fool all of 'em all of the time."

Senators! Insist that Mellon release that annual report. He has smothered the true facts long enough. Give us facts, not propaganda!

EVA MAY DUNN

Mr. BORAH submitted the following resolution (S. Res. 216), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the appropriation for "Miscellaneous items, contingent fund of the Senate, fiscal year 1927," to Eva May Dunn, daughter of Reese R. Dutton, late an employee of the Senate, under supervision of the Sergeant at Arms, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

AMERICAN EXPORTS

Mr. McKELLAR. Mr. President, on yesterday the New York Times, one of our greatest newspapers, published a very interesting article on "What America sells abroad." A large number of products are set out. I thought at first that it referred only to manufactured products, but apparently it does not. It in-

cludes raw products as well. I ask that it be printed in the RECORD, together with a further statement.

Both cotton and lumber were left out of this enumeration entirely. I desire to call attention to the fact that cotton in 1926 constituted $814,400,000 of our exports, more than half as much again as any other product mentioned in the list, and likewise that our sales of lumber abroad amounted to $106,000,000.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

WHAT AMERICA SELLS ABROAD

The following table shows the relative amounts of various products sold by American concerns abroad. The figures do not include goods manufactured in foreign factories of American companies:

Commodity	Value of exports (1926)	Proportion of world output from United States of America
1. Petroleum and products	$556,000,000	70
2. Automobiles	320,000,000	85
3. Machinery	280,000,000	(1)
Agricultural	86,000,000	60
Mining and pumping	38,000,000	(1)
Metal working	19,000,000	(1)
Printing	11,000,000	(1)
Textile	10,000,000	(1)
Sewing machines	11,000,000	(1)
Locomotives	5,000,000	(1)
Typesetting	4,000,000	(1)
Paper mill	4,000,000	(1)
Shoe	1,000,000	65
4. Meat and products	227,000,000	(1)
5. Metal (except iron and steel)	200,000,000	(1)
Copper	121,000,000	55
Lead	13,000,000	40
Zinc	13,000,000	(1)
Aluminum	9,000,000	(1)
6. Steel	174,000,000	52
7. Tobacco	157,000,000	(1)
8. Chemicals	105,000,000	(1)
Medicinal preparations	20,000,000	(1)
Paints and pigments	19,000,000	(1)
Toilet preparations	17,000,000	(1)
9. Electrical apparatus	84,000,000	52
10. Rubber	59,000,000	(1)
11. Office equipment	36,000,000	(1)
Typewriters	19,000,000	(1)
Calculating machines	9,000,000	(1)
Cash registers	6,000,000	(1)
12. Moving pictures	16,000,000	90
13. Cameras and supplies	10,000,000	(1)
14. Safety razors	10,000,000	(1)

(1) Indicates figures are not available.

ESTATE OF HALLER NUTT, DECEASED

Mr. STEPHENS. Mr. President, Order of Business 908, Senate bill 1769, is similar to a bill which has twice passed the Senate. It has the approval of the War Department and the Bureau of the Budget. I ask unanimous consent for its immediate consideration.

Mr. KING. Let it be read.

The VICE PRESIDENT. The Secretary will read the bill.

The Chief Clerk read the bill (S. 1769) for the relief of the legal representative of Haller Nutt, deceased, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Sargeant Prentiss Knut, administrator de bonis non cum testamento annexo of the estate of Haller Nutt, deceased, late of Natchez, Miss., out of any money in the Treasury not otherwise appropriated, the sum of $131,328, due the estate of the said Haller Nutt for one mill and 700 bales of cotton taken for use by the United States military authorities, in compliance with the findings of the Court of Claims reported to Congress February 18, 1915.

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 be engrossed for a third reading, read the third time, and passed.

RAILWAY RATES ON GRAIN

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The Chief Clerk read Senate Resolution 208, submitted by Mr. WALSH of Montana on the 27th instant, as follows:

Resolved, That the Secretary of Commerce be, and he hereby is, directed to transmit to the Senate information as follows:

1. What is the rate for the transportation of wheat by rail from the following points in the United States, to wit: Fargo, Devils Lake, Bismarck, Glasgow, Billings, Bozeman, Havre, Helena, and Kalispell to (a) Duluth, (b) New York, (c) Philadelphia, (d) Baltimore.

2. What is the rate from points in the western Provinces of Canada at distances from Fort William corresponding in distance from Duluth to the points west thereof first above listed to (a) Fort William, (b) Montreal.

3. What is the aggregate amount that would be realized annually by American shippers of (a) wheat, (b) of all grains over and above what they do realize during any 12-month period where the rates on such freight on American railroads are no higher than they are on the Canadian railroads.

4. To what extent are such lesser rates on the Canadian railroads (if they are less) due to charter provisions of said railroads and to what extent are such excessive rates on American railroads (if they are excessive) attributable to the act of Congress approved February 28, 1920.

Mr. WALSH of Massachusetts. Mr. President, I would like to offer a short amendment to the resolution. I move, on page 1, line 8, after the word "Baltimore," that the word "Boston" be inserted, so that the rates to and from Boston will be included.

The VICE PRESIDENT. The Secretary will state the amendment.

The CHIEF CLERK. On page 1, line 8, after the word "Baltimore," insert a comma and "(e) Boston."

Mr. WALSH of Montana. I have no objection to that.

Mr. JONES. Mr. President, may I ask the Senator from Montana if he does not think this inquiry should be directed to the Interstate Commerce Commission?

Mr. WALSH of Montana. If the Senator from Washington will pardon me, and if the Senator from Nebraska will give me his attention, I understand the Senator from Nebraska asked when the resolution was presented that Chicago be included also, and I am very glad to have that done. I ask that a similar amendment be made including Chicago.

Mr. JONES. I do not understand that the Secretary of Commerce has the data.

Mr. WALSH of Montana. I directed the inquiry to the Secretary of Commerce because the Commerce Department is our statistical department in relation to all commercial matters.

Mr. JONES. That is true, but I do not think they have data with reference to freight rates and charges.

Mr. WALSH of Montana. They can easily secure them. However, if it seems desirable, it is quite satisfactory to me to substitute the Interstate Commerce Commission.

Mr. JONES. I believe that would be better.

Mr. WALSH of Montana. Very well.

Mr. FLETCHER. Mr. President, I am inclined to think that is correct. I do not believe the Commerce Department can tell anything about the rates.

Mr. JONES. No; I think not.

Mr. FLETCHER. If we are going into a question of rates, we shall have to go to the Interstate Commerce Commission, or, perhaps, the Shipping Board might have the information.

Mr. NORBECK. Mr. President, if I understood this resolution as it was read, it also called upon the department to tell what the effect of the transportation act of 1920 was on rates, did it not?

Mr. WALSH of Montana. Only on wheat and other grain rates.

Mr. NORBECK. Is that included now?

Mr. WALSH of Montana. Yes.

Mr. NORBECK. Permit me to suggest that if we are to ask for the effect of Federal law on transportation, we should go a little further and ask the effect of all the laws instead of singling out the last one. I would like to offer an amendment that we also ask the effect of Federal legislation of the last 8 or 10 years, so as to include the Adamson law and the other laws.

I would also suggest another amendment; that is, that we inquire what effect the Government subsidies may have. I understand Canada at one time had a positive subsidy to the railroads in the hauling of the interior agricultural products.

Mr. WALSH of Monana. That part of it is covered by the resolution.

Mr. WALSH of Massachusetts. I hope the Senator from South Dakota will not press the matter to which he has just referred. An investigation is to be made along that line, going into the whole question of Canadian subsidies and Canadian preferential tariffs, and I hope the Senator will not confuse that with the resolution offered by the Senator from Montana,

which is simply to get information, which will be helpful in the other investigation that is to be made, and in which I know the Senator will be interested.

Mr. NORBECK. My suggestion as to the inquiry about the subsidy was dropped when the Senator from Montana assured me that it is already incorporated in his resolution.

Mr. WALSH of Massachusetts. I thought his resolution confined itself pretty closely to rates.

Mr. NORBECK. I offer this amendment, that they also make inquiry as to the effect of Federal laws and regulations enacted in the last 10 years on railroad rates.

Mr. WALSH of Montana. I trust the Senator from South Dakota will not press that request for an amendment to this resolution. I hoped to get it through without any opposition whatever.

I included the provision as to the act of 1920 because that deals particularly with rates. If we go into the question as to what effect general legislation will have upon the matter, I am sure the Interstate Commerce Commission will reply that the matter is too controversial to warrant them in expressing any views about the matter at all. Indeed, I entertained some doubt as to whether it would be proper to ask either the Secretary of Commerce or the Interstate Commerce Commission for information concerning the effect even of the act of 1920, which deals specifically with rates. The provisions are familiar to all. But if we go into the field into which the Senator from South Dakota desires to enter the Interstate Commerce Commission would be obliged to take into consideration also the effect of improvements in the art, the building of greater locomotives, and the reduction in the number of men employed. There are a thousand considerations that have influenced rates as a whole. I feel perfectly certain that the commission will be unable to answer questions of that character. At least, they have no information on file that will enable them to answer.

Mr. NORBECK. Mr. President, there has been an astonishing increase in railway rates in this country, and an absolute unwillingness on the part of Congress to discuss the causes underlying it. If the building of a large locomotive is a matter of inquiry, let us have it. If the question of higher wages is a proper matter of inquiry, let us know about it. Let us not be fooling ourselves all the time. Can we not have the facts or as much as they can furnish in some reasonable time?

Mr. WALSH of Montana. The trouble about it is that the commission would be obliged to say to us that they have no information upon the subject.

Mr. NORBECK. I am willing to modify the request so as to let them make brief statements on it without going into the details, but to give us information they may have available on those questions.

Mr. WALSH of Montana. If the Senator will put his amendment into form——

Mr. NORRIS. Mr. President, I would like to suggest to the Senator from South Dakota that there is really incorporated in the suggested amendment an important thing, about which I would very much like to have information, but it is a subject of investigation, it is a subject on which the views of men will disagree, and they will not agree as to what caused this or that.

I would be glad to have the judgment of the Interstate Commerce Commission, but I dislike to see the matter handled through an amendment to this resolution, which really has for its object ascertaining as to whether there is a difference in freight rates, particularly from the great West, on agricultural products, especially on wheat, between Canadian railroads and American railroads; and, if there is such a difference, the cause of it. The same things that have operated on railroads in the United States, speaking in a general way, have operated also on railroads in Canada. The question of larger locomotives and stronger bridges and heavier rails is the same on both sides of the line, and as to whether legislation has tended to increase rates or not is a question that can also be discussed as applying both to Canada and to the United States.

The interesting thing about the Senator's resolution is that it will result in our obtaining official acknowledgment of the fact that the rates in Canada, particularly on wheat, are lower than they are in the United States. I would like to have an official statement of that kind. Most of us know about it in a general way, but if we couple it up with the amendment that is suggested, I want to say to the Senator that it will delay it, in the first place, and, in the next place, it will bring into the resolution a controversial question that ought not to be in it.

Mr. NORBECK. I think there can be nothing more controversial than the Esch-Cummins Act, and the Senator from Montana has included that, but has left out all the Democratic legislation.

Mr. NORRIS. As I heard the resolution read, it seems to me the criticism that could be justly made to it is that it did refer to that act. I do not think we ought to refer to any act. Let us find out, first, whether the railroad rates are lower in Canada than they are here. Let us get that information.

Mr. NORBECK. That is exactly all we want. But I ask the Senator whether he will not broaden the resolution so as to include not only the rates on wheat but freight rates generally?

Mr. WALSH of Montana. I have not the slightest objection to that, but that is a rather large order.

Mr. NORBECK. If the Senator will do that, I will drop the other matter for the time being; but I want to push it later.

Mr. NORRIS. I hope the Senator from South Dakota will introduce a resolution along the lines he has suggested.

The PRESIDING OFFICER (Mr. McNARY in the chair). The question is on agreeing to the resolution as modified.

Mr. JONES. Mr. President, I understand the resolution has been amended so as to direct the inquiry to the Interstate Commerce Commission.

The PRESIDING OFFICER. It was so modified.

The resolution was agreed to as modified, as follows:

Resolved, That the Interstate Commerce Commission be, and it is hereby, directed to transmit to the Senate information as follows:

1. What is the rate for the transportation of wheat by rail from the following points in the United States, to wit, Fargo, Devils Lake, Bismarck, Glasgow, Billings, Bozeman, Havre, Helena, and Kalispell to (a) Duluth, (b) New York, (c) Philadelphia, (d) Baltimore, (e) Boston, (f) Chicago.

2. What is the rate from points in the western Provinces of Canada at distances from Fort William corresponding in distance from Duluth to the points west thereof first above listed to (a) Fort William, (b) Montreal.

3. What is the aggregate amount that would be realized annually by American shippers of (a) wheat, (b) all grains over and above what they do realize during any 12-month period were the rates on such freight on American railroads no higher than they are on the Canadian railroads.

4. To what extent are such lesser rates on the Canadian railroads (if they are less) due to charter provisions of said railroads and to what extent are such excessive rates on American railroads (if they are excessive) attributable to the act of Congress approved February 28, 1920.

5. And any other information they may have with reference to freight rates generally on American as compared with Canadian railways.

PROHIBITION ENFORCEMENT

Mr. BRUCE. Mr. President, anyone who is at all familiar with the operations of the Anti-Saloon League knows that the mainsprings of its activities are "boodle" and "bunk." It is a hybrid organization, partly ecclesiastical and partly political, ecclesiastical enough to be a menace to the State and political enough to be a discredit to the church.

Mr. CURTIS. Mr. President, I rise to a question of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. CURTIS. This being Monday morning and calendar day, I desire to know if debate is in order without unanimous consent?

The PRESIDING OFFICER. Not without unanimous consent.

Mr. CURTIS. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded.

Mr. BRUCE. That is all right. Somehow or other that principle of unanimous consent is always invoked when any Senator has a word to say against the Anti-Saloon League.

PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. FESS. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate Resolution 214, submitted by the senior Senator from Arkansas [Mr. ROBINSON] this morning. I report it with an amendment and ask for its present consideration. I ask the attention of the Senator from Arkansas [Mr. ROBINSON].

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

The amendment was, to add at the end of the resolution:

The sum of $25,000 is authorized to be appropriated to carry out the purpose of the resolution.

Mr. ROBINSON of Arkansas. I have no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. BRUCE. Mr. President, I desire to speak on the resolution and continue my remarks, which were cut off so abruptly by the Senator from Kansas.

Mr. LA FOLLETTE. Regular order!

The PRESIDING OFFICER. The Senator has a right to debate the resolution.

Mr. BRUCE. Mr. President, I was saying that this organization, the Anti-Saloon League, is partly ecclesiastical and partly political.

As an illustration of the "bunk" that it is in the habit of endeavoring to palm off on the public I wish to call attention to an interview with Dr. Otto Melle, president of the Methodist Theological Seminary at Frankfort on the Main, in Germany, which is reported in the Baltimore Sun of the 25th instant. That report quotes Dr. F. Scott McBride, the present general superintendent of the Anti-Saloon League, who is rattling around at random in the shoes of the late Wayne B. Wheeler, as saying that Doctor Melle has just made the following statement:

> I have been three days in Washington, and spent three days in New York before coming here, during all of which time I have not seen a person who appeared to have been drinking, nor have I been offered a glass of beer or wine.

Think of that! He was in Washington for two days, on or about the 25th of this month, and did not see a single drunken person and did not see a single evidence of inebriety.

On that very day—that is to say, the 25th instant—I called attention to a statement of the evening before in the Washington Star to this effect:

> Sixty-four arrests on charges of sale, possession, and transportation of intoxicants were reported in Washington during the 48 hours which ended at 8 o'clock this morning.

So much for violations of the Volstead Act. The same statement further affirms that the seizures included 348 quarts of whisky, 152 quarts of brandy, 84 quarts of alcohol, 23 quarts of gin, 326 bottles of beer, 2,000 gallons of mash, and one still. The statement further affirms that 144 persons were arrested for intoxication during the two-day period.

Think of such an interview, which, if not positively mendacious, was utterly misleading, being formally put forth by McBride, the general superintendent of the Anti-Saloon League, for the purpose of influencing public opinion in this country. What faith, I ask, is to be placed in any statements of McBride or of the Anti-Saloon League if the columns of the press can be so shamefully perverted for such a deceptive purpose.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to, as follows:

Resolved, That a special committee of five be appointed by the Presiding Officer of the Senate to investigate forthwith and report to the Senate as soon as possible the campaign expenditures of the various presidential candidates in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage and the providing of funds for setting up contesting delegations, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in any necessary remedial legislation.

That said committee is hereby empowered to sit and act at such time and place as it may deem necessary; to require, by subpœna or otherwise, the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding $1 per printed page. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpœnas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

The expense thereof shall be paid from the contingent fund of the Senate on vouchers ordered by said committee, signed by the chairman thereof and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

The sum of $25,000 is authorized to be appropriated to carry out the purpose of the resolution.

THE IMMIGRATION QUESTION

Mr. ROBINSON of Arkansas. Mr. President, I ask leave to have printed in the RECORD a statement recently published in the journal known as Southwestern Resources, under date of April 27, 1928, entitled "Uncalled-for denunciation of Senators," and relating particularly to the subject of immigration.

There being on objection, the article was ordered to be printed in the RECORD, as follows:

UNCALLED-FOR DENUNCIATION OF SENATORS

On March 2 some members of the executive committee of the South Texas Chamber of Commerce got together in San Antonio (six men in all) and passed some resolutions denouncing United States Senators SHEPPARD and MAYFIELD "as not entitled to further public trust" because of action (or nonaction) on the subject of Mexican immigration.

There are a million or more people in the territory covered by the South Texas Chamber of Commerce, and the vast majority certainly do not approve of the resolutions these six men put forth in their name.

This is a similar case to that of the three tailors of Tooley Street that passed resolutions in the name of "We, the people of London."

These resolutions were as follows:

"Whereas neither of the United States Senators from Texas have seen fit to absolutely oppose before the Immigration Committee of the United States Senate the favorable reporting of legislation (popularly known as the Box bill) for the further restriction of Mexican immigration to the United States; and

"Whereas if this legislation is passed the entire population of the western and southwestern regions of the United States will suffer irreparable financial loss due to the fact that the regions mentioned are dependent on agricultural and stock raising for their commercial assistance and that these industries can not be maintained in their present state of development if deprived of this labor: Now, therefore, be it

"*Resolved by the executive committee of the chamber of commerce*, That in the judgment of said committee these men have failed in their obligations to the citizens of Texas and are not entitled to further public trust."

We are strongly against the Box bill limiting the immigration from Mexico as provided in that bill as any of the western or southwestern people, and have said so. But we realize that we are a very small minority of the people of the United States in this matter and are not able to force our desires on Congress or Congressmen.

We fully recognize the fact that if the Box bill is passed by the present Congress it will do enormous harm to west and southwest Texas, and we do not want it to pass. In this respect perhaps 75 per cent of the people of Texas and 90 per cent of the people of the United States are either against us or do not care whether the law is passed or not, and this is no time for us to become bellicose or unruly in our attitude on the bill. We positively can not accomplish anything by adopting that attitude.

If the members of the executive committee who passed the resolutions that our Senators "are not entitled to further public trust" would read the proceedings of Congress and the leading magazines and newspapers of other parts of the country they would at once come to the conclusion that we are up against a hard proposition. They would see further that diplomatic reasons alone are stemming the tide favoring the Box bill.

So we are in the nature of supplicants and not battlers in the front-line trenches.

Practically all the scientific and educational forces are against us, for the reason, as alleged, they see a future from a large immigration from Mexico similar to that realized from such an immigration from Asia and Africa.

The Box bill, we feel confident, will not be passed by the present Congress. but a bill of similar nature, permitting a larger percentage, perhaps, of immigration from countries of the Western Hemisphere than from Europe, as was provided, we believe, by the Watson bill, will inevitably become a law in the future.

We in this part of the country should therefore realize now that the thing to do is to provide ways and means for keeping the Mexican labor we have and that received during the next few years for longer terms by providing tenement, school, and social accommodations, as has already been done by several of our large farm and land developers.

Any plan for "seasonal" labor from a foreign country can not prove satisfactory to our people or to our Government. It would be a source of constant irritation for many reasons. So the thing to do is to get labor into this country and keep it here.

These resolutions denouncing our United States Senators will put us in a bad light in other parts of the country, for the people there will think our plea is purely one of selfish aggrandizement if we display an unruly temper, whereas the question is one of profound economic importance to us. We have begun developments of lands and farms, which will run through a term of years, founded upon getting Mexican labor, the only kind of labor suited for the work, and if we are suddenly shut off from this labor it will do a vast lot of harm to the country, and the bill should be put off for a couple of years and then the quota increased.

Senator SHEPPARD and Senator MAYFIELD have sedulously and continually worked for the benefit of our western and southwestern section, and we feel sure that they will do what they can for us in their capacity as representatives of all people of Texas.

PRESIDENTIAL CAMPAIGN EXPENDITURES

Mr. WALSH of Massachusetts. Mr. President, I observe in the resolution which the Senator from Arkansas [Mr. ROBINSON] submitted this morning, calling for an investigation into the expenditures of money in presidential campaigns, no reference to the amount of money that may be expended by candidates.

Mr. ROBINSON of Arkansas. The Committee to Audit and Control the Contingent Expenses of the Senate reported an amendment, to which I agreed, and which was adopted, carrying not to exceed $25,000 for that purpose.

Mr. WALSH of Massachusetts. As a member of the committee I approved of that amendment, but that is not the matter to which I am calling the Senator's attention. To my mind, no investigation into the use of money by a candidate for public office can be effective unless there is a limit upon the amount of money which he can use. I would like to see the Senator from Arkansas, or some other Senator who is not a candidate for office this year, present a resolution limiting the amount of money that a candidate for the Senate can use, so far as the Senate can express its sentiment upon that question. I think an attempt two years ago was made to fix such a limit, but the resolution was prevented from being adopted by a filibuster. It seems to me that the work of the committee investigating the use of funds to bring about the election of United States Senators could be made very much more effective if some limit was defined on the amount that could be used by a candidate, or by an organization which is promoting the candidacy of a particular candidate. I should like the Senator's view on that suggestion.

Mr. ROBINSON of Arkansas. I shall be glad to give consideration to the suggestion of the Senator from Massachusetts and confer with him and other Senators upon the very important subject about which he has just spoken.

The principle of the resolution which the Senate has just passed is that the public and the Senate, as well as other legislative agencies, are entitled to know what influences are being exerted to secure the selection of high public officers like the President of the United States. It is believed that publicity concerning that important question will be helpful in preventing the methods and practices which have prevailed in some previous campaigns and which ought never to occur in elections in any country, much less in the United States.

Mr. CARAWAY. Mr. President, I want to call the attention of the Senator from Massachusetts to the fact that, having served on the investigating committee in 1924, even a resolution limiting the amount that one might expend for his candidacy will utterly fail of its good intentions and purposes unless it takes into consideration two other things. One is the habit of grouping the expenses under a plan for supporting 5 or 6 or 8 or 10 candidates. Under the group system a million dollars may be expended, and when we try to find out if they have expended it to elect somebody to the Senate they will say that it included the State, county, and municipal tickets and therefore they can say they expended nothing for the senatorial candidate, although he was on the ticket and got the benefit of the entire expenditure. If the Senator has in view trying to prepare a resolution along the line suggested, I hope he will take that into consideration.

Mr. WALSH of Massachusetts. I appreciate the soundness of the suggestion the Senator from Arkansas makes. It is a common method devised to hide personal expenditures and expenses.

Mr. CARAWAY. Yes; and I call the Senator's attention to the fact that if the resolution is to be effective it must also take into consideration expenditures made by independent committees, in which case the candidate will declare he knew nothing about the expenditures and had nothing to do with them. I have in mind where more than a million dollars was expended, in effect to support one candidate, but was expended by independent committees to support two candidates. The resolution ought therefore to take into consideration that situation and make provision for limiting group expenses. It ought to be made unlawful to expend money by committees or individuals in aid of a candidate or the candidacy of a candidate without the written consent of that candidate so that the candidate can not say, "I have no knowledge of the expenditure." If those two things are not taken into account, such a resolution would be ineffective.

Mr. WALSH of Massachusetts. I wish the Senator might prepare such a resolution. I think it ought to be offered by some one who will not be a candidate in the approaching election. The Senator's experience on the previous committee investigating the elections of 1924 and 1926 ought to be very helpful.

Mr. CARAWAY. Those two things have been the means of enabling candidates and others to conceal every illegal and corrupt expenditure that they might have made.

Mr. WALSH of Massachusetts. Of course, the purpose of the resolution offered by the Senator's colleague is that it gives publicity to the use of money. It makes it possible for the committee to inquire where abuses are alleged to exist, and let the public know what is going on.

Mr. CARAWAY. I will say that I think it does more than that, and it is about all it does do. It shows what frightfully bad memories people who handle campaign funds have. I remember the president of one of the greatest railroads in this country who, when testifying, remembered where he lived and of what railroad he was president, but beyond that his memory was an absolute blank. How he ever got home I have no idea yet, without some one leading him home. I remember a man who lived in a very large city and whose uncle handles the money of the country. He knew who his kin people were. He knew the city in which he was born. He knew what his politics were. But beyond that his memory was as blank as that of a new-born babe.

These investigations do not bring results unless we are willing to go back in the investigation and try to ascertain how much the organized committees spent, because they would not admit they had any of the money. I remember laboring with Mr. Patten, of Chicago, who at one time had the reputation of cornering the wheat supply of the country. Patten's memory was so bad that he said he was a farmer. He told us with all solemnity that he reckoned that might be called his occupation. He did not know anything about the expenditures that his committee was making. I remember very distinctly that the very distinguished former Senator from the Senator's own State, Mr. Butler, was conscious of the fact that if he had money he could control the election, and he thought somebody in connection with the machinery of the party was going to have the money, but he did not know who it was.

Unless a resolution takes into consideration every item that is expended, whether expended by independent committees or by the candidates themselves, we shall sometimes be compelled to whitewash the most corrupt use of money.

Mr. WALSH of Massachusetts. Does not the Senator think that a resolution indicating that it is the sense of the Senate that not more than a certain sum shall be used would be beneficial in keeping down the use of money?

Mr. CARAWAY. I think it would; but I think that the resolution, as I said a moment ago, ought to provide that the use of money shall be considered whether it has been spent with or without the knowledge of the candidate. Charge the candidate with that knowledge. If his friends want to put him in a position where he may forfeit his seat by making undue and improper expenditures in his behalf, then it is for them to determine.

Mr. ROBINSON of Arkansas. Mr. President, of course that would have to be safeguarded so that some one who was an enemy of the candidate could not make expenditures in behalf of the candidate so as to charge him with those expenditures. It is going to be quite difficult to prepare a statute which will prove effective to prevent improper expenditures in these great campaigns.

Mr. WALSH of Massachusetts. I think it is impossible.

Mr. ROBINSON of Arkansas. But I believe that the resolution just passed is undoubtedly broad enough to comprehend the circumstances and the facts pointed out by my colleague the junior Senator from Arkansas. The question is whether the committee will be able to procure the information.

Mr. CARAWAY. The result will be that sometimes we shall be compelled actually to whitewash a corrupt use of money because we can not definitely connect the candidate with the expenditure.

The Senator from Kansas [Mr. CURTIS] has been on his feet for several minutes, and I presume he desires to ask for the regular order; so I desist.

Mr. CURTIS. Mr. President, I do not desire to cut the Senator off, but I think we ought to proceed with the regular order.

The PRESIDING OFFICER. The regular order is demanded.

PERSONAL EXPLANATION—BOULDER DAM

Mr. BRUCE. Mr. President, I rise to a question of personal privilege.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). The Senator will state it.

Mr. BRUCE. In connection with the propagandist clippings inserted in the RECORD this morning by the Senator from Mon-

tana [Mr. WALSH], my attention is called to this statement in the Washington Herald. Speaking of the Boulder Dam bill the reporter says:

JOHNSON—

That is to say, the Senator from California, Mr. JOHNSON—

JOHNSON earlier had given evidence that he was fully aware of resumption of the filibuster which was employed in the last session by a handful of Senators to defeat the bill.

Then in large type, that kind of type which might technically be known as scandalous or sensational type in newspaper or printing-house jargon, the report adds:

BRUCE evades it.

Then the report continues:

When the bill came to the attention of the Senate yesterday afternoon for the third successive day, BRUCE, of Maryland, counted by the bill's foes as one of their number, asked for an opportunity to discuss another matter.

JOHNSON reminded BRUCE that the Senate allows two hours every day for discussion of extraneous matters, and said BRUCE should have availed himself of that time.

Of course, there is not the slightest foundation for the suggestion that I had any filibustering purpose in asking the Senator from California [Mr. JOHNSON] to give way to the Senator from New York [Mr. COPELAND] and myself for a few minutes, in order that we might discuss the motion of the Senator from New York for the reconsideration of a bill giving the Merchants & Miners Transportation Co. the benefit of the guarantee provisions of the transportation act of 1920, which had been passed by the Senate and had gone to the House, and on motion of the Senator from New York had been returned to the Senate, so that its text might be considered in connection with the motion of the Senator from New York to reconsider.

Perhaps some Senators will recall that when I made the request of the Senator from California I expressed my readiness to limit the discussion to a few minutes. Never in my life have I attempted to impose any filibustering obstacle in the pathway of any legislative measure, either in the General Assembly of Maryland or in this body. I had no intent, of course, to filibuster in relation to the bill to which I have referred when I made the request that I did of the Senator from California.

The very fact that I offered to limit discussion to a few minutes demonstrates beyond the cavil of doubt that I could not have harbored any such idea. If this is the best in the way of truthful inference that the Washington Herald can do, I hope that it will take my advice and renounce its character as a general newspaper organ and become the special organ of Mr. F. J. McBride, general superintendent of the Anti-Saloon League.

THE CALENDAR

The PRESIDING OFFICER. The calendar, under Rule VIII, is in order, and the clerk will state the first bill on the calendar.

Mr. JONES. Mr. President, because the Senator from Connecticut [Mr. BINGHAM], who is now absent from the Chamber, desires to be here when the calendar is called, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	La Follette	Sheppard
Barkley	Fess	Locher	Shipstead
Bayard	Fletcher	McKellar	Shortridge
Bingham	Frazier	McMaster	Simmons
Black	George	McNary	Smith
Blaine	Gerry	Mayfield	Smoot
Blease	Glass	Metcalf	Steck
Borah	Goff	Moses	Steiwer
Bratton	Gooding	Neely	Stephens
Brookhart	Gould	Norbeck	Swanson
Broussard	Greene	Norris	Tydings
Bruce	Hale	Nye	Tyson
Capper	Harris	Oddie	Vandenberg
Caraway	Hayden	Overman	Wagner
Copeland	Heflin	Phipps	Walsh, Mass.
Couzens	Howell	Pittman	Walsh, Mont.
Curtis	Johnson	Ransdell	Warren
Cutting	Jones	Reed, Pa.	Waterman
Dale	Kendrick	Robinson, Ark.	Wheeler
Dill	Keyes	Sackett	
Edge	King	Schall	

Mr. GERRY. I wish to announce that the senior Senator from Mississippi [Mr. HARRISON] and the junior Senator from Oklahoma [Mr. THOMAS] are detained from the Senate as members of the committee appointed to attend the funeral of the late Representative MARTIN B. MADDEN, of Illinois.

The PRESIDING OFFICER (Mr. WATERMAN in the chair). Eighty-two Senators have answered to their names. A quorum is present. The Secretary will state the first bill on the calendar.

The first business on the calendar was the bill (S. 1182) to provide for the naming of certain highways through State and Federal cooperation, and for other purposes.

Mr. McNARY. Mr. President, on two former occasions the junior Senator from Wisconsin [Mr. BLAINE] asked that this bill might go over. I fear that it would be unfair to him if I at this time should ask to have the bill considered; so, without any prejudice whatsoever, and probably with the privilege of calling it up later in the day, I ask that it go over at this time.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2447) for the relief of the stockholders of the First National Bank of Newton, Mass., was announced as next in order.

Mr. KING. That bill has been objected to a number of times. The Senator from New Mexico heretofore has objected. I ask that it may go over.

The PRESIDING OFFICER. The bill will be passed over.

LOUISE A. WOOD

The bill (S. 61) granting an increase of pension to Louise A. Wood was announced as next in order.

Mr. KING. Let that go over.

Mr. BINGHAM. Mr. President, will the Senator withhold his objection for a moment? I think it is not generally understood that Mrs. Wood is at the present time receiving from the United States Government a pension of $30 a month. The Republic of Cuba, in recognition of the services which General Wood rendered to Cuba, is giving Mrs. Wood a pension, if my recollection is correct, of about $500 a month. It seems to me that in a case of this kind, where we all recognize the tremendous services that General Wood rendered to the Republic in helping us toward preparedness in the days before the war, in his services in Cuba, in the Philippines, and afterwards as Chief of Staff, we owe his memory some special honor.

There is no question that if it had not been for General Wood's action in starting the Plattsburg camps there would have been many more, perhaps thousands more, of our boys killed at the front, due to bad leadership on the part of officers. As a matter of fact, hundreds and thousands of officers received proper training, due to General Wood's far-sighted statesmanship and ability. It seems to me that the least that can be done at the present time is for us to give adequate recognition to his widow.

I hope the Senator will withdraw his objection and permit the bill to pass.

Mr. COPELAND. Mr. President, I join the Senator from Connecticut in the sentiments he has expressed. I hope we may do honor to the memory of this great man by making ample provision for his widow. I hope the Senator will withdraw his objection, and let the bill pass.

Mr. SMOOT. Mr. President, I was a member of the Committee on Pensions for about 20 years. It was a rule of that committee that pensions granted to widows of generals of the Civil War should not exceed $75 per month. I do not know whether the committee has made any other ruling or not, but I do know that that was the rule while I was a member, for about 20 years.

If this bill becomes a law—and nothing in the world would please me better than to pay honor to the widow of General Wood—I can not see how we can avoid passing similar legislation for the widows of the Civil War and the other wars. We have gone this far with pensions, Mr. President. We grant the widow of a President of the United States a pension of $5,000.

Mr. ROBINSON of Arkansas. That is, in some instances.

Mr. SMOOT. I know of none, I will say to the Senator, with the exception of the one to which I am going to call attention in a moment.

Mr. ROBINSON of Arkansas. There is one surviving widow of a former President of the United States for whom no provision has been made.

Mr. SMOOT. I will state the reason, and I was going to refer to it, so that there would be no misunderstanding of the statement I made. President Harrison's second wife was not granted a pension of $5,000 because of the fact that she never was in the White House, and never was his wife while he was President.

Mr. ROBINSON of Arkansas. I desire to call the Senator's attention to the fact that there is another exception. That is the case of the widow of Woodrow Wilson.

Mr. SMOOT. Is that because she did not want it, or would not accept it?

Mr. ROBINSON of Arkansas. No, Mr. President; no provision has been made for her. The Senate passed a bill, but it never has passed the other body.

Mr. SMOOT. I understood—and not only that, but there will not be a question about it——

Mr. ROBINSON of Arkansas. Oh, well, but there was a question.

Mr. GLASS. There was a question about it.

Mr. ROBINSON of Arkansas. That is the difficulty. The bill passed this body, but it failed of passage in another body.

Mr. SMOOT. But I understood, Mr. President—I do not know whether it is so or not, but I have seen it in print—that Mrs. Woodrow Wilson requested that no action be taken on the bill.

Mr. ROBINSON of Arkansas. No.

Mr. SWANSON. No.

Mr. SMOOT. Then, if that is not so, a wrong has been done Mrs. Wilson, and it ought to be corrected.

Mr. ROBINSON of Arkansas. Oh, yes. We know that. We realize it fully. I feel quite resentful about it.

Mr. SMOOT. So would I, just as much as the Senator from Arkansas would. She is entitled to the pension if she is not drawing it and has not said that she would not accept it.

Mr. SWANSON. I introduced a bill for the purpose, and it was unanimously approved by the committee and by this body. It passed this body unanimously. There was not a dissenting vote here. It went to the House and met some opposition there that prevented its consideration.

Mr. SMOOT. I do not know what it was, Mr. President; but I will say that if that is the case there was a wrong done Mrs. Wilson which ought to be corrected.

Mr. ROBINSON of Arkansas. Mr. President, if some other Senator does not do it, I propose to introduce a general bill providing that all widows of former Presidents of the United States shall be entitled to a reasonable pension, or to some reasonable provision.

Mr. SMOOT. I will say to the Senator that I will support such a measure with all my heart. It ought to be done.

Mr. ROBINSON of Arkansas. I think we ought to do that.

Mr. FLETCHER. I think it has been the rule heretofore to grant pensions only when the President died in office.

Mr. SMOOT. Oh, no. Mrs. Roosevelt had a pension voted to her.

Mr. LA FOLLETTE. Mr. President, I call for the regular order.

Mr. FLETCHER. I think Mrs. Roosevelt's case was the only one.

Mr. SMOOT. No, Mr. President; I do not know anything about the rule of the House, but I will say to the Senator that the rule of the Senate for 21 years——

Mr. McKELLAR. I object to the further consideration of the bill.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BINGHAM. Mr. President, I move that the Senate proceed to the consideration of the bill, notwithstanding the objection.

The PRESIDING OFFICER. The question is on the motion of the Senator from Connecticut.

The motion was rejected.

DAVID M'D. SHEARER

The bill (S. 2720) for the relief of David McD. Shearer was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the claim of David McD. Shearer for compensation for the adoption and use by the Government of the United States of certain inventions relating to reinforced concrete revetment and construction and laying of same, made by said David McD. Shearer, and for which letters patent of the United States, Nos. 1173879, 1173880, and 1229152 were issued to him, be, and the same is hereby, referred to the Court of Claims, which court is hereby vested with jurisdiction in the premises, and whose duty it shall be to hear and determine, first, whether the said David McD. Shearer was the first and original inventor of the inventions described in said letters patent or any of them; and if said court shall find that he was such first and original inventor of any of the same; then to determine, second, what amount of compensation, if any, he is justly entitled to receive from the United States for the use of his said inventions, or any of them, either before or since the date of said letters patent, up to the time of adjudication, and for a full and entire transfer of said several patents to the United States; and in determining the amount of compensation, if any, for the use of said inventions and transfer of said patents, the court shall take into consideration, as bearing on the question of reducing or increasing such compensation if, and so far as the facts may warrant, the facts, if proved, that while the said David McD. Shearer was engaged in perfecting the inventions he was in the service of the United States as a junior engineer superintendent in charge of willow-bank revetment construction under the Mississippi River Commission, and whether and, if at all, to what extent said inventions or any of them were discovered or developed during the working hours of his Government service, and to what extent his said inventions for protection of river channels and banks differ from the methods previously used in material, method of laying, permanency, and value, and whether and, if at all, to what extent the expense of making experiments, trials, and tests for the purpose of perfecting said inventions was paid by the United States, and if any such expense was incurred by the United States, whether and, if at all, to what extent the United States received compensation for such expense.

Either party may appeal to the Supreme Court of the United States upon any such question where appeals now lie in other cases, arising during the progress of the hearing of said claim, and from any judgment in said case, at any time within 90 days after the rendition thereof; and any judgment rendered in favor of the claimant shall be paid in the same manner as other judgments of the said Court of Claims; and the payment of such judgment shall vest the full and absolute right to said patents, and each of them, in the United States.

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

SINKING OF SUBMARINE "S-4"

The resolution (S. Res. 109) creating a committee of the Senate to investigate the sinking of the submarine *S-4* was announced as next in order.

Mr. JONES. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

Mr. SWANSON subsequently said: Mr. President, Senate Resolution 109, creating a committee of the Senate to investigate the sinking of the submarine *S-4*, was disposed of to-day by the adoption of a resolution directing that the investigation be conducted. I ask that Senate Resolution 109 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it will be indefinitely postponed.

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 bill (S. 4180) authorizing the attendance of the Marine Band at the Confederate Veterans' Reunion at Little Rock, Ark.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 13331) to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 1939) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I have spoken to the Senator from South Dakota [Mr. NORBECK] concerning a possible amendment. He is not here, and I ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 132) to authorize the President to appoint Le Roy K. Pemberton a first lieutenant, Officers' Reserve Corps, United States Army, was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely. Without objection, it will be indefinitely postponed.

Mr. JONES. No, Mr. President; the Senator from California [Mr. SHORTRIDGE] is interested in that measure and would like to have it remain on the calendar.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2053) to establish a military record for Daniel P. Tafe was announced as next in order.

The PRESIDING OFFICER. This bill also is reported adversely.

Mr. REED of Pennsylvania. Let it go over.

Mr. JONES. I think the same request ought to be made there.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 141) for the relief of Felix Medler was announced as next in order.

The PRESIDING OFFICER. This bill also is reported adversely.

Mr. REED of Pennsylvania. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2787) providing for the appointment of governors of the non-Christian Provinces in the Philippine Islands by the Governor General without the consent of the Philippine Senate was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States prohibiting war was announced as next in order.

Mr. BAYARD. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. FRAZIER. Mr. President, I move that the Senate proceed to the consideration of Senate Joint Resolution 1.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota.

The motion was rejected.

The bill (S. 133) for the relief of Kenneth B. Turner was announced as next in order.

The PRESIDING OFFICER. This bill is reported adversely.

Mr. REED of Pennsylvania. The Senator from California [Mr. SHORTRIDGE] has expressed a desire to discuss these four bills that are adversely reported. I ask, therefore, that this bill may go over.

The PRESIDING OFFICER. The bill will be passed over.

STANDARDS FOR HAMPERS, ROUND-STAVE BASKETS, ETC.

The bill (S. 2148) to fix standards for hampers, round-stave baskets, and splint baskets for fruits and vegetables, and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. BAYARD. Mr. President, will the Senator withdraw his objection?

Mr. McKELLAR. I will withold it while the Senator makes a statement.

Mr. McNARY. Mr. President, with great care I have tried to meet every objection to this bill, and I know of no Senator who has given it any study who has any remaining objection. Has the Senator an objection unto himself?

Mr. McKELLAR. Yes; I have letters from many, many users of baskets and such containers as are here mentioned in my State, and they are unanimously opposed to it so far as I can find out.

Mr. McNARY. Is not that limited to the ⅝-bushel hamper? I can answer the question. It is.

Mr. McKELLAR. I am not sure about that. I can not say about it.

Mr. McNARY. I am sure about it.

Mr. McKELLAR. But I know that they are very much opposed to the terms of this bill. The Senator will recall that I objected once before in order to have an opportunity to look into it, and when I looked at my correspondence I found that every letter—and I have had many letters about it—was opposed to the bill.

Mr. GLASS. If the Senator will examine his correspondence, I imagine he will find that the objection was to the omission of the ⅝-bushel receptacle. The Virginia fruit growers raised the same objection, and I understand that has been remedied.

Mr. McNARY. Absolutely. That is precisely the situation in Tennessee. I am quite conversant with the proposition. I am not going to force the bill on the Senator by moving to take it up this morning; but about two weeks ago the Senator from Tennessee said that he would look over his correspondence and let me know. At the next opportunity I shall insist upon the bill coming before the Senate.

Mr. McKELLAR. All right.

The PRESIDING OFFICER. Does the Senator from Tennessee object?

Mr. McKELLAR. I do.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2149) authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance was announced as next in order.

Mr. McNARY. Mr. President, I want that bill to go over for the purpose of collecting some data which I desire to submit for the RECORD when I ask to have it considered.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1414) for the prevention and removal of obstructions and burdens upon interstate commerce in cottonseed oil by regulating transactions on future exchanges, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, this bill involves certain matters which are now in process of adjustment. I ask that the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF CLASSIFIED SERVICE TO SERVICE POSTMASTERS

The bill (S. 1728) placing service postmasters in the classified service was announced as next in order.

Mr. BLEASE. Let that go over.

Mr. BRUCE. Mr. President, I was not in the Senate Chamber when the calendar was taken up. Is it in order to make a motion that this bill be taken up for consideration despite the objection?

The PRESIDING OFFICER. It is.

Mr. BRUCE. Then I move that it be taken up for consideration despite the objection.

The PRESIDING OFFICER. The question on the motion of the Senator from Maryland. [Putting the question.] By the sound the noes seem to have it.

Mr. JONES. I call for the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, before the vote is taken, I should like to know what this bill is about.

Mr. BRUCE. It is a bill to place service postmasters in the classified service. That is to say, it is a bill to provide that where a postmaster comes out of the classified service and is made a postmaster he shall not lose his classified status but shall be eligible to transfer to some position in the classified service.

Mr. SWANSON. Mr. President, it will take all day——

Mr. LA FOLLETTE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The motion to take up the bill is not debatable.

Mr. BLEASE. Mr. President, allow me to say just a word. It may save some time.

Mr. JONES. I object.

Mr. LA FOLLETTE. I call for the regular order.

Mr. BLEASE. I just wish to say that if this bill is taken up, there will be nothing else done before 2 o'clock.

Mr. LA FOLLETTE. I demand the regular order.

Mr. BLEASE. That is all I wanted to say.

The PRESIDING OFFICER. The motion is not debatable. The roll will be called.

The legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. CURTIS (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. ROBINSON]. Not knowing how he would vote if present, I withhold my vote.

Mr. SMITH (when his name was called). I have a general pair with the senior Senator from Indiana [Mr. WATSON.] In his absence, I withhold my vote.

The roll call was concluded.

Mr. JONES. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired with the Senator from Florida [Mr. TRAMMELL].

I also desire to announce that the Senator from Illinois [Mr. DENEEN] is necessarily absent on business of the Senate.

Mr. BROUSSARD. I have a pair with the senior Senator from New Hampshire [Mr. MOSES]. I transfer that pair to the Senator from Oklahoma [Mr. THOMAS], and vote nay.

Mr. GERRY. I wish to announce the following general pairs:

The senior Senator from Missouri [Mr. REED] with the senior Senator from Massachusetts [Mr. GILLETT];

The senior Senator from Alabama [Mr. HEFLIN] with the senior Senator from Oklahoma [Mr. PINE];

The junior Senator from Missouri [Mr. HAWES] with the senior Senator from Vermont [Mr. GREENE]; and

The senior Senator from Mississippi [Mr. HARRISON] with the Senator from Illinois [Mr. DENEEN].

I am not advised how these Senators would vote on this question.

The result was announced—yeas 31, nays 25, as follows:

YEAS—31

Blaine.	Frazier	La Follette	Schall
Brookhart	Goff	McMaster	Shipstead
Bruce	Gooding	McNary	Steiwer
Capper	Hale	Metcalf	Stephens
Couzens	Harris	Norris	Vandenberg
Cutting	Howell	Nye	Walsh, Mass.
Dale	Jones	Oddie	Waterman
Edge	Kendrick	Sackett	

NAYS—25

Bayard	Fletcher	Phipps	Tydings
Bingham	Glass	Reed, Pa.	Tyson
Black	Hayden	Sheppard	Walsh, Mont.
Blease	King	Simmons	Warren
Borah	McKellar	Smoot	
Broussard	Mayfield	Steck	
Caraway	Overman	Swanson	

NOT VOTING—38

Ashurst	Curtis	Edwards	Gillett
Barkley	Deneen	Fess	Gould
Bratton	Dill	George	Greene
Copeland	du Pont	Gerry	Harrison

Hawes	Moses	Reed, Mo.	Trammell
Heflin	Neely	Robinson, Ark.	Wagner
Johnson	Norbeck	Robinson, Ind.	Watson
Keyes	Pine	Shortridge	Wheeler
Locher	Pittman	Smith	
McLean	Ransdell	Thomas	

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1728) placing service postmasters in the classified service.

Mr. BLEASE. Mr. President, of course we have differences of opinion and all of us are credited with being honest in the opinions we have, but it is impossible for me to see how any man can vote for this bill who advocates civil service and advocates competency in office.

This bill is not a civil service bill under which a man would stand an examination, and after he stood his examination would be appointed to a post office. It provides that if a man is a postmaster without any civil-service examination whatever, without any test as to his competency, as to whether he can fill the position adequately or not——

Mr. BRUCE. Mr. President, may I interrupt the Senator for a moment? I do not think the Senator has grasped the meaning of the bill. It relates only to a person who has been promoted, appointed, or transferred from the classified civil service to the position of postmaster.

Mr. BLEASE. I grasp the situation exactly. The bill should be entitled "A bill to perpetuate Republican postmasters in office for life." That is what it means, nothing more and nothing less. That is God's plain-spoken truth.

Mr. BRUCE. If the Senator will permit me, I might say it is a bill to perpetuate the postmasters in their positions whether Republicans or Democrats.

Mr. BLEASE. How many Democratic postmasters have we?

Mr. BRUCE. How many were there during Mr. Wilson's time?

Mr. BLEASE. I am no defender of Mr. Wilson's administration, thank God.

Mr. BRUCE. How many were there during Mr. Cleveland's time?

Mr. BLEASE. I am not a defender of Cleveland. Ben Tillman gave him the devil from the time he got here until he left.

Mr. BRUCE. I am afraid the Senator's status as a Democrat is incapable of definition.

Mr. BLEASE. Probably it is. I am glad that it is, too, Mr. President, when I consider some things they have done in the past.

Mr. President, I want to read a letter I received regarding this bill. I have two or three of them to read, and I can assure any Senator who wants to go to lunch that it will be 2 o'clock before I get through.

This letter is as follows:

PITNEY-BOWES POSTAGE METER CO.,
New York, April 25, 1928.

Hon. COLE L. BLEASE,
United States Senate, Washington, D. C.

Reference Senate bill 3890.

DEAR SENATOR BLEASE: Ex-Congressman Frank Mondell, employed by the Standard Mailing Machines Co., of Everett, Mass., with Mr. Bascom Slemp to force the above-mentioned bill through Congress in opposition to the Post Office Department, stated at the hearings before the Senate Committee on Post Offices and Post Roads last Monday, April 23, that he was sending to each member of the committee copies of letters from users of the Standard Co.'s machines purporting to represent a public demand for the passage of this legislation.

To properly judge the value of these letters we attach photostatic copy of the circular appeal sent out by the Standard Mailing Machines Co. announcing the measures they have taken to promote this legislation, with a brief reply to the points raised.

We call your attention to the fact that the concerns who have written have no just cause for complaint, because their equipment was purchased with a full knowledge of the postal regulations (unless they were not properly represented to them), which have always required 300 pieces of nonmetered permit matter in one mailing.

The Standard Co. manufacture a postage-printing device offering no protective features whatever to the revenues of the Post Office Department, and so far as the collection of postage is concerned no different from hand stamps, printing presses, multigraphs, etc. They are endeavoring to have such devices recognized on terms of complete equality with devices known as postage meters specifically authorized by the Post Office Department for the advance collection of postage, operating under Government lock and seal, and inaccessible to the user. Such devices are in daily operation by over 200 nationally known concerns throughout the country, whose mailings would be unnecessarily curtailed by the passage of this bill. This system has operated for seven years without failure in any respect whatever.

Smaller devices to bring this meritorious system within the scope of smaller mailers are already approved by the Post Office Department. The passage of this bill would not only prevent this development but would break down the entire system as now operating.

The record of the hearings before the Senate committee fully exposes the futility of this legislation, but for your convenience we are inclosing a short summary of the objections to the bill.

Sincerely yours,

W. H. WHEELER, Jr.,
Vice President and General Manager.

I have also a letter from the Standard Mailing Machines Co., of Everett, Mass., which is signed by J. M. Holmes, president.

Mr. BLACK. Mr. President, will the Senator yield for a statement along the line he has suggested about the purpose of the bill?

Mr. BLEASE. I yield.

Mr. BLACK. Down in Alabama quite recently there was an examination held for a very small post office. One lady, who is very capable, stood the examination successfully. Unfortunately for her, however, she happens to be a Democrat. So, when the question of the appointment came up, we were informed that it is impossible, under the rules promulgated, for this lady to be appointed, even though she is the only one who has successfully passed the examination, because it is absolutely essential that they have three eligibles who have passed the examination before they make an appointment. If they do not have three, they have no right to appoint this one, even though she has met every test which they have proposed for her. Therefore she has not been appointed, and there will soon be a new examination, according to what rules I am not informed, but perhaps some of those tests may be a little more lenient the next time.

Mr. BLEASE. I thank the Senator. I can give him some similar instances in my own State.

Mr. BRUCE. Mr. President, if the Senator will permit me to interrupt, perhaps that lady was left alone because the other two dropped out for the very purpose of shutting her out from the fruits of her success.

Mr. BLACK. They attempted to stand the examination, and could not. They failed, but she passed; and now it is said that although she passed, she is not qualified until two others pass some kind of an examination.

Mr. BLEASE. Mr. President, I want particularly to read a section of this letter, because I may not have time to read it all.

Mr. BRUCE. May I interrupt the Senator again?

Mr. BLEASE. Certainly.

Mr. BRUCE. Does the Senator think there is anything unreasonable and unjust in a law which is careful to provide that before the appointing power makes an appointment there shall be at least three persons eligible, so that a proper opportunity to find just the right person shall be afforded?

Mr. BLACK. I think it is not just, when they have an examination and one meets all the tests they propose, to say to that one, "You shall not have the office." It leaves too much opportunity to do exactly what they are doing, to appoint those of the political persuasion they desire.

Mr. BRUCE. Then the Senator is quarreling with every civil service statute that has ever been enacted by Congress, because they all require that there shall be an examination, and then from an eligible list consisting of not less than a certain number of persons the choice shall be made. The idea is that the appointing power should have some little latitude of selection so as to get the proper person.

Mr. BLACK. I am quarreling with any system which permits any lady who stands the test, and needs the position, and is capable of filling it, to be deprived of getting the job by reason of those higher up hiding behind a rule of that kind. This is a very small post office. The probability is that it is impossible to get three to stand the test. I do not know whether they can or not. Certainly they have not done so up to date, and the whole object is to appoint a person of the particular persuasion that they desire. If that is quarreling with the system, then I am against the system.

Mr. BRUCE. The object of the law is to obtain the very best person who is available for the position, not from any chivalrous motive of any kind to bestow an office anywhere on a lady.

Mr. SMITH. Mr. President, if my colleague will allow me, I want to ask the Senator from Maryland if it is his idea that the written test is merely the mental test, and then the examining board should have some latitude in finding out the other qualifications, personal qualifications, that may enable one taking the examination to be placed ahead of the one who had the better mental qualifications; in other words, to give the examining board latitude to select the best person if he is mentally equipped, though he may not make as high a grade mentally as the other?

Mr. BRUCE. All that is foreign to the purpose of this bill. The bill simply provides that where some person has been examined and has been appointed as the result of ascertained merit, and has become the incumbent of a position under the civil-service system, then, when he is appointed to a postmastership, he shall not lose his civil-service status, but that he shall remain in the civil service without term, just as he was in the civil service without term before. In other words, it is to preserve the permanency of tenure, that is all, even after a man has become a postmaster, that he enjoyed in the classified service before he had become a postmaster.

Mr. SMITH. I understand thoroughly the purpose of the bill, but I was asking the Senator from Maryland——

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 728.

Mr. SMITH. I am inclined to agree with the Senator that we can not know what the proper qualifications may be simply by a mental examination or by an educational test, and I rather think that having two or three on the eligible list from which to select is in principle sound.

Mr. BRUCE. Absolutely. I am very much obliged to the Senator from South Carolina for making the suggestion he has. The very idea of having an eligible list is to give some latitude of selection to the appointing power, and especially to give an opportunity to the appointing power, among other things, to determine whether mere scholastic qualifications should be heeded.

Mr. SMITH. There might be some of them as to whom there is no evidence which can be presented by a mere mental examination, and the appointing power ought to have some latitude in which to find out what are the other qualifications.

Mr. BRUCE. I thank the Senator for his very apt suggestion.

Mr. BLEASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the parliamentary inquiry.

Mr. BLEASE. Does the bill now take its place on the calendar again?

The PRESIDING OFFICER. The bill is now returned to the calendar.

Mr. BLEASE. There can be no further consideration of it to-day, the hour of 2 o'clock having been reached?

The PRESIDING OFFICER. The Senator from South Carolina is correct. The bill goes back to its place on the calendar.

BOULDER DAM

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

Mr. SMOOT addressed the Senate. After having spoken for 2 hours and 15 minutes, he yielded the floor for the day. His speech is published entire in the RECORD of May 1, commencing on page 7515.

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 4 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, May 1, 1928, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 30, 1928

PROMOTIONS IN THE FOREIGN SERVICE

From Foreign Service officer of class 2 to Foreign Service officer of class 1

Clarence E. Gauss, of Connecticut.
Edward J. Norton, of Tennessee.

From Foreign Service officer of class 3 to Foreign Service officer of class 2

Willys R. Peck, of California.
Mahlon Fay Perkins, of California.

From Foreign Service officer of class 4 to Foreign Service officer of class 3

Coert du Bois, of California.
Dana G. Munro, of New Jersey.

From Foreign Service officer of class 5 to Foreign Service officer of class 4

John P. Hurley, of New York.
Herschel V. Johnson, of North Carolina.
O. Gaylord Marsh, of Washington.

From Foreign Service officer of class 6 to Foreign Service officer of class 5

Lucien Memminger, of South Carolina.
Jefferson Patterson, of Ohio.
R. A. Wallace Treat, of Ohio.

From Foreign Service officer of class 7 to Foreign Service officer of class 6

Raymond Davis, of Maine.
Donald R. Heath, of Kansas.
Renwick S. McNiece, of Utah.
George P. Shaw, of California.

From Foreign Service officer of class 8 to Foreign Service officer of class 7

Charles A. Bay, of Minnesota.
Herbert S. Bursley, of the District of Columbia.
Samuel J. Fletcher, of Maine.
Lynn W. Franklin, of Maryland.
Raymond H. Geist, of Ohio.
Stuart E. Grummon, of New Jersey.
Charles H. Heisler, of Delaware.
Walter H. McKinney, of Michigan.
Fletcher Warren, of Texas.

ASSISTANT COMMISSIONER OF INTERNAL REVENUE

Harris F. Mires, of Tacoma, Wash., to be assistant to the Commissioner of Internal Revenue, in place of Charles R. Nash, resigned.

COAST GUARD OF THE UNITED STATES

To be lieutenants, junior grade

Lieut. (Junior Grade) (temporary) Clifford D. Feak.
Lieut. (Junior Grade) (temporary) Eugene S. Endom.
Lieut. (Junior Grade) (temporary) Philip E. Shaw.
Lieut. (Junior Grade) (temporary) George N. Bernier.
Ensign (temporary) Leonard M. Melka.
Ensign (temporary) Earle G. Brooks.

To be ensigns

Ensign (temporary) Frank K. Johnson.
Ensign (temporary) Chester W. Thompson.
Ensign (temporary) Frederick G. Eastman.
Ensign (temporary) Leslie D. Edwards.
Ensign (temporary) Edwin C. Whitfield.
Ensign (temporary) DeEarle M. Logsdon.

The above-named officers have met the requirements for appointment in the regular Coast Guard as set forth in section 5 of the act of July 3, 1926.

To be lieutenants (temporary)

Lieut. (Junior Grade) (temporary) Chester McP. Anderson.
Lieut. (Junior Grade) (temporary) Arthur J. Craig.
Lieut. (Junior Grade) (temporary) Harold B. Adams.
Lieut. (Junior Grade) (temporary) William J. Austermann.
Lieut. (Junior Grade) (temporary) William H. Jacobson.
Lieut. (Junior Grade) (temporary) Edward S. Moale.

To be lieutenants (junior grade) (temporary)

Ensign (temporary) Edward W. Holtz.
Ensign (temporary) Ernest A. Ninness.
Ensign (temporary) Hugh V. Hopkins.
Ensign (temporary) Edward E. Hahn, jr.
Ensign (temporary) William Bowman.
Ensign (temporary) Archibald J. Maclean.
Ensign (temporary) Chester A. A. Anderson.
Ensign (temporary) Ellis P. Skolfield.
Ensign (temporary) Dorian E. Todd.

The above-named temporary commissioned officers are recommended for promotion in accordance with the provisions of section 4 (c) of the act approved April 21, 1924.

APPOINTMENTS IN THE REGULAR ARMY

To be professor of chemistry, mineralogy, and geology at the United States Military Academy

Lieut. Col. Chauncey Lee Fenton, Coast Artillery Corps, from October 17, 1928, vice Prof. Wirt Robinson, to be retired from active service October 16, 1928.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Harry Newton Cootes, Cavalry, from April 19, 1928.

Lieut. Col. Charles Haskell Morrow, Infantry, from April 23, 1928.

To be lieutenant colonels

Maj. Charles School Blakely, Field Artillery, from April 19, 1928.

Maj. Charles Thomas Smart, Infantry, from April 23, 1928.

Maj. George Bowditch Hunter, Cavalry, from April 23, 1928.

To be majors

Capt. Harry Langdon Reeder, Infantry, from April 19, 1928.
Capt. Jay Edward Gillfillan, Infantry, from April 23, 1928.
Capt. Richard Jaquelin Marshall, Quartermaster Corps, from April 23, 1928.
Capt. Leon Edward Ryder, Cavalry, from April 24, 1928.

To be captains

First Lieut. Kenyon Putnam Flagg, Coast Artillery Corps, from April 19, 1928.
First Lieut. Joseph Burske Hafer, Coast Artillery Corps, from April 23, 1928.
First Lieut. Edward Lucien Supple, Coast Artillery Corps, from April 23, 1928.
First Lieut. Samuel McCullough, Coast Artillery Corps, from April 24, 1928.

To be first lieutenants

Second Lieut. Russell Emerson Bates, Coast Artillery Corps, from April 19, 1928.
Second Lieut. Earl Shuman Gruver, Infantry, from April 22, 1928.
Second Lieut. Warren Cole Stout, Field Artillery, from April 23, 1928.
Second Lieut. David Barbour Barton, Signal Corps, from April 23, 1928.
Second Lieut. Paul Russell Covey, Field Artillery, from April 24, 1928.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 1928

REAPPOINTMENT IN THE ARMY

GENERAL OFFICER

Brig. Gen. James Sumner Jones to be brigadier general, Adjutant General's Department Reserve.

POSTMASTERS

FLORIDA

James A. Zipperer, Madison.

ILLINOIS

Louis A. Luetgert, Elmhurst.
William R. Fletcher, Joliet.

INDIANA

Harley O. Poor, Etna Green.

KANSAS

Myron Johnson, Oakley.

KENTUCKY

James A. Hargan, Camp Knox.
Edward B. Ray, Canmer.
Sam H. Fisher, McRoberts.

MAINE

Ralph A. Bessey, Canton.

NEW HAMPSHIRE

Fred W. Smith, North Woodstock.

OHIO

Michael J. Meek, McDonald.
Harry L. McClarran, Wooster.

OREGON

Charles W. Perry, Richland.

PENNSYLVANIA

William T. Davies, Forest City.
Gertrude Klinefelter, Jonestown.
Frank P. Lightner, Loysville.

RHODE ISLAND

David Ross, Ashton.

TENNESSEE

Velnia T. Riley, Algood.
James F. Toney, jr., Erwin.
Alice L. Needham, Trimble.

TEXAS

Sol D. Smith, Granbury.
Olive Raoul, Gustine.
Daniel B. Gilmore, McGregor.
Duane B. Scarborough, Oakwood.
Thomas B. Higgins, Reagan.
Homer H. Turner, Rockdale.
Jesse L. Holcomb, Seminary Hill.
Clarence V. McMahan, Waco.
Alice Pipes, White Deer.

UTAH

Edward J. Young, jr., Vernal.

HOUSE OF REPRESENTATIVES

MONDAY, *April 30, 1928*

The House met at 12 o'clock noon.

Rabbi William Franklin Rosenblum, of the Washington Hebrew Congregation, Washington, D. C., offered the following prayer:

O Lord, our God, master of the universe, in whose hands are the souls of all the living and the spirits of all flesh, Thou who knowest and orderest all things well, and before whose presence we bow in adoration and submission, hallowed be Thy name.

On this day we resume our labors of service to our country and to our Nation from which we paused to render tribute to a colleague and friend who has gone to sit in the assembly on high. His voice will no longer sound in these Halls, his presence no more abide in our midst, who but yesterday was eager and alert in the performance of his duties, even as we are at this hour.

O our God, now that Thy visitation is past, may we draw waters of chastening from the wells of salvation. May we reconsecrate ourselves to our work in meekness and in humility, and thus, in acknowledging our smallness in Thy sight, hallow ourselves and ennoble our deeds in the sight of our fellow men.

May our deliberations and decisions reflect our convictions. May we remain blind to artifice and blandishment, deaf to the sweet accents of flattery or the ominous murmurings of complaint. May we have regard only for the advancement of our Nation, the welfare of its citizens and the peace of humanity, and thus bear witness before all the world that Thou art our ruler, and that Thine is the power and the glory and the majesty. Amen. Amen.

The Journals of the proceedings of Saturday, April 28, and Sunday, April 29, were read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed with amendments, in which the concurrence of the House of Representatives was requested, a bill of the House of the following title:

H. R. 13331. An act to authorize the President to present the distinguished flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl.

The message also announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 192. Joint resolution to provide for the coinage of a medal in commemoration of the achievements of Col. Charles A. Lindbergh.

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

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920.

S. 3919. An act awarding a gold medal to Lincoln Ellsworth.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11026) entitled "An act to provide for the coordination of the public-health activities of the Government, and for other purposes," disagreed to by the House of Representatives, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. MCNARY, and Mr. FLETCHER to be the conferrees on the part of the Senate.

The message further announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10141) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors."

The message also announced that the Senate did, on April 28, 1928, pass the following resolution:

Resolved, That the Senate accept the invitation of the House of Representatives to attend the funeral of Hon. MARTIN B. MADDEN, late a Representative from the State of Illinois, in the House of Representatives at 12 o'clock meridian on Sunday, April 29, 1928, and that a committee of 10 Senators be appointed by the Vice President to act with the committee appointed by the House of Representatives to take order for superintending the funeral.

The message further announced that pursuant to the foregoing resolution, the Vice President had appointed Mr. DENEEN, Mr. CURTIS, Mr. ROBINSON of Arkansas, Mr. WARREN, Mr. OVERMAN, Mr. SMOOT, Mr. WALSH of Montana, Mr. MCNARY, Mr. HARRISON, and Mr. STECK members of the committee on the part

of the Senate to act with the committee appointed by the House of Representatives to take order for superintending the funeral of the deceased.

SENATE BILLS REFERRED

Bills of the following titles were taken from the Speaker's table and, under the rule, referred to the appropriate committees, as follows:

S. 3693. An act authorizing the city of Council Bluffs, Iowa, and the city of Omaha, Nebr., or either of them, to construct, maintain, and operate a free highway bridge across the Missouri River between Council Bluffs, Iowa, and Omaha, Nebr.; to the Committee on Interstate and Foreign Commerce.

S. 3723. An act to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

ATTENDANCE OF MARINE BAND AT THE CONFEDERATE VETERANS' REUNION, LITTLE ROCK, ARK.

Mr. VINSON of Georgia. Mr. Speaker, I am directed by the ranking member of the Naval Affairs Committee in the city, Mr. DARROW, to ask unanimous consent to call up the bill (H. R. 13252) authorizing the attendance of the Marine Band at the Confederate veterans' reunion at Little Rock, Ark.

The SPEAKER. The gentleman from Georgia asks unanimous consent to call up the bill H. R. 13252 and consider the same. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that a Senate bill—S. 4180—of the same purport be substituted for the House bill.

The SPEAKER. The gentleman from Georgia asks unanimous consent that a similar Senate bill be substituted for the House bill. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the United States Marine Band to attend and give concerts at the Confederate Veterans' Reunion to be held at Little Rock, Ark., May 8 to 11, 1928.

SEC. 2. For the purpose of defraying the expenses of the band in attending such reunion there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $7,872, or so much thereof as may be necessary.

Mr. UNDERHILL. Mr. Speaker, as I caught the reading, the sum of $13,252 is appropriated and not authorized.

Mr. VINSON of Georgia. This is the Senate bill, and I am asking to substitute this for the House bill. The House bill authorizes the appropriation, but the Senate bill makes the appropriation. The Naval Committee of the House has not jurisdiction to make an appropriation.

Mr. LAGUARDIA. Has the Senate committee authority to appropriate money directly?

Mr. VINSON of Georgia. You will have to propound that to a better parliamentarian than I am.

Mr. UNDERHILL. I think I will offer an amendment. We ought not to establish a bad precedent. I have no objection to the appropriation.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. GARNER of Texas. The gentleman says he has no objection to making the appropriation. I think the gentleman's first suggestion is the one that has any merit; that is, making a bad precedent. But why make the authorization now and have an emergency bill come in to-morrow when you can make the appropriation now?

Mr. LAGUARDIA. For the orderly procedure.

Mr. GARNER of Texas. The Senate has the right to originate appropriation bills except revenue bills. The Constitution does not prohibit the Senate from making this appropriation.

Mr. RAGON. I think I can explain it, and give the reasons. The bill was introduced by Senator ROBINSON in the Senate last week, and at the same time he asked me to introduce one here. The matter was taken up with him three weeks ago. In the meantime we both became ill. I happened to get up sooner than he did, and he only returned to the Senate last Thursday or Friday.

Mr. UNDERHILL. How much delay will it incur?

Mr. RAGON. The delay may ruin us. The reunion is on the 8th. Little Rock is not a large city. The hotel facilities will be heavily taxed. I have had urgent wires the latter part of last week to give them information as to the number in attendance.

Mr. UNDERHILL. In view of the urgency, Mr. Speaker, I will not offer an amendment.

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

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

ROSS F. COLLINS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to be permitted to file a supplemental report on the bill (H. R. 3221) for the relief of Ross F. Collins from the Committee on Naval Affairs.

The SPEAKER. Is there objection?

There was no objection.

REREFERENCE OF A BILL—JOINT-STOCK LAND BANKS

Mr. DYER. Mr. Speaker, the bill S. 4039, to exempt joint-stock land banks from the provisions of section 8 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes, approved October 15, 1914, as amended," was referred to the Committee on the Judiciary. I ask unanimous consent that this be rereferred to the Committee on Banking and Currency, in order to facilitate consideration of the legislation.

The SPEAKER. The gentleman from Missouri asks unanimous consent for rereference of a bill, the title of which the Clerk will report.

The Clerk reported the title of the bill.

The SPEAKER. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, is this action taken through decision of the Committee on the Judiciary?

Mr. DYER. No; I am asking this upon my own motion. The legislation to which this referred was legislation from the Committee on Banking and Currency originally.

Mr. LAGUARDIA. I heard only the title read. I understand that it referred to some matters in restraint of trade.

Mr. DYER. I examined the bill in connection with the parliamentarian, and we are satisfied that the bill should go to the Committee on Banking and Currency.

The SPEAKER. Is there objection?

There was no objection.

PRESENTATION OF FLYING CROSS TO CERTAIN AVIATORS

Mr. TILSON. Mr. Speaker, by the request of the acting chairman of the Committee on Military Affairs and the ranking minority member of that committee, I ask unanimous consent to take from the Speaker's table the bill H. R. 13331, to authorize the President to present the distinguished-flying cross to Ehrenfried Gunther von Huenefeld, James C. FitzMaurice, and Hermann Koehl, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The gentleman from Connecticut asks unanimous consent to take from the Speaker's table the bill H. R. 13331, with Senate amendments thereto, and concur in the Senate amendments. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk reported the Senate amendments.

Mr. TILSON. Mr. Speaker, this is a real emergency, because it is desired to have this bill passed before the flyers arrive on Wednesday next. In order to do this it should be passed to-day. This is simply a motion to concur in the Senate amendments, which add the names of the French and Italian flyers to those named in the House bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

LEAVE OF ABSENCE

Mr. VESTAL. Mr. Speaker, I ask unanimous consent for leave of absence for 10 days for my colleague Mr. JOHNSON of Indiana, who has been called home on account of serious illness in his family.

The SPEAKER. Without objection, the leave is granted.

There was no objection.

EVENING SESSION

Mr. TILSON. Mr. Speaker, at the request of the chairman of the Committee on Agriculture, I ask unanimous consent that it be made in order for the Committee of the Whole House on the state of the Union, in consideration of the farm relief bill, at any time before 6 o'clock this afternoon, to recess until 8 o'clock to-night, and that between the hours of 8 o'clock and not later than 11 o'clock to-night general debate shall continue on the farm relief bill.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that to-day it shall be in order for the Committee of the Whole House on the state of the Union to take a recess, not later than 6 o'clock, until 8 o'clock p. m., and to continue general debate upon the farm relief bill until not later than 11 o'clock p. m. Is there objection?

Mr. OLIVER of Alabama. Reserving the right to object, I take it that there will be no other business transacted than the discussion of the farm relief measure?

Mr. TILSON. There could be no other business transacted in the Committee of the Whole, but I undertake to say that no other business will be called up after the committee rises.

Mr. LAGUARDIA. And that this time be not deducted from the 12 hours provided under the rule?

Mr. TILSON. The time used this evening not to be deducted from the 12 hours provided under the rule, and the time consumed to be divided in the same manner that the time under the rule has been divided.

Mr. LAGUARDIA. That is, the three hours to-night?

Mr. TILSON. Yes; any extra time at the evening session.

The SPEAKER. The gentleman from Connecticut supplements his request by adding that the time during the evening session be not deducted from that allowed for general debate under the rules, and that the time be equally divided between those for and against, as under the rule. Is there objection?

There was no objection.

ORDER OF BUSINESS

Mr. FORT. Mr. Speaker, at the conclusion of the session of the Committee of the Whole House on the state of the Union on Friday last the gentleman from Michigan [Mr. KETCHAM] was engaged in speaking upon the farm relief bill. It has seemed to all who controlled the time that the last 15 minutes of Mr. KETCHAM's time were useless to him, because of the very unfortunate occurrence of which the House then became advised. I ask unanimous consent that the time for general debate under the rule be extended 15 minutes, or, in other words, that the last 15 minutes of the time used by the gentleman from Michigan be not charged against the time to be controlled by him.

The SPEAKER. The Chair is advised that that time was not charged against the gentleman from Michigan.

Mr. FORT. The gentleman from Michigan informs me that it was so charged.

Mr. KETCHAM. Mr. Speaker, may I ask how much time remains of my time?

The SPEAKER. The gentleman has 16 minutes remaining, according to the timekeeper.

Mr. KETCHAM. Then it was charged against me, because under the request of the gentleman from New Jersey the time elapsed would have been only 30 minutes, whereas 44 minutes has elapsed according to the record of the timekeeper.

The SPEAKER. The Chair will first put the request of the gentleman from Connecticut. Is there objection to his request?

There was no objection.

The SPEAKER. The gentleman from New Jersey [Mr. FORT] asks unanimous consent that the time of the gentleman from Michigan [Mr. KETCHAM] be extended 15 minutes beyond the time allotted under the rule. Is there objection?

There was no objection.

THE AGRICULTURAL SURPLUS CONTROL 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. 3555.

The motion was agreed to.

The SPEAKER. The gentleman from Michigan [Mr. MAPES] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 3555, 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. 3555, which the Clerk will report by title.

The Clerk read as follows:

A bill (S. 3555) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Mr. KETCHAM. Mr. Chairman, I yield myself 20 minutes of the time remaining to my credit—37 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 20 minutes.

Mr. KETCHAM. Mr. Chairman and members of the committee, at the conclusion of the debate on Friday afternoon I had proceeded quite well along with an explanation of the details of the export debenture plan. I was, of course, as all of us were, very greatly shocked by the tragic event which caused a suspension of the proceedings for the day; and I am perfectly aware that whatever of continuity there may have been in the discussion was thereby destroyed. And so, for the purpose of getting the ideas in the bill before you in a very brief way I want to trespass upon your patience long enough to make just a few statements as to what the export debenture plan really is and what our plans are with reference to it.

I may state at the outset that my colleague from Texas [Mr. JONES] and myself have been continuously and enthusiastically in favor of some sort of farm-relief legislation that would cure the present price maladjustment under which agriculture is at present conducting its operations. For myself, and I think for the gentleman from Texas, I can say that we have on previous occasions supported the McNary-Haugen bill. So far as I am myself concerned, that is true. On two of the three times it has been before the House for consideration I have voted for it.

The reason why we are urging the export debenture plan at this time is simply because we believe that it is the only method by which we may write upon the statute books farm relief legislation at this session of Congress.

Now, that ground has been traveled over so much that I do not want to enlarge upon it, and I will simply dismiss it with one sentence. In the first place, granted that the bill passes both Houses, I think there can be no manner of question as to what its future will be at the other end of the Avenue should it contain the equalization fee. Granted, then, that it will be vetoed at the other end of the Avenue. That, of course, brings up the proposition as to whether or not a sufficient number of votes may be mustered in the opposite end of the Capitol to override that veto. If that shall not be done, that means an end to the legislation. If it shall be done, then that means that the bill will come back here for a similar vote.

I do not know what all of you believe, but it is my belief that the chances are very remote for any such action to be taken. And then, granted that that might possibly be done—and it is within the range of possibility—I think it has increasingly been the conviction of men of both Houses that the question of constitutionality would immediately be raised; and while not an attorney, and therefore venturing no opinion, but simply relying upon the judgment of those who have given it careful consideration, I think there is grave doubt as to its constitutionality. Whether that might be granted or not is another argument. But this may be said, that at least two years would go by before the question might be thoroughly tested in the courts and a decision rendered; even then, should a favorable decision be rendered, then additional months would be required to set the bill in operation. So viewing the whole situation in the most favorable light, at least two or three years more of our present condition must be pressed upon agriculture before a remedy can be applied.

Granted that the equalization fee shall not be the remedy agreed upon by the Congress to cure the situation that we have before us, Mr. Chairman and members of the committee, my colleague from Texas and myself, supported by the oldest and the strongest and the most conservative farm organization in the United States, are presenting for your consideration an alternative proposition that we have good reason to believe is sound; in fact, no word of challenge as to its constitutionality has been uttered. In the third place, we believe it is a practical proposition, and that it will cure within 60 days the present farm price disparity that is so greatly to the disadvantage of agriculture.

Mr. GARBER. Mr. Chairman, will the gentleman yield there?

Mr. KETCHAM. Yes.

Mr. GARBER. In regard to the soundness of your measure, I notice by your former argument that you suggested that the remedy only applied for the period necessary to tide over the present crisis. You would not advocate a policy of paying a continuous premium or subsidy to the producers of farm products out of the Treasury of the United States, would you? That, on the very face of it, to my mind is unsound—that is, when you get right down to a permanent policy to pursue.

Mr. KETCHAM. I think I can satisfy the gentleman by answering that particular thing in this way, and I should like to have him follow me. Our contention is that this condition is a temporary condition. My own belief and theory is that without any legislative enactment at all within five years—and certainly within eight years—agriculture, which is always slow to recover from war conditions, will restore of itself its price parity. Our bill is written upon this theory, and I want you to see it, that by certain legislative proposals we have placed the farmer at a disadvantage so far as his costs of pro-

duction are concerned. That has been done by action of the Congress. There can be no argument about that. It is our contention that if those different legislative acts were sound economically that the proposal we now offer is likewise sound, because it comes at the proposition in the only possible way it can be met and for the time being restores the price parity of the farmers of the United States, which, we maintain, has largely been destroyed by the legislative acts of this Congress itself. So it appears to us we are absolutely sound and that our position is practical, because we have grounded ourselves upon the position that the farmers are entitled, if you please, to the costs of production; and if we have raised their costs of production, then it seems to me that by legislation—and I believe this is the way—that disparity shall be removed and that disadvantage taken away. When the time comes that the price parity between agricultural commodities and others shall be realized, then automatically this device of ours fades out of the picture and no further inroads upon the Treasury shall be made.

So far as inroads upon the Treasury are concerned, may I just call the attention of the membership of the committee to this? What do we mean by inroads upon the Treasury? Taking money out of the Treasury and keeping money from coming into the Treasury. I will give two or three very simple illustrations. For instance, take the tariff on butter, for which I think all of us voted—a very fine, constructive piece of machinery to the advantage of agriculture. When the tariff was at 8 cents per pound we found butter coming in from the outside. Upon a proper showing by the Tariff Commission the President, by proclamation inreased the rate, as he is permitted to do under the flexible provisions of the tariff, from 8 to 12 cents. What did that do? It kept money out of the Treasury of the United States. It was for the advantage of the dairy farmer, without any manner of question, but was a disadvantage to the Treasury.

In one sense that proposition was in principle a subsidy to the dairy farmers and in 100 ways I might illustrate that so far as manufacturing is concerned. The whole theory upon which we have built up our American economic life to-day is grounded upon that thought. Here our scale of living is a higher one, and, therefore, various sections and various groups of our population must be taken into consideration, and so far as it is possible they must be put upon a level of opportunity. We believe that the proposition we have here this morning is the simplest, the most direct, the most positive, and the least objectionable of any of the plans that have been proposed for bringing price equality to the farmer.

Mr. COLE of Iowa. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. COLE of Iowa. I do not want to be understood as being unfriendly to this legislation.

Mr. CLARKE. Which legislation?

Mr. COLE of Iowa. The debenture plan. Will the gentleman tell us how we can apply this to a particular line of products and not to all? How can you limit it to agricultural products? What is there to prevent other industries from coming in and using this as a precedent and asking the same favors for themselves?

Mr. KETCHAM. I will answer the gentleman's question by saying that already the rest of them have been taken in and we are enjoying the benefits to-day, and now all we are asking is that the farmer shall be placed upon the same parity with the rest.

Mr. COLE of Iowa. But for every bushel of grain exported we are going to give a rebate, a debenture. Now, why could not an automobile factory come in and ask a rebate, a debenture?

Mr. KETCHAM. I dare say it could, and if it were determined that the automobile industry had been placed in an unsatisfactory position by legislation I am very certain that fairness and justice in this body would say that is a thing that ought to be done for it if that were the only device by which the automobile industry might be put on a parity with the other industries of the country. My recollection is that we have just lifted $66,000,000 per year from automobile taxes.

Mr. COLE of Iowa. That becomes a question of argument. I think it could be proved that many industries at the present time are in a depressed and deflated condition, and under the precedent in this legislation, those concerned would be entitled to ask for the same benefits.

Mr. KETCHAM. I will have simply to say that for the moment—and I do not want you to lose sight of this—we are simply dealing with the one proposition of agriculture, and we are here advocating our plan, as I indicated a moment ago, as the simplest, the fairest, and most direct, and, yea, so far as the Treasury itself is concerned, the least expensive plan that has been proposed. This will develop a little later in the argument.

Mr. UNDERWOOD. Will the gentleman yield?

Mr. KETCHAM. I will yield to the gentleman for one brief question, and then I must hurry on.

Mr. UNDERWOOD. I am very much interested in the gentleman's plan. It has been charged in the debate here that the debenture plan, if put into effect, would result in wild speculation. It has been further alleged that the exporters and importers would divide the debenture and that very little would be reflected back to the producer in the price of his product. Can the gentleman answer these objections?

Mr. KETCHAM. I think I can answer the questions, at least satisfactorily to myself, and they are completely answered in my own mind. Whether the debenture plan is set up or whether the equalization-fee plan is set up, undoubtedly all the benefits that agriculture expects to accrue will not come back to them; but for the life of me I am unable to understand why under the export debenture plan there will not be as great certainty of the greatest amount of benefit to get back to the farmer as under the other plan; and, so far as the equalization plan is concerned, I think more of the benefit will get back, because no tremendously expensive machinery, involving the employment literally of thousands of people, is set up in connection with it. So I think the chances are much better under our plan for a greater share of the benefit getting back to the farmer himself.

Mr. UNDERWOOD. Will the gentleman yield further for one short question?

Mr. KETCHAM. For a short question.

Mr. UNDERWOOD. How would the debenture plan stabilize agriculture and take care of the surplus production we now have?

Mr. KETCHAM. The gentleman asks how the debenture plan would stabilize agriculture. May I say that, so far as my understanding of all these bills is concerned, stabilization, which refers to seasonal fluctuation, is cared for principally in the loan features. The gentleman is very familiar with the agricultural situation, representing a very great agricultural section, and knows that seasonal fluctuation of prices is one of the reasons agriculture is at a great disadvantage to-day.

The loan features of both the McNary-Haugen bill and the export debenture bill are calculated to minimize these seasonal fluctuations and stabilize the price so that through the year, if you please, there will be more nearly an average, which will be greatly to the advantage of the farmer, at least during the early part of the marketing period.

Mr. MORGAN and Mr. OLIVER of Alabama rose.

Mr. KETCHAM. I hesitate to refuse to yield because you are all so interested, but I think I will serve notice that after these two questions are answered I want to proceed with my statement.

Mr. MORGAN. The orderly marketing features of both plans would be virtually the same so far as taking care of the surplus and orderly marketing are concerned.

Mr. KETCHAM. The loan features of the two bills are practically the same.

Mr. OLIVER of Alabama. Assuming that the facts justify an operating period under the debenture plan and that the market price of cotton is 6 cents, and that it is found that the cost of producing it is 16 cents at home and the cost of producing it abroad is 14 cents, what would be the amount of the debenture under those facts that the gentleman's plan would authorize?

Mr. KETCHAM. If I caught the facts correctly, the difference between them, as already set up in the bill, would be 2 cents a pound.

Mr. OLIVER of Alabama. How would that affect in a helpful way a farmer raising cotton, when the difference between the cost of production and the market price is 10 cents?

Mr. KETCHAM. Under the debenture plan his price would be increased the first year 2 cents a pound without paying any fee or tax.

Mr. OLIVER of Alabama. I was under the impression the gentleman held out that his plan offered absolute relief and far better relief than the other plan to the cotton farmer.

Mr. KETCHAM. I think I have made no statement of that sort.

Mr. LAGUARDIA. How could such a condition be possible, if the cost abroad were 14 cents and here 16 cents and the market price 6 cents?

Mr. KETCHAM. I can not conceive of that condition.

Mr. LAGUARDIA. I can not, either.

Mr. KETCHAM. But the amount of increase would be $10 per bale under the bill.

Mr. JONES. Will the gentleman yield?

Mr. KETCHAM. Yes.

Mr. JONES. May I suggest to the gentleman that they hope the McNary-Haugen law will help out through the loan feature by enabling them to buy up the surplus at the low price and take it off the market and hold it and thus bring up the price, and in both instances the plans operate in the same way.

Mr. KETCHAM. In the concluding minutes I shall take I want to do just three things. First, I want to call your attention in a word to the splendid organization that has lent its support to this bill. I want to commend it for its very splendid attitude. This organization has come before us simply presenting its plan, with no orders to take this or nothing; a fine spirit, and I think every member of the committee recognizes the thoughtfulness and the fine attitude of the Grange as it appeared before our committee.

This organization is constituted of about 8,000 subordinate organizations in 33 States of the Union. It has at present 800,000 dues-paying members, the oldest and the largest of the farm organizations. I may say that possibly the sentiment of that organization can best be expressed in the words of the master of the National Grange in his concluding remarks:

Mr. KETCHAM. There are just two or three things by way of summarizing your argument that I would like to put to you in the form of questions. In the first place, just to get the picture of the situation that agriculture is in, I presume you have made a study of the indexes that are furnished by the Department of Labor as indicating the trend of prices in agriculture and all other commodities, and several other groups?

Mr. TABER. Yes.

Mr. KETCHAM. You are familiar, for instance, with the fact that the labor index is at present 228, that the transportation index is 157, and that the all-commodity index is 152, while the index of farm commodities at the farm is 138. Do you subscribe in that connection to the general opinion that that variation is attributable to a degree—quite a large degree—to legislative procedure—are there certain specific acts of Congress that, in other words, may have contributed to the making of the labor index what it is instead of what it would be had the laws previous to these particular enactments been enforced?

Mr. TABER. We fully subscribe to the notion that the commodity and labor price index as given by the Department of Labor reflects a true picture of our difficulty and reflects also that that difficulty has been contributed to in no small part by the actions of Congress itself and by legislative enactment.

Mr. KETCHAM. Do you share in the opinion that there was any malice or any intention on the part of Congress or in the thought of anyone that the results as indicated in these indexes would follow as a result of that action? Do you think it was injuriously directed toward the farmer?

Mr. TABER. We have never felt that Congress, business, or labor acted with a desire to injure agriculture. We have felt that their superior organization, their superior mobility, made it possible for them to secure benefits that did not accrue to other groups.

Mr. KETCHAM. Do you subscribe to the idea that as a result of these indexes, which, of course, indicate higher purchasing power, in general that contributes to national prosperity; in other words, the fact is you have no desire to see these men particularly crippled in the advantages that they enjoy?

Mr. TABER. Our policy has always been to build up agriculture and not to seek to interfere with wages or standards of other groups.

Mr. KETCHAM. Then, if I understand the purpose of your appearing here in the advocacy of this bill, it is that you believe that this bill will best take care of agriculture and place it, as reflected in the indexes, on a parallel with the other groups with which reference has been made?

Mr. TABER. Our whole purpose and our only purpose in appearing here and in advocating this legislation is the honest belief, founded on our best judgment and our experience, both in America and elsewhere, that this legislation more certainly, with less expense and less delay, would do the very thing that you have indicated—lift agriculture on a plane with labor, with transportation, with finance, and with industry; and we think, further, that it does it in harmony with precedents and in accordance with the established policy of the Government better than any other legislation proposed.

Mr. KETCHAM. One further question, Mr. Taber, and I think I am through: Supposing that this bill were passed by the Congress and approved by the President and were put into effect, and that following that agriculture did take its place; and then add the supposition that our population changes will keep on with their draft toward the cities and naturally, possibly, the need for this special kind of legislation would gradually disappear—what is the effect of this particular bill on that kind of a situation?

Mr. TABER. This bill is self-eliminating.

Mr. KETCHAM. "Self-eliminating" describes the situation, and still does not give agriculture a supreme advantage over others; but simply puts it into the picture, so that we can march down the road side by side, which is all any farmer asks.

Mr. TABER. That is correct; it does exactly that thing. As we approach the import basis on any commodity, the export debenture automatically, without any expense, without any difficulty, eliminates itself, and the system that is then prevailing for the protection of other groups will protect agriculture.

Mr. KETCHAM. I said that was the last question I had, but here is one other: You have stated that you preferred the form of organization set up in the bill—without a board and without what is referred to as the revolving fund or the stabilizing features of the other bill. In the spirit you manifested, which I want to compliment, you have said that if it be the judgment of this committee that these added features, such as board and loan features, ought to be incorporated, you would be glad to go along and would give that sort of an arrangement your support, although you preferred the provisions of this bill; is that correct?

Mr. TABER. That is a correct statement.

I wanted to give them to you because they reflect this sentiment very nicely. After thus giving his approval to the bill Mr. Louis J. Taber, the master of the National Grange, summarizing the whole proposition, said:

We favor the simple, nonsalaried, naked proposition, the export-debenture plan, because of the reasons we have indicated; but we realize, as we have said in the very beginning, the superior judgment of this committee, your long experience, your seven years' study of the problem, and if, in your superior judgment, you felt a salaried board was necessary; if, in your superior judgment, you felt a revolving fund was necessary; or if, in your superior judgment, you felt an export corporation was necessary, we naturally would acquiesce in your superior judgment, believing that your study and your experience brought you to this conclusion with the good of agriculture in mind. Naturally, we would go most enthusiastically along with the program in spite of the fact that it was not just what we asked for or just what we wanted.

I may say to you that the bill as outlined in that paragraph is the bill substantially we have before you. Now, I want to say another thing, and it is an emphasis of what I said in the first two or three minutes on the floor to-day. My colleagues and I who believe there is real merit in that plan come before you and ask for farm equality now. I undertook in my opening remarks to show you that the farm index to-day in contrast with 1913 was 138, all-commodities index 152, transportation 157, and labor 228. If I may use an illustration that will be timely because of the Olympic games this summer, one of the most spectacular events in these games is the 100-yard dash. What would you think if the man in charge came out and said, "Gentlemen, we are going to have a splendid contest, a hundred-yard dash, but we are going to handicap some of the folks. America will run scratch, Great Britain will start from the 10-yard line, France from the 14-yard line, and Germany from the 65-yard line." Unjust, unfair, and unthinkable, of course, but not unlike the economic situation of agriculture. We are asking the farmers to handicap themselves in this great economic struggle in which they are engaged. We put the farmers on scratch—and you all know what scratch is—and the nearest man to him is the one who represents that vast group in the all-commodity list. We give him 10 points start. Those engaged in transportation you would give 14 points start, and when you come to labor you give them 65 points start in the great race for economic independence. Absolutely unfair conditions and the results foretold before the race begins!

May I sum up the whole situation in a word: For four years we have been earnestly striving to enact legislation that will accomplish price equality for the farmer. In terms of the hundred-yard dash we have been either seeking to place all groups in the economic struggle on scratch together, or if this is impossible to put the farmer up on equal terms with the other groups. Those of us who favor the export-debenture plan earnestly urge this legislation in the belief that it will enable the farmer to start this year on equal terms with other groups. Ultimate price equality is the aim of the three leading proposals. We sincerely believe that our plan is the most effective and that above everything else it can become operative this year. The loan features of all bills make for stabilization, but we believe the export-debenture plan is the surest and quickest way of securing price equality at once.

Granted for the sake of argument that the equalization-fee plan will bring price equality, with court delays in the testing of the constitutionality of the fee requiring one or two years at the best, it will be 1930 or 1931 before the equalization fee could possibly be put into operation. Why handicap the farmers of the United States in 1928 and 1929 and possibly longer when the debenture plan, which we believe will do all that the equalization-fee plan can do, can be made effective for the

present crop year? "Do it now" is an appealing sentiment in this connection. In the great Northwest they also say, "Eventually, why not now?" [Applause.]

I want to conclude my remarks with another illustration which I think emphasizes the superiority of the export-debenture plan over that of the equalization-fee plan. When the World War broke out Uncle Sam sent word to Tom in the country, "Come to the colors," and Tom said, "It will be my great pleasure," and he came to the colors. Likewise said Uncle Sam to Dick in industry and to Harry in transportation, "Come to the colors," and they came. They were clothed, they were fed, and they were armed by Uncle Sam. They were the best clothed, the best fed, and the best armed men that the world has ever seen. Down the road they marched on terms of equality to join in winning the greatest victory ever achieved for humanity.

My colleagues, those of us who are advocating the export-debenture plan are asking that in the great struggle for economic independence Tom from the farm, Dick from industry, and Harry from transportation shall be equipped on terms of equality in order that they may march down the road together on equal terms, as they did in war times. The advocates of the equalization-fee plan propose to call Tom from the farm to one side and say to him, "Tom, we want to fix you out all right, so you can march with the other boys; but we are going to let you buy your own uniform," and "Tom, we are sorry, but we may not be able to arrange it so that you can buy it before 1929 or 1930." You are asking agriculture to bear an equalization fee so that he may march on terms of economic equality with his comrades. We do not treat industry so; we do not treat transportation so; and we do not treat labor so. Why shall not the farmer be given economic equality as is given to other groups of our people? Upon this basis we appeal to you for your favorable consideration of the export-debenture plan. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Georgia [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I shall not discuss the bill in detail at this time, but simply ask unanimous consent to print in the RECORD some proposed amendments, which I hope to be able to offer in respect to the equalization fee on cotton. If the general motion to strike out the equalization fee prevails, I shall not offer these amendments. I shall support the motion to strike out the equalization fee, if it be offered.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing certain proposed amendments for information. Is there objection?

There was no objection.

The amendments referred to are as follows:

After the word "associations," in line 1 on page 37, add the following: "to banks and to associations or corporations organized by farmers or others, under the laws of any State."

After the word "associations," in line 9, paragraph 1, page 37, insert a comma and add the following: "banks, associations, or corporations organized by farmers or others, under the laws of any State."

Strike out section 6 of the bill.

After the last word in line 7 on page 47, add the following: "*Provided, however,* No equalization fee shall ever be estimated, levied, or collected on cotton."

After the word "commodity," in line 9 on page 47, add the words "except cotton."

After the word "period," in line 13 on page 48, add the following: "*Provided,* No equalization fee shall be collected on cotton."

After the word "States," in line 20 on page 49, add the following: "*Provided, however,* The provisions of paragraphs 1 and 2 and subdivisions f and g above shall not apply to cotton."

On page 50, strike out subparagraph 2.

Mr. ASWELL. Mr. Chairman, I now yield to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, if I could believe that the proposed measure rested upon sound constitutional and economic grounds and that its operation would be of benefit to agriculture, the great basic industry of America, I should not only most gladly support it but most earnestly urge it.

That individual fails wholly to understand the philosophy of our entire economic life who does not appreciate the fact that prosperous agriculture is essential to a full and rounded prosperity in all other lines of activity and industry. There is not a legitimate industry in America whose interests are, or can be, inimical to the farmers of the Nation enjoying prosperity. The Nation can never be happy as a whole, or safe as a whole, unless this condition exists.

Every demand of statesmanship, to say nothing of personal political ambitions, would dictate the support of legislation which would aid in promoting this condition.

But, sir, I have never been able to bring myself to the belief that the complicated system which it is proposed to found upon a stabilization fund, which fund is to be created by the levy of a tax, called an equalization fee, will prove workable in fact or beneficial to the farmer. Upon the contrary, it has been and is my firm belief that such a system would subject the agricultural interests to an exploitation exceeding anything that we have ever witnessed, and not only that but I fear it would lead almost if not quite to revolution.

I have never believed that it lay within the constitutional purview of Congress to authorize a board to levy a tax upon the agricultural products of individual producers and enforce its collection through the machinery of government as is proposed in this measure.

Let it be borne clearly in mind that the proposal of the bill is to clothe a board of 12 men with the power to levy a tax upon every bushel of wheat or corn, upon every bale of cotton, upon every pound of tobacco and meat—in short, upon some unit of every product of the farm. There is no limit placed upon the board's discretion as to the amount which it may levy, and the fund thus created is to be expended by the very board which levies it.

Think of what that means! If the plan shall be adopted and upheld by the courts, in what will it eventuate? Looking down the years it is perfectly easy to envision a situation where the whole agricultural industry of America will be thrown under governmental control, the farmer's freedom of contract destroyed, and the farm system completely revolutionized.

This fee is to be compulsory; it is not a matter of free action on the part of the farmer entering into a contract as he does when he joins a cooperative marketing association or other farm organization. It is to be levied upon him by a board and collected from him by the agencies of law.

Surely no one will deceive himself into the belief that this fee will not come from the farmer himself. It is immaterial at what point in the handling of the product the tax may be imposed, whether at the time of the first sale or when it is transported or when it is processed, it will be paid by the farmer who grows the product.

That I understand to be not only the admission of the proponents of the measure, but they claim it as a virtue, saying, in substance, it is simply a plan to enable the farmer to help himself.

If that be true, how is the farmer to be benefited by paying his own losses from his own pocket?

One of the favorite lines of argument by some of the advocates of this measure for years has been that government has aided other activities—the railroads and railroad workers and the banks—to say nothing of aid to manufacturers through the instrumentality of the tariff.

As for this latter those who think as I do feel that the cure lies in a revision of the tariff schedules so as to eliminate the favoritism of law and not in embracing this favoritism and trying to make it the basis of a permanent system. Vice can not well be made a foundation stone upon which to erect a structure of virtue.

So far as railroads and banks are concerned, in the first place entirely erroneous impressions have been created as to what has been done; and in the second place all who think for a moment will appreciate the fact that there is a vast difference in the relation of government to public-service corporations and to farmers.

The public-service corporations are subject to the highest measure of governmental control. Government can do anything it chooses with these except confiscate them.

Is it possible that there are any considerable numbers of people in America who believe that the farmers are ready to have their farms and industry placed in the category of a public-service corporation and made subject to governmental regulation and control?

If so, they will be rapidly undeceived once the effort is made.

Mr. Chairman, I shall undertake to make some analysis of this measure from the economic standpoint. I have stated the fundamental legal objection which lies in my mind. I appreciate the necessity for legislation and I regret profoundly the political influences which apparently have rendered legislation impossible. If we can strike the equalization fee from the bill, with some amendments to the other portions of the measure, I shall be very happy to support it. I should be very happy to support the debenture plan outlined by the gentleman from Michigan [Mr. KETCHAM], and the gentleman from Texas [Mr. JONES].

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. WOODRUFF. I have enjoyed the gentleman's interesting discussion of this bill. Does the gentleman think the McNary-Haugen bill with the equalization fee eliminated would still present a workable plan for farm relief?

Mr. GARRETT of Tennessee. I think it would.

Mr. LaGUARDIA. How would you finance it? Out of the Treasury?

Mr. GARRETT of Tennessee. That is a part of the bill.

Mr. ASWELL. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. ASWELL. It was testified by several witnesses before the committee that it would be a workable bill.

Mr. GARRETT of Tennessee. I have understood that there is no question about that.

Mr. LaGUARDIA. The gentleman in his address stressed the freedom of contract which the farmers have enjoyed. All that that freedom of contract has amounted to up to date, it seems, has been a sort of freedom to submit to foreclosure and to suffer great losses, has it not?

Mr. GARRETT of Tennessee. The gentleman understands that I am using that expression in a different sense from what evidently he has in mind.

I think, Mr. Chairman, it is very generally understood that the retention of the equalization fee feature of the bill has been forced by the influence, in the main, of the representatives of certain of the cooperative marketing organizations—cotton, tobacco, and wheat, in particular—who have been steadily and assiduously upon the job here since the Committee on Agriculture began their hearings.

I do not wish even to seem to antagonize the principle of cooperative marketing. Upon the contrary it has been my pleasure both as a citizen and as a legislator to encourage its organization and growth, because I regard the theory as sound, and its soundness is not destroyed by failures due to mismanagement or other causes.

But, sir, there is a vast difference between asking and advising a farmer voluntarily to join a cooperative marketing organization, and, as a legislator, voting to make him join, and that is what I am asked to do when requested to vote for that part of the bill embraced in sections 9, 10, and 11.

I quote them in full:

MARKETING AGREEMENTS

SEC. 9. (a) From time to time upon request of the advisory council for any agricultural commodity, or upon request of leading cooperative associations or other organizations of producers of any agricultural commodity, or upon its own motion, the board shall investigate the supply and marketing situation in respect of such agricultural commodity.

(b) Whenever upon such investigation the board finds—

First. That there is or may be during the ensuing year a seasonal or year's total surplus, produced in the United States and national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity;

Second. That the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans; and

Third. That the durability, the conditions of preparation, processing, and preserving, and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section—then the board, after publicly declaring its findings, shall arrange for marketing any part of the commodity by means of marketing agreements with cooperative associations engaged in handling the commodity or corporations created and controlled by one or more such cooperative associations. Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

(c) A marketing agreement shall provide either—

(1) For the withholding by a cooperative association, or corporation created and controlled by one or more cooperative associations, during such period as shall be provided in the agreement, of any part of the commodity delivered to such cooperative association or associations by its members. Any such agreement shall provide for the payment from the stabilization fund for the commodity of the costs arising out of such withholding; or

(2) For the purchase by a cooperative association, or corporation created and controlled by one or more cooperative associations, of any part of the commodity not delivered to such cooperative association or associations by its members, and for the withholding and disposal of the commodity so purchased. Any such marketing agreement shall provide for the payment from the stabilization fund for the commodity of the amount of the losses, costs, and charges arising out of the purchase, withholding, and disposal, or out of contracts therefor, and for the payment into the stabilization fund for the commodity of profits (after repaying all advances from the stabilization fund and deducting all costs and charges, provided for in the agreement) arising out of the purchase, withholding, and disposal, or out of contracts therefor.

(d) The board may, in its discretion, provide in any such marketing agreement for financing any withholding, purchase, or disposal under such agreement, through advances from the stabilization fund for the commodity. Such financing shall be upon such terms and conditions as the board may prescribe, but no such advance shall bear interest.

(e) If the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. If the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposal, then the board may enter into the agreement with other agencies but shall not unreasonably discriminate between such other agencies.

(f) During a marketing period fixed by the board for any commodity, the board may enter into marketing agreements for the purchase, withholding, and disposal of the food products of such commodity, and all provisions of this section applicable to marketing agreements for the purchase, withholding, and disposal of the commodity, shall apply to the agreements in respect of its food products.

(g) Any decision of the board relating to the commencement, extension, or termination of a marketing period shall require the affirmative vote of a majority of the appointed members in office.

(h) The powers of the board under this section in respect of any agricultural commodity shall be exercised in such manner, and the marketing agreements entered into by the board during any marketing period shall be upon such terms, as will, in the judgment of the board, carry out the policy declared by section 1.

(i) The United States shall not be liable, directly or indirectly, upon agreements under this Act in respect of agricultural commodities, in excess of the amounts available in the stabilization, premium insurance, and revolving funds.

EQUALIZATION FEE

SEC. 10. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements. Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided.

(b) Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity and under nonpremium insurance agreements in respect of such commodity as hereinafter provided. Upon the basis of such estimates, the board shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the board, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity. Such amount is referred to in this Act as the "equalization fee." At the time of determining and publishing any equalization fee the board shall specify the time during which the particular fee shall remain in effect and the place and manner of its payment and collection.

(c) Under such regulations as the board may prescribe, any equalization fee determined upon by the board shall be paid, in respect of each marketed unit of such commodity, upon one of the following: The transportation, processing, or sale of such unit. The equalization fee shall not be collected more than once in respect of any unit. The board shall determine, in the case of each class of transactions in the commodity, whether the equalization fee shall be paid upon transportation, processing, or sale. The board shall make such determination upon the basis of the most effective and economical means of collecting the fee with respect to each unit of the commodity marketed during the marketing period.

(d) Under such regulations as the board may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity

imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein.

(e) The board may by regulation require any person engaged in the transportation, processing, or acquisition by purchase of any agricultural commodity produced in the United States, or in the importation of any agricultural commodity or food product thereof—

(1) To file returns under oath and to report, in respect of his transportation, processing, or acquisition of such commodity produced in the United States or in respect of his importation of the commodity or food product thereof, 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.

(f) The board, under regulations prescribed by it, is authorized to pay to any such person required to collect such fees a reasonable charge for his services.

(g) 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.

(h) As used in this section—

(1) In the case of grain the term "processing" means milling of grain for market or the first processing in any manner for market (other than cleaning or drying) of grain not so milled, and the term "sale" means a sale or other disposition in the United States of grain for milling or other processing for market, for resale, or for delivery by a common carrier—occurring during a marketing period in respect of grain.

(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 during a marketing period in respect of cotton.

(3) In the case of livestock, the term "processing" means slaughter for market by a purchaser of livestock, and the term "sale" means a sale or other disposition in the United States of livestock destined for slaughter for market without intervening holding for feeding (other than feeding in transit) or fattening—occurring during a marketing period in respect of livestock.

(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. The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(5) In the case of grain, livestock, and tobacco, the term "transportation" means the acceptance of a commodity by a common carrier for delivery.

(6) In the case of any agricultural commodity other than grain, cotton, livestock, or tobacco, the board shall, in connection with its specification of the place and manner of payment and collection of the equalization fee, further specify the particular type of processing, sale, or transportation in respect of which the equalization fee is to be paid and collected.

(7) 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 a marketing period in respect of the agricultural commodity. In case of the transfer of title in pursuance of a contract entered into after the commencement of a marketing period in respect of the 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.

STABILIZATION FUNDS

SEC. 11. (a) For each agricultural commodity as to which marketing agreements are made by the board, there shall be established, in accordance with regulations prescribed by the board, a stabilization fund. Such fund 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 such fund.

(b) There shall be deposited to the credit of the stabilization fund for any agricultural commodity (1) advances from the revolving fund as hereinafter authorized, (2) profits arising out of marketing agreements in respect of the commodity, (3) repayments of advances for financing the purchase, withholding, or disposal of the commodity, and (4) equalization fees collected in respect of the commodity and its imported food products.

(c) In order to make the payments required by a marketing or nonpremium insurance agreement in respect of any agricultural commodity, and in order to pay the salaries and expenses of experts, the board may, in its discretion, advance to the stabilization fund for such commodity out of the revolving fund such amounts as may be necessary.

(d) The deposits to the credit of a 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 the profits and equalization fees payable to the credit of the stabilization fund and 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.

(e) There shall be withdrawn from the stabilization fund for any agricultural commodity (1) the payments required by marketing or nonpremium insurance agreements in respect of the commodity, (2) the salaries and expenses of such experts as the board determines shall be payable from such fund, (3) repayments into the revolving fund of advances made from the revolving fund to the stabilization fund, together with interest on such amounts at the rate of 4 per centum per annum, and (4) service charges payable for the collection of equalization fees.

I have quoted these sections verbatim in order that those who may read these remarks may have the text before them and analyze it for themselves. They do not have to rely upon any interpretation except their own.

It is instantly observable that this gives to a board of 12 men the absolute power to lay a tax, as I have said, upon every bale of cotton, upon every bushel of wheat and corn, upon every pound of tobacco and meat sold by the producer, upon some unit of every agricultural product—and this tax will raise a fund which is to be under the absolute and practically unrestrained control of the board which levies the tax.

The fact that the bill may be amended so as to require the general board to have the advice of a commodity council of seven before functioning adds nothing to its virtues. By the provision of section 4 the advisory councils are to be chosen by the general board itself "from lists submitted by cooperative associations or other organizations representative of the producers of the commodity."

What does this mean? Take the case of cotton. It means that the cotton growers' associations of the different States who have never been able to obtain members sufficient to give them control of as much as 10 per cent of the cotton grown in any State will submit lists to the board of 12. From these lists the board must select seven individuals to act in an advisory capacity. These seven will naturally be from the organization.

The more than 90 per cent of cotton growers who are not members will have no voice whatever in the selection. It will rest with these 7 men to advise the 12, and the 12 may then lay the equalization fee in whatever amount they see proper upon every bale of cotton grown in the United States, and, as stated, this fee will come from the producer. It matters not at what stage of the handling it may be collected. If it be at the time of transportation, the railroad company will simply add the amount of the fee, $10 or $15 per bale, or whatever the amount may be, to the freight bill. The ginner, or whoever purchases the cotton from the farmer, will know in advance what the fee is to be and will deduct it from the price he pays the farmer.

The same conditions will apply to wheat, swine, cattle, tobacco, vegetables—to every commodity upon which the board may determine to function.

Think of what Congress is being asked to do! We are being asked deliberately to vote to force into a system called "agricultural relief" every farmer in America, when we know that the vast majority of those farmers, exercising their rights as American citizens, have declined to join of their own free wills.

For myself, and casting no aspersions upon those of my colleagues who take a different view, I can not feel that I have any moral right to vote to do this. I have no authority as a legislator to vote a farmer into a system which he has refused to join voluntarily.

The man not in Congress who believes in the efficacy of the system may feel at liberty to say, as so many of them have said, "We wish legislation which will force them in," but to a legislator charged with the responsibility of trying to treat all alike and preserve the fundamentals of individual freedom of action the matter appears in an entirely different light—at least it does to me.

The idea has been rather persistently advanced that the equalization fee feature of the proposed measure will never be used. If this be true why insert it? Its proponents say,

"simply to preserve the principle." It is the principle that I, for one, am combating, the principle of taxing the farmer by a board with whose selection he will have nothing to do.

But I can not escape the feeling that those who insist the fee will never be used are deceiving themselves and misleading others.

By the very terms of section 9, which I have quoted verbatim, the board, if it carries out the law, will have to levy it as to certain products—cotton, wheat, and swine in particular. And certain grades of tobacco are grown that only find a market abroad. Of these we always produce a surplus over the amount required for domestic consumption, and the board will have to so find.

Of cotton we always export more than we consume domestically, and the world price of cotton is fixed in the Liverpool market. Should it be possible under the system proposed by the equalization fee plan to raise the price to the farmer of the seven to eight million bales consumed at home, I can see no way whereby it would not be balanced by the losses on that sold abroad. The profit made upon the portion marketed here would be absorbed by the losses sustained upon that sold abroad, and these losses are to be paid out of the stabilization fund created by the equalization fee collected from the cotton grower.

If you succeed in raising the price of such wheat as is sold in the domestic market above the world price, just how much have you benefited agriculture as a whole? Forty per cent of the wheat sold in the American market is consumed by farmers themselves. I think there is not a Southern State which grows sufficient wheat to supply the needs of the people of that State. In Tennessee I feel quite sure the majority of the farmers are purchasers of their breadstuffs. How are they to be benefited by an increase in price upon this with no corresponding increase in the price of the products they themselves grow? Unless there can be assurance of a general raise in price levels on all products of the farm, agriculture as a whole can derive no benefit from an increase upon a single product, and the equalization fee system, in my judgment, offers no such assurance.

In its practical workings, my prediction is that it would prove the greatest disappointment to the farmer that he has ever experienced from any legislation supposed to be enacted in his behalf. It would not only be disappointing, but when you come to collect that equalization fee from him it would well-nigh excite him to revolution.

There are other phases I should like to dwell upon. The proposition is one of the most complicated ever presented. It is difficult to see through its many complications and ramifications, but I trust the farmers will not be misled by the catch phrases of "farm relief," "surplus control by an equalization fee," and similar expressions. I conceive it my duty to try and look it through to its results. I have tried to study it from the standpoint of the farmer himself. I think it is bad and must vote against it and take the consequences. So long as it is an untried theory there will probably be a demand for its trial, but if ever it be tried I feel confident that the experience under it will vindicate the position I have taken from the beginning and consistently maintained throughout the several years of its agitation.

With section 9 amended and with sections 10 and 11 eliminated there would remain, as I have said, a complete bill, and it is one which in my opinion is sound in principle, unobjectionable in policy, and promises genuine aid in relieving the distressing conditions which a series of untoward events have brought to agriculture.

I sincerely desire that we may have some sound legislation. So long as the equalization fee remains in the bill I do not believe that you will have the legislation. Even if it should be passed and approved by the Executive, I think it would be overthrown by the courts. It seems to me that it would be the part of wisdom, recognizing the objections, to manifest some spirit of compromise whereby we could bring about legislative action. [Applause.]

Mr. FORT. Mr. Chairman and gentlemen of the committee, for the fourth time in as many years the House is considering in Committee of the Whole a McNary-Haugen bill. The first two of these measures were defeated in the House. The third passed the House and the Senate and was vetoed by the President. At the beginning of the history of this legislative controversy it was seriously disputed by those unfamiliar with the conditions of American agriculture that any relief whatever was needed. It was further disputed, even though relief were needed, that the Government was the agency to extend that relief. As we approach this question to-day we find a very different attitude both in the House and in the country on these points. We have ceased to believe throughout the Nation that the troubles of American agriculture are purely a passing phase of the postwar deflation. We have come to realize and to accept as a fact that American agriculture unorganized and unfinanced can not, under existing conditions of commerce, compete on terms of equality in the markets of the world with buyers who to-day, as never before in history, are both firmly organized and firmly financed. Therefore there is no difference of opinion to-day in our committee, nor I believe in the House, as to the need of relief or as to the need of governmental assistance in procuring that relief.

The organization of agriculture is feeble to-day in most commodities of the soil. And yet it is true that the cooperative marketing form of agricultural organization has made tremendous strides in the past 10 years, until to-day in many minor commodities, where financing is not so difficult, where the producers are more centralized in location, the cooperative movement has afforded almost a complete cure for the problem of the producer.

But when you come to the great national crops of agriculture, to the wheat and the cotton and the corn and the pork and the tobacco, grown in many States and in many varieties, grown by millions of farmers, something must be done to bring that group of farmers or rather bring that diffused number of farmers into a group where their concentrated selling power may match the concentrated buying power of industry. I do not believe, as I stand here to-day, that that problem can be adequately solved at this stage without the assistance of the Federal Government.

We are agreed in the committee—and I think in the House and in the Nation—on the real essentials of farm relief. We are agreed that the farmer must have organization. We are agreed that that organization must have adequate financial stability. We are agreed that the Government should help create and should foster the organization. We are agreed that the Government should in some way or other assist in financing the organization when created. Those are the essentials. Those are the only reasons given why the Government should aid at all.

And yet, with complete agreement on the essentials, we sit here to-day debating whether we will give the relief. Why? Because of a complete nonessential of relief. A persistent propaganda has gone from one end of the Nation to the other that, without that nonessential, there can be no relief. If we are agreed that there should be organization and that there should be finance, why do we withhold from the American farmer the relief he needs and should have? Only because we differ on the form of financing—because we differ on the means to be used to get the money. And why do we differ? Politics; politics between farm organizations; politics within both political parties; politics between the political parties. Politics, and politics alone, is the reason that we sit here to-day, still withholding from the American farmer the relief that he deserves and ought to have.

Last year the McNary-Haugen bill was vetoed, almost entirely, so far as it compares with this year's bill, because it contained the equalization fee and the sections which depend upon the equalization fee. We all went home and were at home for months. When we all came back in December, the overwhelming majority of this House, after conferring with their constituents for months, favored the passage of a bill without the equalization fee. The bill, if it had come to debate in this House in December without the fee, would have passed almost unanimously. But now that we have been away from our constituents for six or eight months a persistent lobby has convinced many Members that nothing but the fee will suit the farmer. If I had a farmer district, I would rather go home in October with a $250,000,000 revolving fund for the stabilization of agriculture than with an oration on the need of the equalization fee.

Now, as I have said, we agree on the need. We agree on the form of organization that should be used. We agree on the amount of the financing. The first eight sections of this bill pending before you to-day meet every need of organization and finance. It could be improved in its language. To my way of thinking, the bill introduced last year by Senator CURTIS and Judge CRISP and this year by the gentleman from Georgia [Mr. CRISP] is a somewhat better bill. But the first eight sections of this bill are a complete legislative program, adequately financed for the organization of agriculture.

What are those eight sections? Well, first, they declare the policy of the Congress to be to facilitate the organization of cooperative associations. They declare the policy of Congress to be to prevent undue depression of price. They then provide for the appointment of a Federal farm board of 12, for advisory councils in each commodity of seven men picked from the producers of the commodity.

They give to those cooperative associations which we are trying to strengthen the most liberal and advanced lines of credit that have been advocated before our committee by any proponents of farm-relief legislation. They put at the disposal of the board money for many purposes; first, for the purpose of assisting any cooperative association or any corporation controlled or developed by any cooperative association in the handling of the surplus or in the orderly marketing of a commodity. For the purpose of developing continuity of service they propose loans of working capital for the cooperative associations or corporations created by them. They provide for loans for existing cooperatives or corporations which they control for aid in the acquisition of facilities for the handling and marketing of the crop. They furnish funds for the installation of agricultural credit corporations, as liberal a provision as has ever been put into a law, because it means the Government is ready to loan to the indorser the money it needs to make its indorsement good, and then to loan the borrower on the faith of the indorsement. And then they provide for loans for expenditure by cooperatives in federating and in consolidating and expanding their membership.

Nobody has asked any further provision. No suggestion has been made to the committee that Government money can be used to advantage in any other way. That is the language of the McNary-Haugen bill as modified by our committee, and the minority who oppose the bill have nevertheless helped to perfect these provisions.

Now, my friends, you are going to loan cooperatives the working capital with which to do business; you are going to loan the funds with which to handle the surplus, both for orderly marketing and for surplus-control purposes. You are financing them to the limit of what anyone has asked for any cooperative association or its controlled corporation. By the time you have finished reading section 5 you must conclude that it gives the cooperative associations every financial encouragement that this bill anywhere proposes should be given to them—and does it without the fee.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. MORGAN. What has the gentleman got to say as to the argument presented that in case only the loan provision is provided in the bill the cooperatives will not avail themselves of hat fund?

Mr. FORT. I am coming to that a moment later and I would rather handle it when I reach it. Now, gentlemen, we have had three or four months' hearings and the only witnesses who appeared before our committee and talked practically on how this bill would operate and upheld the fee have been a Doctor Kilgor, a Mr. Stone, and a Mr. Bledsoe, all from the cotton section, all of them men of great ability. Each one of those men in the record of the hearings says that the loan provisions will do all for cotton that anything in the world would do, and they did not pretend to talk about any other commodity because they did not know. Their only reason for arguing for the equalization fee was not that the loans would not work but the fear that next year the Congress might not renew the loans.

There is not one word of testimony in the record from any witnesses that the bill, through the sections that I have analyzed, would not do all that the whole elaborate structure of the bill is claimed to do. There is not one word to challenge the workability of the proposal for financing by loans. The only question raised is the fear that the Treasury would not be reopened in a subsequent year if the operations resulted in great losses.

Now, my friends, there is one thing in this bill which deserves considerable attention. We have set out in the committee a complete plan for the organization of corporations to be owned and controlled by the cooperative associations. We have set out the restrictions upon the management of those corporations and have set up the method of their operation. Why? Because one of the troubles in the organization of agriculture has been the absence of faith on the part of the farmer in the cooperative organizations. We are providing here for a corporation which may have the minimum capital that the law permits, $1,000, or what you please, to which the Government will advance the necessary working capital, to which the Government will advance the necessary funds for the purchase and the carrying of commodities, and which the Government will supervise to the point, at least, of assuring the American farmer that his enterprise is being competently managed and honestly handled.

We believe, in the committee, that loans should be so made. Certainly for surplus control they must be so made, because under the Capper-Volstead Act no cooperative may handle more of any commodity for nonmembers than it handles for members. Therefore no cooperative can act to handle surplus in its own name, because the act of handling surplus necessitates the purchase of more of the nonmembers' commodity than the cooperative handles of its members' commodity. Therefore we have provided for a corporation not subject to the Capper-Volstead Act, but owned and inalienably controlled by the cooperative associations which organize it, for the purpose of forming a nucleus around and through which the operations can be carried on.

Then we go on in the bill and for the first time in the history of this legislation we put in provisions which recognize that the real source of all the trouble is overproduction.

Mr. WOODRUM. Will the gentleman yield?

Mr. FORT. Yes.

Mr. WOODRUM. As I understand, the loan feature of the bill only applies to cooperative associations or to corporations to be formed under the provisions of the bill?

Mr. FORT. It does.

Mr. WOODRUM. So that individual and independent farmers who are not members of cooperative associations or members of corporations would, of course, have no opportunity to get the benefits?

Mr. FORT. No; and under no other feature of the bill—not under the equalization fee or any other feature. It recognizes organizations only and must. If the gentleman from Virginia will permit, you can not handle a surplus through the individual operations of 2,000,000 farmers. You have got to unify and organize.

Mr. CRISP. And farmers who are not members will pay the tax, when levied, whether they are members or not?

Mr. FORT. That is true; and they will not share in the benefits to any like extent under the fee plan—if there are any benefits.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. FORT. Yes.

Mr. BRAND of Georgia. Why was it the committee provided in the bill that the corporations to be created by the cooperative association should be created and controlled by those associations.

Mr. FORT. To bar out the use of the packers' organizations and of the great millers as farm-aid agencies with Government money. At least, that was my reason.

Mr. BRAND of Georgia. Did the committee consider the propriety of allowing them to create corporations under the laws of the various States, independent of the cooperative associations?

Mr. FORT. Corporations formed by whom?

Mr. BRAND of Georgia. By the farmers, under the laws of the various States.

Mr. FORT. No; we did not, because, if the gentleman pleases, it is our theory, and it is so expressed in the bill, that the great object to be achieved is the fostering of cooperative marketing associations and we do not believe we will accomplish that by spreading our fire over 47 different kinds of corporations.

Mr. BRAND of Georgia. You take Georgia, for instance. About 90 per cent of the people do not belong to the cooperative associations and they are not eligible for any of the benefits of this bill.

Mr. FORT. They would secure the benefits of this bill, at least of the loan provisions, if the gentleman will permit me to go ahead and analyze how I think the bill will work.

Mr. ASWELL. If the gentleman will permit, I will say to the gentleman from Georgia that they do have a benefit. They have the right to pay the fees.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORT. Yes.

Mr. GARRETT of Tennessee. Will the gentleman elaborate just a bit upon the statement made a minute ago, a very important point to be brought out in connection with this measure, that under the equalization-fee plan, the nonmember would pay the tax but not receive the degree of benefit that a member would.

Mr. FORT. I am coming to that in a moment. I am just trying to analyze the provisions of what I think is a good measure up to the end of the eighth section. We have put in a provision, as I have said, for the curbing of production and for the creation and control of corporations to be owned by the cooperatives. Then we put in a provision for the first time in the legislation—and I may say here these provisions are taken almost if not quite verbatim from the bill introduced by the gentleman from Georgia, Judge CRISP—for investigation by the board of the existence or threat of surplus and the effect of surplus upon price.

Heretofore we have talked about surplus; we have talked about its effect on price and we know nothing as to its real action. We have charged this board, therefore, with the duty,

gentlemen, of ascertaining whether the effect of the surplus is to reduce the price below the average cost of production. Read in connection with the declaration of policy, which puts it upon the board to prevent undue depression of price, it seems to me we have charged the board here with the duty of utilizing its power to prevent a depression in price below the cost of the average production of the average producer. This is new.

We have put in provisions for the establishment of clearing houses and marketing associations for the handling of commodities by the farmer in the central markets.

Mr. LANKFORD. Will the gentleman yield there?

Mr. FORT. Yes.

Mr. LANKFORD. Does the gentleman purpose discussing further the question of control of production?

Mr. FORT. No.

Mr. LANKFORD. I would like the gentleman to elaborate on the matter of the control of production under the bill.

Mr. FORT. I can not do that within the time at my disposal now.

Mr. LANKFORD. I think that is the most important item in respect of all farm legislation.

Mr. FORT. I agree with the gentleman, but I do not think you can carry it out legislatively.

Mr. MORTON D. HULL. Will the gentleman explain the theory of the establishment of clearing houses and tell us just what is a clearing house?

Mr. FORT. The theory of the proponents of the bill, which was first advocated by the President's commission some three or four years ago, is, as I take it, to be the organization of associations in the terminal markets of the country, which will avoid the overstocking of a local market by clearing commodities away from the overstocked markets to markets where there is a shortage of the commodity, as is done by the successful cooperative associations in perishable products for themselves to-day.

Mr. MORTON D. HULL. It is a process of distribution.

Mr. FORT. It is a matter of distribution. This problem is half one of distribution.

Mr. LANKFORD. Will the gentleman yield for just one question?

Mr. FORT. Yes.

Mr. LANKFORD. The gentleman said he thought the question of production could not be controlled by legislation.

Mr. FORT. No.

Mr. LANKFORD. Will the gentleman briefly suggest how he thinks it can be done?

Mr. FORT. By education.

Mr. LANKFORD. Does the gentleman think it can be done as a matter of contract entered into by the farmers with each other and with the agency furnishing this assistance, under proper legislation?

Mr. FORT. I very much doubt it; at least, not unless it was voluntary.

Mr. LANKFORD. It would not be by contract, unless it was voluntary, would it?

Mr. KINDRED. In connection with the matter of distribution, would the gentleman tell us what will be the effect on consumers of the features of the bill which he has just discussed, as well as other features of the bill which the gentleman has not discussed?

Mr. FORT. I would rather not discuss this to-day from the consumers' viewpoint. I have done that more or less in my minority views on the bill; but, briefly, I will say to the gentleman, that, as the representative of a consumers' district, I believe that even though the cost of commodities is somewhat increased to the consumer, if that be necessary to furnish economic equality to agriculture, the consumer should be prepared and is prepared to pay the bill. [Applause.]

Mr. KINDRED. Has the gentleman made any approximate figures as to how much the increased cost will be to the consumers?

Mr. FORT. I have made some figures on wheat. Under the equalization-fee proposal in the bill I estimate the cost will be at least 60 cents a bushel, or something over 1 cent a loaf on bread.

Mr. WOODRUM. And what would be the effect without the equalization fee?

Mr. FORT. Without the fee it should make little difference, for this reason: Stabilization which is what the loaning features of the bill look toward, rather than price exaltation, will operate, if it be achieved, to iron out both the low and the excess high level of commodity prices which now prevail in the speculative market. It will operate to take the commodity off the markets in the harvesting season and carry it for the marketing season. Now, if this be true, the general average cost of the commodity in the markets of the world will not be so much enhanced, but the price which the producer gets in the season when he is selling will be higher, and the price that the speculator gets in the season when he is selling will be lower.

The consumer to-day buys his flour largely on the basis of the highest price at which wheat sells, whereas the speculator buys his wheat from the farmer largely at the low price at which wheat sells in the period of the harvesting. The proposal of the stabilization program, without doing violence to any sound, economic theory, looks toward translating to the producer the average price the consumer actually to-day pays.

The CHAIRMAN. The gentleman from New Jersey has consumed 30 minutes.

Mr. FORT. Mr. Chairman, I will use a few more minutes, but I am afraid I can not yield as liberally from now on.

Mr. CANNON. Will the gentleman yield for just one question?

Mr. FORT. Yes.

Mr. CANNON. I understand the gentleman holds that an increase of 60 cents in the price of a bushel of wheat means an increase of 1 cent in the price of a loaf of bread.

Mr. FORT. At least.

Mr. CANNON. Then how does the gentleman account for the fact that when wheat was selling at $2.40 a bushel bread was 10 cents a loaf. When it was 86 cents a bushel it was still 10 cents a loaf, and it has been 10 cents a loaf ever since the close of the war, regardless of the price of wheat received by the farmer. [Applause.]

Mr. FORT. If the gentleman please, he is talking of the speculative wheat market, uncontrolled and unstabilized, in which, as I have just stated, the consumer pays the price based on the highest price at which wheat sells, not on the average. He gets no benefit of the low price. The producer gets the low price when wheat sells in the harvesting season at the bottom. The consumer often pays a price based on the highest price at which wheat has sold.

Mr. CANNON. The price of wheat constantly fluctuates and has fluctuated from $2.80 to 85 cents, but whether wheat was high or low bread has consistently remained at the same price.

Mr. FORT. Perhaps they took some of the wheat out; I don't know.

Mr. LAGUARDIA. Would a difference of 60 cents a bushel be reflected in the price of bread?

Mr. FORT. I do not care to go into that question now. There is approximately a cent a loaf difference, if you figure the number of loaves of bread that are made out of a barrel of flour.

Mr. LAGUARDIA. That does not gibe with the information that I get.

Mr. FORT. Then they put less wheat in the bread, as I said a moment ago. Now, gentlemen, this bill up to the eighth section and after the twelfth section has good administrative features. It embodies provisions which we believe to be good for the prohibition of speculation by the board and its employees. They were taken largely from the bill of the gentleman from South Carolina [Mr. HARE]. There are other features which we believe to be good. Those of us who oppose the bill as a whole believe that if you strike out sections 9 to 12 you have a complete legislative program of genuine farm relief, unquestionably constitutional, which can and will become a law if it is passed by the Congress of the United States.

That is the situation we find ourselves in up to section 9. Now, what is section 9? We talk about the equalization fee, but the marketing agreements provided in section 9 are the real crux of the situation.

Mr. PURNELL. Will the gentleman yield?

Mr. FORT. I will.

Mr. PURNELL. The gentleman says that it will be a workable bill and that it is a workable plan up to that point.

Mr. FORT. With sections 9 to 12 out? I do, and I would be very glad to vote for the bill with sections 9 to 12 out.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. FORT. I yield.

Mr. WHITTINGTON. If the bill with sections 9 to 12 out will give relief to agriculture, why would it be necessary to invoke sections 9 to 12?

Mr. FORT. I will answer that. We heard from the gentleman from Illinois, Mr. HULL, on Friday, great praise of a certain gentleman as the high priest of agriculture. Well, Mr. Lowden said to our committee two years ago that the utmost that could be done for agriculture was to stabilize the price at about the cost of production.

That we propose to do under the first eight sections of the bill, and can do. The gentleman has asked me about invoking section 9. I hope some Members have the bill in front of them, because there has been propaganda and deception in the House and the country as to section 9 and the equalization-fee sections

of the bill. Despite the assertions of the propagandists, it has never been intended by the proponents of the bill that the equalization fee should be postponed one minute if the bill became a law.

Let us forget the propaganda and look at the bill itself. It says that the board shall investigate the conditions surrounding the marketing of a commodity, and that whenever upon that investigation the board finds three facts it "shall" enter into a marketing agreement. The word "shall" is in the bill, on page 43, line 19, without option of any kind or description, when they find the three facts. The first of the three facts is whether there is an excess above the requirements for the orderly marketing of any agricultural commodity "or" an excess above the domestic requirements for the commodity. There is always a surplus above the domestic requirements of cotton; there is always a surplus above the domestic requirements of wheat; there is always a surplus above the domestic requirements of tobacco. There is always a surplus above the domestic requirements for pork products.

There is the first fact that if they find——

Mr. PURNELL. There is not always an excess of requirement for orderly marketing.

Mr. FORT. Not always, but the section is in the alternative. It says in excess of the requirements for the orderly marketing of any agricultural commodity "or"—not "and"—in excess of the domestic requirements for the commodity. There is always a surplus above domestic needs, so that fact has got to be found every year as to cotton, tobacco, wheat, and pork products.

Mr. WHITTINGTON. Is it necessary to find both of these facts?

Mr. FORT. No; it is in the alternative. You might find that there was no excess above the requirements for orderly marketing, but if there was an excess above the domestic requirements you would have to operate.

I shall read the third fact to be found. Second:

3. That the durability, the conditions of preparation, processing, and preserving and the methods of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section.

Has anybody any doubt that cotton or wheat are durable or that pork products are preservable by processing, or that tobacco is durable? That condition exists as to these things every year, just as the surplus does. There are two of the three facts, and when they find all three they have to operate through marketing agreements.

What is the third fact to be found? The third is:

2. That the operation of the provisions of section 5—relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations—will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans.

That sounds like something of a brake. But is it? What are the facts? First, no cooperative can control surplus, because no cooperative can buy more of the commodity than its own members turn into it. So no cooperative would be able to do it. The "inability" of every cooperative is thus taken care of. What about the unwillingness? Would any cooperative hesitate if it had the alternative between loans from the revolving fund at 4 per cent, with an eventual liability for repayment and loans from the equalization fee fund without interest, with a guaranty that their charges for services would be paid and their losses refunded? Anybody that might be able to operate under the loan section would be a fool to do it, if he had that alternative choice.

Incidentally, gentlemen, some people have said that this bill should be amended to take care of a situation where the farmer did not want the board to act. This language makes the board act if the cooperatives are all opposed to it and unwilling that it shall operate. They have to act if the cooperatives are "unwilling" and they find a surplus to exist that is preservable in its nature.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. JOHNSON of Texas. The bill which last passed the House had some provision whereby it left it to the producer of the various commodities to make a recommendation as to whether the equalization fee should be applied as to that particular commodity.

Mr. FORT. That is all out. On the contrary, the board must go ahead if the cooperatives are unwilling.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. WILLIAMSON. It seems to me that the gentleman misses the whole point of the bill. The purpose of the bill is, where these people refuse to cooperate, to compel them to do it by the equalization fee, thereby getting everybody in and each man paying his own share according to the amount of produce that he sells.

Mr. FORT. I do not miss that at all. I am talking upon the deception which has been "propagandaed" to this country, that this bill was not intended to operate on the equalization fee, that that feature is only a "pinch hitter," as the gentleman from Indiana [Mr. PURNELL] says. I say just as the gentleman from South Dakota says, that it would force the farmers in, and that it makes this the only way to operate. That is the purpose of it. I agree with the gentleman from South Dakota.

As to the corporations set up by cooperatives acting under this provision, they have the same power to decide which way they will operate. They have the same power to decide whether they will operate under the loan provisions and have to repay them; whether they will operate under the loan provisions that require them to submit some details of their management and handling of Government money to the board; where they have to take their losses if they have losses; or whether they will operate under the provisions of the marketing-agreement clause where they are guaranteed against loss, and where they are guaranteed an operating charge for their service. Unwilling? Of course, they would be unwilling. And I think I may say that a motion in committee to strike out the word "unwilling" failed.

In addition to that, if you will read this bill carefully, you will see that it differs in other ways from the old bill. A marketing agreement once entered into is permanent. It is permanent, that is, until the board thinks that it is no longer "necessary or advisable for the purpose of carrying out the policy declared in section 1." As the gentleman from Tennessee [Mr. GARRETT] so brilliantly said this morning, does anyone believe that the board would lightly use its powers, or easily give them up?

Mr. COOPER of Wisconsin. Mr. Chairman, the gentleman says that it is permanent. Will he point to us the language that contains such a provision?

Mr. FORT. The provision is to be found at the bottom of page 43, lines 23 and 24:

Such marketing shall continue during a marketing period which shall terminate at such time as, in the judgment of the board, such arrangements are no longer necessary or advisable for carrying out the policy declared in section 1.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. ROMJUE. The gentleman speaks of it as being permanent. The gentleman assumes that the board will exercise the law contrary to the best interests of the public?

Mr. FORT. No. I say they have to keep it up as long as they think it is necessary to carry out the policy declared in section 1.

Mr. ROMJUE. Does not the gentleman assume that these men who have been empowered and given this authority will want to exercise their power properly and in the interest of the public rather than that they will disregard the interest of the public?

Mr. FORT. I assume that in compliment to unknown gentlemen, but it is not the history of bureaucratic government. [Applause.]

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FORT. Yes.

Mr. MORGAN. I understand from the gentleman's argument that he contends that the benefits to the farmer under the loan feature would be equal to those under the equalization fee, where the equalization fee is assessed against the commodity?

Mr. FORT. I do; and they would not have to pay a fee in the bargain.

Now, I can not yield any more, because I have some ground still to traverse.

Mr. WOODRUM. Before the gentleman finishes his remarks I hope he will answer the question propounded by the gentleman from Tennessee [Mr. GARRETT].

Mr. FORT. If I can get by in my time with what I want to say, I will.

What is the difference between the marketing section and the loan-agreement section that I have just read? First, the loan section puts the farmer in business. The marketing-agreement section puts the Government in business. The loan section puts the whole control of the industry in the hands of the farmers

and leaves it there. The marketing-agreement section puts it all in the hands of a board, which this House this morning has been warned by the gentleman from Tennessee [Mr. GARRETT] eventually will be controlled by the 70 per cent of the American people who are consumers and not producers.

Both sections look to the repayment of Government advances only if there are sufficient profits resulting from the operation. The loan provision does not permit contracts with the great packers of America.

The marketing-agreement section still has that clause in it which has stayed in it through this whole legislation; that clause which the proponents of the bill have admitted before our committee is essential to the operation of their scheme, and passed it off that way; that clause to which, after four years' persistent opposition to this legislation in the committee, I have yet to hear from a packer or packer's representative the suggestion of one word of amendment. That packer's relief is in the marketing-agreement section. It is not in the loan section. Both sections are designed to stabilize prices, and, on the testimony given before the committee, one is as effective to accomplish it as the other.

Furthermore, the loan provision does not contemplate price fixing. The marketing-agreement provision can not operate without it. Under the marketing-agreement section the fee has to be estimated before operations begin. You can not estimate the fee unless you can estimate what the loss is going to be, and you can not estimate what the loss is going to be unless you decide in advance how much above the world price, if any, you are going to put the price of the commodity. That is sure.

It must be a price-fixing measure if it is going to deal equally with the producers. It must promise the same margin above the world price or else all pay the same fee, and some get less benefit from it than others.

It must be a price-fixing measure if the losses of the operation are to be limited in any conscionable manner. The board is surely not going to put a contract on the books with the packers or with any other organization or agency without any limitation of the prices at which that agency can deal in commodities with the Government's and the farmer's money. I do not believe one Member on this floor would vote for this bill if he believed that would happen. Of course, the board has got to limit its own loss by fixing the price. It can not operate otherwise.

Those are the differences between the loan section and the marketing agreement section. If the marketing agreement section goes out you do not need the equalization fee. Which is the intelligent program of farm relief?

Now we come to the equalization fee. They say that does not have to be put on. That is what they are telling the country and telling us. I have shown you that, as to at least four major commodities, the board will have to operate. Now, then, "in order to carry out marketing and nonpremium insurance agreements——"

Mr. GARBER. In what section is that?

Mr. FORT. Section 10, at the bottom of page 46. I read:

SEC. 10. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such agreements. Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided.

And in the next clause—

Prior to the commencement of any marketing period in respect of any agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements in respect of such commodity and under nonpremium insurance agreements in respect of such commodity as hereinafter provided. Upon the basis of such estimates, the board shall from time to time determine and publish the amount of the equalization fee (if any is required under such estimates) for each unit of weight, measure, or value designated by the board, to be collected upon such unit of such agricultural commodity during any part of the marketing period for the commodity.

Once entered into the marketing agreement, once finding a surplus over domestic requirements of a durable product, with the cooperatives unable or unwilling to handle the surplus, then the board "shall" estimate the loss; "shall" fix the fee; and each marketed unit of the commodity "shall" pay.

They have tried to say to this House that this is just a pinch hitter, sitting on the bench to be used when all else fails. The whole plan can operate only, and will operate only, under the fee.

Now, there are two or three other interesting things about it that I want to pass over very quickly. They found last year in the President's veto something they had overlooked—that you could not operate this thing unless you had some kind of way of preventing the manufactured products of commodities which had paid the fee in this country from coming in from foreign countries where there was no fee. So this year the bill puts the equalization fee on imports of any commodity on which the fee is levied in this country and on the food products—just the food products of such commodity. Gentlemen from the South, it is your first import duty on cotton.

If this bill passes as the result of these years of agitation for farm relief, you can go back home and say you have secured a duty on cotton; that at last the principle of protection is extended to that commodity. But not on goods made from the cotton—only on food products.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. FORT. Yes.

Mr. WHITTINGTON. I am just wondering whether the tariff on the cotton goods would not protect the manufacturer as it now exists?

Mr. FORT. On the goods?

Mr. WHITTINGTON. Yes.

Mr. FORT. The tariff on cotton goods is fixed upon the basis that the cotton itself has not been raised in price in this country any more than abroad.

Mr. WHITTINGTON. At all events, the manufacturer would be protected by that provision in this bill.

Mr. FORT. So would the wheat man; but they have found they have got to put the fee on imports of all of these farm products.

Mr. WHITTINGTON. My question was limited to cotton.

Mr. FORT. And you are going to raise the price of cotton to the American consumer and not to the foreign consumer? Now, gentlemen, they not only put it in here as an import duty but they make it an ad valorem import duty if the board so chooses. They can base the equalization fee on "the unit of value." That is interesting, too. This thing is not a tax but it is an ad valorem duty on imports, and an ad valorem duty on imports is a device that I have never been able to understand to be simply a regulation of interstate commerce. They have to leave in that unit-of-value provision because some tobacco sells for a few cents a pound and some for a dollar or two, so the equalization fee on tobacco has to be on a value basis. That is one thing that has never been stressed very much. All of that, gentlemen, adds to the unconstitutionality of the bill. We are attempting to delegate to a board the power to put an import duty on cotton when Congress has put no duty on it. We have delegated to the President the right to change rates on definite schedules, on definite facts, but we have not delegated to the President the right to say that cotton should have a tariff or should not.

Now, gentlemen, the basis of the fee is an estimate, an estimate of probable losses, costs, and charges, under the marketing agreement. As I said before, that must mean price fixing before the fee is fixed—price fixing at least as to that part of the price that is embraced in the margin above the world price at which the commodity is going to sell. That much of the price has got to be fixed.

Mr. DOWELL. Will the gentleman yield?

Mr. FORT. Yes; for a question.

Mr. DOWELL. Is not that true also of the tariff?

Mr. FORT. No.

Mr. DOWELL. Does it not do identically the same thing?

Mr. FORT. That is a second question, but I do not think it does. The tariff does this, if the gentleman pleases: The tariff says to the American manufacturer or producer, "As long as you produce what is needed at home we will not let foreign stuff come in to compete with you unless it pays a duty equal to the amount by which your cost of production is above its cost of production." It does not say to the American manufacturer of automobiles, or whatever you please, "If you make four times as much as we need in America, we will guarantee you a price equal to the difference in the cost of production here and abroad."

Mr. DOWELL. But does it not by the act itself have a tendency to fix the price at a higher rate? Is not that why we adopt the policy of the tariff?

Mr. FORT. If it does, if the gentleman pleases, then the tariff must be effective on these agricultural commodities on which we are now saying we have got to make it effective.

The CHAIRMAN. The gentleman from New Jersey has consumed one hour.

Mr. FORT. I am going to have to take a few minutes more. Now, one other thing about this bill. We have been told in the past that this is a scheme, as it were, to "prime the pump" with money from the Treasury, and in the past that may have been true, because in the past the equalization fee estimate had to include enough to take care of the advances needed to carry the product as well as the probable losses, costs, and charges. This year the equalization fee pays no attention to advances. That word is out, so that this is a permanent Government financing scheme. Year after year and year after year, the advances must be renewed; and if the group which is carrying cotton still has $100,000,000 of Government money and too much cotton to put on the world market, the next year there will have to be a second advance of another $100,000,000 for that year's crop. Last year's bill and previous bills have required an estimate of the advances and provided for repaying them out of the fee, so that eventually it was a self-financing operation. What is the difference between that and the loan provisions? Under the loan provisions it is provided that the Treasury, out of the revolving fund, shall make advances to stabilize the crops of the farmers of America—the identical advances that the equalization-fee proponents expect the Treasury to make under their plan—but we do not ask the farmer to pay an equalization fee to get the loan.

In both proposals, unless the operation is profitable, the Treasury eventually stands the loss. There is nothing in this bill that permits the board, if they have made a low estimate one year, to put on a bigger fee the next year and repay the loss of the previous year's operation. Each operation, each equalization fee, stands on its own feet. Under the equalization-fee plan there is a loss; it is paid by the Treasury if they underestimate.

Under the loan provision, if they unwisely operate and have a loss, it is paid by the Treasury. They say they want this thing financed by the farmers' money out of the equalization fee. They object to the loan plan because they say it is a subsidy. It is the same thing under their own proposal. In neither case will the Treasury be repaid unless profits are made.

The stabilization-fund provision is immaterial, except as it depends on the other two.

The insurance provision, as presented to our committee by the very distinguished and able gentleman from Mississippi who appeared before us, had in it possibilities of great value, particularly to cotton. As drawn and put in the bill, differing, as it does, radically from their own proposal, it is an unworkable thing.

Insurance happens to be my business, gentlemen of the House, and this proposal is that the Government shall issue a policy guaranteeing a cooperative association that the price at which in its uncontrolled judgment it sells the commodity, will not be less than the price at which it received the commodity from its members.

We can insure, and I would support a proposal to insure, for an adequate premium, a cooperative association that the price average on the markets of the world for the eight-months' period from January 1 to August 31 would not be less than the average price that had prevailed August 31 to December 31, preceding. You can calculate a premium on that.

Mr. KETCHAM. Will the gentleman yield?

Mr. FORT. Yes.

Mr. KETCHAM. Is not that the identical provision in the export debenture bill?

Mr. FORT. I think it is. That bill, like this, has had several drafts.

Now, gentlemen, this is the premium insurance feature. I am perfectly willing to support a fair premium insurance plan.

Mr. JOHNSON of Texas. Would the insurance feature eliminate the necessity of hedging, as we know that term?

Mr. FORT. I do not think it would eliminate it, but it would supplement it.

Then they have stuck in a nonpremium insurance. This is something I do not claim to know anything about, and I do not know any other insurance man who does, if he can help it, except as he fails to collect sometimes; but nonpremium insurance means that the identical kind of policy I have described is going to be issued to the same cooperative association if the board thinks by doing it they will stabilize the price, and the losses are going to be paid out of the equalization fees contributed by all producers.

Mr. KETCHAM. Of all commodities?

Mr. FORT. No; of cotton or of wheat, for example.

Now, what is this? This is a straight minimum-price guarantee to an individual cooperative at the expense of all the producers. That is all it is. It is a guarantee to them that they will be able to sell the product—not only be able to, but will succeed in selling the product for more than it was worth when their members delivered it to them; and if they do not do it, then all producers of cotton contribute to pay their unfortunate loss.

If the average price when they took the cotton from their members on the markets of the world was 18 cents, and cotton went to 35 cents in the next seven months, but they played for 40 cents and missed their market, and the market broke, and they finally sold out for 17 cents, then the Government pays them that loss of a cent a pound out of the equalization fees paid by all producers.

If there was ever in the history of American legislation a heads-I-win, tails-you-lose proposition, that is it.

There could be a properly drawn insurance clause put in which would be effective and which would work.

Mr. McKEOWN. Will the gentleman yield there?

Mr. FORT. Yes.

Mr. McKEOWN. Have they any way by which they can force the cooperative to sell when the price goes up?

Mr. FORT. None whatever; not only that, but they have another little joker tucked in here somewhere that is not in the insurance provision, but the marketing-agreement provision, which would permit the Government to assume also the cost of carrying the cotton so that they would not even be coinsurers to the extent of the carrying charges.

Mr. WHITTINGTON. Will the gentleman yield for one question?

Mr. FORT. Yes.

Mr. WHITTINGTON. Is the nonpremium insurance any more price fixing than the equalization fee?

Mr. FORT. No.

Mr. WHITTINGTON. Because the one involves the other.

Mr. FORT. Absolutely; except it is price fixing for the benefit of individual cooperatives.

Mr. WHITTINGTON. And may I add it is only price fixing in case there is an equalization fee?

Mr. FORT. Only; so that somebody else pays the loss.

Mr. WHITTINGTON. But all get the benefit of it.

Mr. FORT. No.

Mr. WHITTINGTON. That is the language of the bill.

Mr. FORT. If the board thinks it will do some good for the others.

Mr. WHITTINGTON. Of course, somebody has got to think.

Mr. FORT. It may do some good for the others, but it may cost them more than it does them good.

Mr. LANKFORD. Will the gentleman yield for just one question on the insurance proposition?

Mr. FORT. I am sorry I can not yield.

Now, gentlemen, we have a loan provision, in which we have a complete piece of legislation; but we have tacked onto it sections 9 to 11, which are hopelessly impossible of economic use, and section 12, the insurance clause, that, in its present form, is as hopeless as the rest.

We have a bill that we know can not become a law in 1928. We have a situation where agriculture needs relief. We are told that if we do not adopt the equalization-fee plan American agriculture is ruined. A gentleman on my side of the aisle who—I think to his deep regret—feels compelled to vote for this bill, stated to me the other day that if the future of American agriculture depends upon the equalization-fee plan of farm relief, it is hanging on a very slender thread. If, gentlemen of the House, we can do nothing for agriculture unless we adopt a plan that we know to be unsound, that the majority of us believe to be unconstitutional, that all of us know will not become a law—if that is all we can do for American agriculture, then debate might as well end right here and now and let us go about doing some business of real service to the Nation. [Applause.]

Mr. WHITTINGTON. Will the gentleman yield? The gentleman from Tennessee asked a question, and the gentleman said that the small, independent farmer not a member of the cooperative association would be liable for the equalization fee and would not share in the benefits.

Mr. FORT. That is absolutely sound. If the plan works at all, it would raise the general price level, but, under the insurance feature, he would get no benefit.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORT. I will.

Mr. GARRETT of Tennessee. The gentleman from New Jersey did not state that the individual would get no benefit whatever, but he stated the benefit of the nonmember of the cooperative would not equal the benefit of the member of the cooperatives although he paid the same equalization fee.

Mr. WOODRUM. I asked the gentleman to elaborate on that.

Mr. FORT. Yes; I think I have done that running through, and I really do not want to consume more time of the House.

There is, however, another matter I want to bring to your attention.

The consumers of the country are in a majority and becoming increasingly in a majority. It does not seem to me that the farmers of America want to put their heads through a noose which can be pulled by the consumers. I have been told by gentlemen then on the Appropriations Committee that in this Congress in 1919 and 1920 for three months they held hearings where the consumers were demanding appropriations to reduce the cost of living, and that they granted them. With the increasing proportion of consumers to producers, does the farmer want to turn his entire business over to the control of the Government?

One other thing it does in line with what the gentleman from Tennessee asked me. Doctor Kilgore, Mr. Bledsoe, and Mr. Stone, who appeared before us, advocated the equalization fee. Why? Because they said it was unfair that the cooperative associations should handle the crop for the benefit of all producers and all producers not pay; that they wanted to make the noncooperatives pay the cost of operation. There in a nutshell is the whole animus back of the insistence for the equalization fee.

Until this year the bill has called for a board organized by methods which have been described as paralleling those of the soviet. This year that is not true. But still as we sit here to-day to consider this piece of legislation the impelling motive in the minds of those men who have been its fathers and who are to-day its chief advocates is to force all American agriculture into one big union, to make the strong carry the weak, to make the efficient farmer contribute his bit toward the price of the inefficient. This Nation is not yet ready for that type of legislation.

The gentleman from Iowa [Mr. DICKINSON], who is recognized here as the leading proponent of this bill, has said that it is parallel to the legislative check-off, to the system by which the laborer is required by legislation to pay dues to the union out of every pay-roll envelope, whether he wants to belong or not. It is a complete parallel, in my humble belief.

The measure I favor helps the farmer organize his own business; offers him the financial assistance he needs to do it and can become a law this year. The measure the majority of the committee favors transfers the control of his industry to the Government and eventually to the consumer; puts the Government in business; fixes the price of the fruits of his toil; makes him pay the cost of the whole operation, including profits to the packers and millers; gives to the members of the cooperative associations benefits at the cost of the nonmember; is unconstitutional and can not become a law. We offer the farmer relief; they use his necessity as a political plaything.

The question that is before you and all of us to-day is whether this Congress has the courage—as I know it has the wisdom—to refuse to be led into unsound and uneconomic paths—to refuse to give to the American farmer who needs relief dependence upon the Government—but to give him instead the help, the assistance, and the money of the United States that he may lift himself into that position of pride and independence in the industry of the world that he has traditionally occupied. [Applause.]

Mr. ALLEN. Mr. Chairman, my district is wholly agricultural; to be sure we have in this district the largest farm-implement factories in the country, as well as many other industries and the usual number of merchants, banks, and other activities which go to make up the business of a middle-western community; but the foundation or superstructure of them all is agriculture.

The merchants, bankers, manufacturers, labor, indeed, our whole people, have suffered with the farmers the burden of the great agricultural depression and they will fully recover from the effects of this depression only as agriculture recovers. The right foundation is essential to any structure.

Our industries, not only in my district but in the whole Middle West, are but vast commissaries built on service for and to the greatest of all agricultural sections—the Mississippi Valley. The eastern industrialists, although more remotely interested, are as certainly dependent upon the prosperity and stability in government of this great section as are the people in my own district. The question therefore becomes a national one in the deepest sense.

Red uprising rarely occurs in agricultural districts where people live in the open and commune with nature, but they occur in unhealthy and crowded industrial centers, where people are unable to think clearly and readily become the victims of unsound doctrines and teachings.

It is not my purpose in the limited time at my command to undertake to trace the history or the ups and downs of this legislation. I will leave that to others. I will say, however, that the original idea underlying all of this legislation was born in my State; yes, I may say, in my district. My State in its recent primaries spoke its approval of the purposes sought by this legislation in a manner which startled the Nation, if not, indeed, the whole world.

The underlying idea of this legislation is "justice," just common justice. An opportunity, if you please, for the farmers of America by their own efforts and at their own expense to acquire for themselves an American standard of living. To deny them this legislation with the equalization fee is equivalent to denying them a place in our protective system, and to say that farmers alone of all our major groups are to be compelled to accept standards of the rest of the world while other major groups—industry and labor—are to enjoy American standards.

Any Member of this House, any Executive, yes, and citizen of the United States, who takes such a position, after understanding these underlying principles, is assuming a grave responsibility, indeed, and one which can not be sustained in a nation built upon the foundation of justice after throwing off tyranny.

I shall vote for the measure before the House, and I hope every Member of this House will vote for it; in particular I appeal for support from my friends from New England and the East who have been so generously treated at the hands of the National Government.

Mr. KINCHELOE. Mr. Chairman, I yield 30 minutes to myself. I ask unanimous consent to extend my remarks in the RECORD and in the extension insert the names of the farm organizations of the United States that have expressed themselves in favor of the pending bill.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, I am sure there has not been in my service in this House, and I doubt very seriously whether there has been in the service of the oldest Member in service here, a more important proposition which has confronted the American Congress than the agricultural problem to-day. The Agricultural Committee of the House sat for weeks and weeks and held hearings, both pro and con, upon practically every leading idea to help the American farmer. That there is an agricultural problem in this country, of course, no one will dispute. I think there are very good reasons why there is such a deplorable agricultural situation in the country. I heartily agree with the able gentleman from New Jersey [Mr. FORT] that the main cause of the deplorable condition of agriculture in this country is politics. I think it has been brought about by the Republican Party insisting on certain discriminatory legislation which has almost put agriculture into bankruptcy and with the creeping paralysis of to-day. They have always insisted on a high protective tariff for the benefit of the manufacturers in this country, and in the face of the fact that every financial panic which this country has ever witnessed has come under a high protective Republican tariff bill. The panic of 1873 came when the Morrill law, a high protective tariff act, was on the statute books. The panic of 1893 came when the McKinley law, a high protective law, was on the statute books. The panic of 1907 came when the Dingley law, a similar law, was on the statute books. The Republican Party came into power on the 4th of March, 1921, under the Underwood Tariff Act, a Democratic measure, and for eight years preceding the 4th of March, 1921, and under a Democratic administration, was the most prosperous times the American farmer has ever enjoyed.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. No. Not now. I am going to try to give some information to this House. [Laughter.] During those eight years of Woodrow Wilson's administration the purchasing power of the farmers' dollar averaged $1.04. 4 cents above par. What it is to-day under the Fordney-McCumber Tariff Act, and what has it been for six years under a Republican administration? About 70 cents. What has happened? What has the farmer to do in order to survive, if he survives at all. He has to take his 70-cent dollar that he receives for his products and match it against the 100-cent dollar of the manufacture every time he buys a dollar's worth of manufactured products for himself and his family and his farm. Everything he sells in a world market. The price is not fixed in this country; it is fixed in the world market, by reason of the surplus he raises. Everything he buys, the price is fixed in a protected market under a Republican tariff act. As a result, over 700,000 farmers in the United States in the last five years, under this Republican administration, have gone into bankruptcy. That means a population of over two and a quarter million men, women, and children, who were happy, prosperous, and contented, living on the farms of this Nation under Woodrow Wil-

son's administration, have lost their homes and have gone into the cities and other congested parts of the United States in order to make a living.

The market value of the farm lands in this country on the 4th of March, 1921, was $79,000,000,000, and that after the deflation period, too. What is it to-day? Only $59,000,000,000. The market value of the farms of the country is $20,000,000,000 less than on the 4th of March, 1921. That sum of money represents more than the value of all of the railroads and rolling stock in the United States. That is what the farmer has lost. Certainly, he is in a bad condition. Not only that, but the other nations of the world are passing or going to pass retaliatory measures to protect themselves against this high protective tariff of the United States.

I want to read to you two short statements that appeared within the last 10 days. Speaking before the convention of the National Foreign Trade Council, Mr. Eugene P. Thomas, president of the United States Steel Products Co., declared that—

> Our exports must be increased in every possible way up to the point where we do not invite reprisals from our foreign competitors.

Another organization speaks also. The National Automobile Chamber of Commerce says:

> The greatest obstacle confronting American exporters of automobiles is the tariff wall being built up abroad in retaliation because of the high duties on foreign automobiles imported into the United States.

If I had my way about it I would not try to relieve the American farmer by the methods set out in this bill or any other farm bill which has been proposed before the Committee on Agriculture at this session. I would go back and do it in the Democratic way, as we always have done it, and I am not a free trader, nor has the Democratic Party ever declared for free trade. I would reduce some of these prohibitive tariff rates on steel, aluminum, cotton goods, woolen goods and textiles, and many other articles. By doing that the purchasing power of the farmers' dollar would increase. I would reduce the tariff so that the European manufacturer could ship his products over here and sell them in competition with the home manufacturers. If he did that, then the American farmer could buy the manufactured products that he needs cheaper. If he could buy them cheaper, he would buy more; if he could buy more there would be more manufactured; and if more were manufactured there would be more labor employed in this country, and you would not have 4,000,000 men under alleged prosperity walking the streets and the highways of this country looking for a job, like they are to-day. And yet, if you read the Washington Post, the Wall Street Journal, the Literary Digest, and other papers of their kind, you would conclude that we have great prosperity in this country under this Republican administration. The manufacturers protected by these prohibitive tariff rates are prosperous, all to the detriment and suffering of millions of laborers, including thousands of American farmers and their families.

As I say, I would reduce the prohibitive tariff on this stuff, and then when these European manufacturers brought their products over here and sold them and got American money for their products they could take that money and buy the surplus products of the American farmer and ship them back to Europe; and our foreign trade would be greater, and the surplus agricultural problem would thereby be greatly solved.

I would also reduce the freight rates on agricultural products in this country, so that the farmer could get them to the market cheaper. The American farmer to-day is getting about pre-war prices for his products, but if he has to buy manufactured products he pays higher prices than he did during the war. Consequently he gets hurt at both ends of the transaction and consequently is broke.

But I understand full well that this remedy can not be applied for the relief of the American farmer under this Republican administration. I remember when this Republican administration passed the emergency tariff act for farm products. Everybody knows who knows anything that it is an economic fallacy to put a tariff on any agricultural product where there is a surplus of that product produced in this country. How is it going to benefit the American farmer especially when he raises a surplus so large that the price here is controlling in a world's market? You have now come to the point where it is clearly demonstrated that tariff on farm products is a fallacy, and this legislation is trying to make it effective. If the American farmer could buy the manufactured products that he has to use for himself and his family and farm as he did before the war, he would be in better shape than he is in now.

Mr. WOODRUM. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WOODRUM. The gentleman admits that sound Democratic principles can not be put into effect under a Republican administration. Does the gentleman contend that the equalization fee under the McNary-Haugen plan can be put into effect successfully under the present administration?

Mr. KINCHELOE. If the President vetoes the bill it is within the power of Congress by a two-thirds vote to override the veto. If the Congress does not override his veto, that is the responsibility of the Members of Congress.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes; I will take a chance. [Laughter.]

Mr. SCHAFER. If the pending bill should not be enacted into law it will not be entirely due to the Republican administration or Republican membership of the House, because the Democrats are as much divided on the proposition as the Republicans are.

Mr. KINCHELOE. That may be. If the President vetoes the bill, I am wondering whether the gentleman from Wisconsin is going to walk the plank and vote to sustain the President's veto.

Mr. SCHAFER. The gentleman is going to sustain his position better than the gentleman who is speaking has done.

Mr. KINCHELOE. If the gentleman from Kentucky thought his position on any public matter was indorsed and approved by the gentleman from Wisconsin he would be suspicious about his own position.

Now, I want to talk about this bill a little and see what it provides. The bill creates a farm board, one from each loan bank district, appointed by the President and confirmed by the Senate. That is the farm board. They shall draw a salary of $10,000 each.

The bill also provides for a commodity council of seven members for each commodity. The members of the commodity councils shall be selected by the farm loan board from the farm organizations of the country. I do not want to discuss that particularly now, but I want to say in that particular that this bill is not as good as last year's bill was. Under this bill the board has plenary power to declare an equalization fee on any commodity over the protest of the commodity council supposed to represent that commodity and every farmer raising the commodity.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. JOHNSON of Texas. Has not the gentleman an amendment that will be offered to that section that will remedy that defect?

Mr. KINCHELOE. Yes. I am going to offer it, and hope every Member who is a real friend of this bill will support it.

Mr. JOHNSON of Texas. I notice that only three members of this board are to be from cotton districts, and those three would be in a hopeless minority as to the equalization fee, whereas last year's bill provided otherwise.

Mr. KINCHELOE. Yes. That is true.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WILLIAMSON. I am very much interested in what the gentleman is saying with reference to the commodity councils, but I am afraid that the insertion of such a provision would result in making the bill unconstitutional, inasmuch as it would be delegating the veto power to the board, which is not appointed by the President.

Mr. KINCHELOE. Oh, a man who does not favor a thing always claims that it is unconstitutional. I used to think that the flexible provision of the tariff bill was unconstitutional and still think so, but the Supreme Court the other day unanimously decided that the Congress had the right to delegate to the President its power to raise and lower tariff duties.

Mr. WILLIAMSON. This is different.

Mr. KINCHELOE. Yes. The tariff provision provides for tariff on certain products. This section provides for the farm loan board and the commodity council. I am frank to say that unless this amendment goes in the commodity council is useless and will not amount to anything. Then it provides for the loan feature, called the revolving fund, of $400,000,000 to this farm board, to be used in three ways, which I am going to discuss now. If the loan is not effective, then it provides for the levying of an equalization fee.

Now, section 5 of this bill provides for three kinds of loans to cooperative marketing associations or corporations formed by cooperators.

First, in assisting cooperative associations in controlling a seasonal or a year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity. In other words, it can loan to the co-

operative associations on that commodity, or a corporation created by it, for the purpose of either taking the surplus off of the market and selling it in the world's market and taking the loss, or for the purpose of holding it in order to feed it through orderly channels into the domestic market to cover the lean years, because with agricultural commodities you are going to have gluts and lean years; the season controls those things and no human being has any control over it at all. That is one of the loans it is going to make, and it can loan the whole $400,000,000 if it wants to. In order to make these cooperative associations, or corporations created under them, strong enough to handle these commodities, loans are to be made for two other purposes, which I am going to get to.

People say that the solution of the agricultural problem is the cooperative marketing association. Why, certainly, if it could be 100 per cent that would be so, but a cooperative marketing association formed to handle farm products has no capital except its products. It has not a dollar except the loans it can procure on its commodities. Therefore it can not borrow 100 per cent of the value of those commodities, because nobody would loan that much to them. What is the result of that? The man who belongs to a cooperative association, when he delivers his stuff to the cooperative association, only gets about 60 or 65 per cent of his money down, while the fellow on the outside who is not a member of that cooperative association, and is raising products in competition with the man who is in, not only gets the benefit of the increase in the price of the product by reason of the cooperative marketing association, but he gets all of his money down. And that is what has broken down practically every cooperative marketing association in this country. I do not believe you are going to build any more cooperative associations in this country unless you have some financial agency which will be able to furnish enough capital to pay the farmer who belongs to the cooperative association all of his money down the day he delivers his commodity to the cooperative marketing association, and the first loan provisions in section 5 of the bill provides for that.

The second provision is for the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing if necessary.

Where that can be done you can cut out to a great extent the middleman and you can market the commodities direct from the producer to the consumer to a large extent, and therefore prevent the spread that has always militated against the farmers of this country as well as the consumers. This loan is to be used, first, for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations or, second, for assisting the cooperative association or corporation created and controlled by one or more cooperative associations in the acquisition by purchase, construction, or otherwise of facilities and equipment, including terminal marketing facilities, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities. It is provided that a loan of not exceeding $25,000,000 out of the $400,000,000 revolving fund shall be used for that purpose.

Mr. McKEOWN. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. McKEOWN. Is not the cooperative hampered on account of liens on its property and because its members can not sell to the extent of 100 per cent because the banks will not allow them to do so?

Mr. KINCHELOE. I do not think the cooperative associations in my State had any trouble in getting credit, but they can not get credit up to 100 per cent.

Mr. McKEOWN. I refer to a man who has a loan from a bank, and when he goes to sell to his cooperative organization he can not get 100 per cent because the bank will not allow him to sell.

Mr. KINCHELOE. Why, absolutely. The third purpose is for furnishing funds to the cooperative associations or corporation created and controlled by one or more cooperative associations for necessary expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, and they can borrow a maximum of $2,000,000 for that. You must have these last two loan provisions if you are to build up cooperative associations in this country or corporations created under them that will be able to handle these products so they will be strong and able to handle the business.

Now, before the board can levy the equalization fee they have got to resort to this loan provision, with a revolving fund of $400,000,000, and yet gentlemen who have spoken against this bill say that this is uneconomic and unsound and it will not work, but even the gentleman from New Jersey a while ago admitted that if you eliminate section 9 and section 10, which is the marketing agreement and the equalization fee, the bill is all right and will do the job.

If the opponents would support the bill with the equalization fee and the marketing-agreement provisions eliminated, and as they claim it would work, then this board will never have to levy the equalization fee on any commodity. I will tell you what I think about it. I think that a board of 12 outstanding men of this country, who have the interests of agriculture at heart, and with a capital of $400,000,000 behind them as a revolving fund, can manipulate this without levying the equalization fee on any commodity.

Mr. GILBERT. But the gentleman from New Jersey said that they would be required to levy the equalization fee on four commodities under the provisions of the bill.

Mr. KINCHELOE. I am going to get to that a little later, but will say right now that is not true, and no one can read it in the bill.

Mr. KETCHAM. Will the gentleman yield for one question?

Mr. KINCHELOE. Yes.

Mr. KETCHAM. While I agree with the statement the gentleman has just made, does he think the cooperative associations would take advantage of the revolving fund when it would cost them 4 per cent interest and when it would cost them nothing to use the equalization fee?

Mr. KINCHELOE. But if they borrowed this money for the purpose of taking off the surplus and handling it, they would have to resort to this $400,000,000, because nobody could touch that, and you could not get any other agency to do that.

Mr. KETCHAM. But the gentleman is making the argument, as I understand it, that those of us who rather fear the working of it ought to accept the equalization fee because we would never get to the equalization fee. My point is there never would be any chance for them to use the equalization fee.

Mr. KINCHELOE. That is my point, too; and these gentlemen who have spoken against the bill say the bill is all right if you will eliminate the equalization fee. My contention is, if it will work, then we will never get to the equalization fee, and the gentlemen ought not to be unduly alarmed.

Mr. KETCHAM. I think I inadvertently said the loan feature rather than the equalization-fee provision.

Mr. KINCHELOE. Yes.

Mr. PURNELL. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. PURNELL. In that connection, does not the gentleman also think that a board appointed by a President who is not friendly to the principle of the equalization fee will be composed of men who will not be seeking an opportunity to put into force the equalization fee?

Mr. KINCHELOE. I think it would be the last thing to which they would resort, and, in my judgment, when you take 12 outstanding men, one from each land-bank district of this country, with $400,000,000 as a revolving fund, I believe they would call in the grain-exchange people and would call in the brokers and these other people who operate between the consumer and the producer and say to them, "We do not propose to hurt your business. We want you to make a fair profit, but we have got a capital of $400,000,000 as a revolving fund here with which we propose to use to see that the American farmer gets a living price for his products, and if you cross us and interfere with our plans you will take the consequences."

Mr. MOORE of Virginia. Will my friend yield for a question?

Mr. KINCHELOE. Yes.

Mr. MOORE of Virginia. The gentleman expresses great confidence that if the bill should be passed the board would not be required to resort to the use of the equalization fee. If the gentleman has this confidence, why not pass the bill without the equalization fee, and then in the event it should conceivably happen that the bill as passed is found unworkable and the equalization fee necessary, then supplement the legislation?

Mr. KINCHELOE. Because it turned out this revolving fund is not sufficient I would not want to wait on Congress to act and have the farmers go further into bankruptcy, because if they did not act any quicker in amending this bill than they have in enacting it all of the farmers would be in bankruptcy before they got the equalization-fee amendment to the bill.

Mr. WHITTINGTON. And if the gentleman will permit, is not that substantially what is in this bill? You try out the loan feature before invoking the equalization-fee provision.

Mr. KINCHELOE. Yes; you have to try out the loan feature first.

Mr. WHITTINGTON. Is it not also true you have got to charge the cooperatives with bad faith before you ever invoke the equalization fee under the terms of the bill.

Mr. KINCHELOE. The cooperatives with these loans of $25,000,000 for the purpose of creating facilities and $2,000,000 for the purpose of a campaign to get as many farmers into the cooperatives as possible are going to do their best to handle the surplus without the imposition of any equalization fee at all.

But they say it is price fixing and they say a lobby is here in Washington in favor of it.

What else is the protective tariff proposition except price fixing? I remember a few days before the McNary-Haugen bill was vetoed by the President, exercising his powers under the flexible provision of the Fordney-McCumber Tariff Act, he increased the tariff on pig iron from 75 cents to $1.12½ per ton and in two weeks' time the price of pig iron increased in value 50 cents a ton. Of course, it is not price fixing when you touch the tariff, but it is when you touch the products of the farmer.

I got these statistics this morning and under the flexible provisions of the Fordney-McCumber Tariff Act the President has exercised this power to raise the tariff twenty times since the Fordney-McCumber Tariff Act has been on the statute books, and has lowered the tariff only five times.

I want to show you how much benefit it has been to the American farmer to lower the tariff on these five articles. The first one on which the tariff was lowered was mill feed and bran. The President lowered the tariff on that. The second one was bobwhite quail. [Laughter.] Everybody will concede this was a great thing to help the American farmer. The third was paintbrush handles, and the only reason the tariff was lowered on paintbrush handles and the only contention made was that the manufacturer of the paintbrush handles lived in the United States and got his handles from Canada, and consequently wanted a little lower tariff on his handles so he could get them in here and make a little more profit on them. The next one was cresylic acid, and the last one was phenol, which is carbolic acid.

These are the wonderful accomplishments in the lowering of the tariff which the President has exercised, and yet he has raised the tariff for the benefit of the manufacturers of this country 20 different times since there has been this law.

Now, I want to get back to the loan provision. If the loan provision is not successful, then they go into what is called a marketing agreement.

The CHAIRMAN. The gentleman has consumed 30 minutes.

Mr. KINCHELOE. Mr. Chairman, I yield myself 15 minutes more.

If this fails, then the board goes into a marketing agreement, and they have to find three things before they can levy an equalization fee. First, that there is or may be during the ensuing year a seasonal or year's total surplus national in extent in the United States that is in excess of the requirements for orderly marketing of any commodity or in excess of the domestic requirements for the commodities; second, and here is what I want to call special attention to because the gentleman from New Jersey [Mr. FORT] elaborated on it, that the operation provision of section 5, which is the loan provision, will not be effective to control such surpluses because of the inability or the unwillingness of the cooperative association engaged in handling the commodity or the corporation created by it to control the surplus with the assistance of such loans.

If it finds out after it has probably spent this $25,000,000 in loans trying to equip the cooperatives, or corporations created by it, is the proper way to handle the surplus, it has probably spent the $2,000,000 in trying to conduct a campaign to bring as many American farmers into the cooperatives as possible. In other words, if the cooperative association, or corporations created by it, have made an honest effort to handle the surplus products under the loan provision and has failed, when they find that fact and the further fact that the durability, the conditions of preparing, processing, and preserving, and the method of marketing of the commodity are such that the commodity is adapted to marketing as authorized by this section, then the board can levy an equalization fee.

Mr. McKEOWN. Will the gentleman yield?

Mr. KINCHELOE. Certainly.

Mr. McKEOWN. If the cooperative marketing associations are willing and able, they can never declare the equalization fee.

Mr. KINCHELOE. No; if they are able and willing to do it, there will be no equalization fee at all under this bill; but as I say when they find that the preparing and processing methods are such that the commodity is authorized, then they declare the equalization fee. They say that is unconstitutional. I do not know whether it is constitutional or not. I do not think anybody knows, because we are sailing on an uncharted sea in this legislation. The purpose of the fee is to make 100 per cent the cooperatives in this country, and it will make every man bear his proportion of the expense in proportion to the benefits he receives.

There is nothing new about that. I remember when the Federal reserve act was before Congress, statements came from every nook and corner of the country and in Congress that it was unconstitutional—that they had no power to require national banks to go into the scheme and subscribe 6 per cent of their capital stock to the Federal reserve bank. But the bill was passed, and it became the law, and the banks did go in, and they are now all in. It has never been declared unconstitutional, and everybody agrees that it is the greatest piece of legislation on the statute books in the United States to-day.

I remember when they passed the Esch-Cummins railroad bill that they said that you could not give the Interstate Commerce Commission the power to fix rates on railroads and compel the railroads to contribute—that you could not compel the big ones to contribute for the benefit of the little ones. Yet it went in and is on the statute books to-day and everybody agrees that we have the most highly efficient railroad system as in any country in the world. It follows, that when you increase the price of a commodity you increase the production. If they do, there are two recourses. If the equalization fee is in operation, the more they produce the bigger the equalization fee will be, and that fact will be brought home to every farmer that raises that commodity.

Another section under the loan provision provides that after the board gives out the facts and about how much ought to be raised, if the farmer disregards that and raises an amount in excess of that raised in the preceding five-year average period the board may withhold the loans.

Mr. McKEOWN. Does that notice come to the farmer before planting time?

Mr. KINCHELOE. Yes; he receives these estimates before he plants his crop.

Mr. McKEOWN. But suppose they do plant more?

Mr. KINCHELOE. If they plant more and raise more, the loan may be withheld. On the other hand, if the equalization fee operates, the more they raise the greater the equalization fee is going to be. I tell you, gentlemen, the time is coming in this country when you are not going to keep the red-blooded boys and girls on the farm of this Nation under present conditions. This farm problem is one which should deeply concern those who live in the cities, because the city people can not be prosperous long with a bankrupt agriculture.

Mr. McKEOWN. Does the bill contain the provision that if the part is unconstitutional it shall not affect the balance?

Mr. KINCHELOE. That is in one section of the bill.

Now gentlemen, I do not want to consume much more time. I say that prosperity can not come as long as you have 30,000,000 of the farm population of this country legislated against by discriminatory laws in the way of tariff, and other things they have to compete with. This country can never be prosperous until agriculture prospers. Agriculture is the biggest business in America. Agriculture is bigger than the railroads, the steel industry, and the automobile industry combined. The only thing they are asking for is that the strong arm of the Federal Government shall treat them like other industries and other things have been treated.

They say that it is unconstitutional and that nobody wants it. I am going to put in the RECORD the names of every marketing and cooperative association that is asking for this bill. Every cooperative association in the country, and every farm organization except the grange have declared for this bill, but the grange has expressed a preference for the debenture plan.

These organizations feel that this bill with the equalization fee in it will give the American farmers the relief so badly needed. I am frank to say that I do not know whether it will or not, but I have great hopes that it will, and I am so anxious to see rehabilitation of agriculture in this country so that the men and women on the farms of this Nation may be able to enjoy the prosperity of men and women in towns and cities of this country and thereby be able to give their children the same advantages for education as the children in towns and cities. I am going to support this bill and let it be tried.

The farmers are sincere in advocating this character of legislation. This bill has been debated even through the high schools throughout the United States. As long as there are discriminatory laws on the statute books in favor of industry, I am going to vote for discriminatory laws on the statute books for the benefit of the agricultural interests of the country.

My friends, the hope and perpetuity of this great Republic does not rest on a great standing Navy. Yet during the World War we had the greatest Navy that ever sailed the Seven Seas. The hope and perpetuity of this great Nation of ours does not rest upon a great standing Army, and yet during the World

War we mobilized the mightiest army that ever marched beneath the folds of their country's flag or ever answered to a bugle call—with 2,000,000 boys in France and 2,000,000 at home ready to go. The hope and perpetuity of this country rest upon the happiness and contentment and prosperity around the 20,000,000 firesides of this country without discrimination, and when that comes, there will be no trouble about the future of this great country in which we live. I thank you. [Applause.]

Mr. Chairman, under unanimous consent granted me I herewith insert the names of the various farm organizations of this country who have indorsed this bill:

The American Farm Bureau Federation, the Corn Belt Federation of Farm Organizations composed of the Missouri Farm Association, the National Producers Alliance, the Iowa Farm Union, the Iowa Farm Bureau, the Iowa State Grange, the Iowa Threshermen's Association, the Ottumwa Iowa Dairy Marketing Association, the Nebraska Farmers Union, the Nebraska Farm Bureau, the Kansas Farm Union, the Kansas Farm Bureau, the Minnesota Farmers Union, the Minnesota Farm Bureau, the Minnesota Wheat Growers, the South Dakota Producers Alliance, the South Dakota Wheat Growers Association, the South Dakota Farmers Union, the North Dakota Farmers Union, the North Dakota Wheat Growers Association, the Oklahoma Farmers Union, the Indiana Farm Bureau, the Central States Soft Wheat Growers Association, the Chicago Milk Producers Association, the Illinois Farmers Union, the Wisconsin Cooperative Creamery Association, the Wisconsin Farm Bureau, the Equity Cooperative Exchange, the Farmers Union Terminal Association, the South St. Paul Farmers Union Livestock Commission House, the Chicago Farmers Union Livestock Commission House, the Sioux City Farmers Union Livestock Commission House, the Kansas City Farmers Union Livestock Commission House, the Omaha Farmers Union Livestock Commission House, the American Council of Agriculture, the Minnesota Council of Agriculture, the Montana Farmers Union, the National Corn Growers Association, the Burley Tobacco Association, the Dark Tobacco Association, the National Farmers Union, and the American Cotton Growers Exchange.

Mr. JONES. Mr. Chairman and gentlemen of the House, I have always supported farm legislation. I have never offered an amendment to any of the pending bills that I did not think would improve the bills. I have never offered an amendment that was not offered in good faith. I have been on the Committee on Agriculture for a number of years and I have tried to study this problem with the hope of getting the best solution. It is the easier way to follow along and support the measure that has been given the approval of certain farm organizations, but I believe there is a better remedy, and I would be untrue to those I represent and to the interests that the Agricultural Committee is supposed to represent if I did not follow my honest convictions in that regard.

I listened with a great deal of interest to the speech of my colleague, Mr. KINCHELOE, and I agreed with most of those things he said about the tariff situation, but the old, old statement that there should be a tariff for all or a tariff for none is but another way of stating that every American citizen should be on the same dead level of equality with every other American. I think Abraham Lincoln it was who said that no nation could permanently endure half slave and half free, and it might be well added that no nation can permanently prosper with half or a certain section of its citizens laboring under the banner of protection and charging artificially higher prices than another great section is able to pay.

THE PROBLEM OF PRICE

The problem is one of price. If the farmer were on a price parity, the other phases of the problem could be easily solved. The cooperatives have faced great difficulties in undertaking to solve this problem.

They have been unable to get full results because the cooperative has been compelled to carry the noncooperative on its shoulders. That is, if the cooperative organization undertakes to buy up the surplus and take it off the market, the increased price inures to the benefit of the noncooperative, and that is the reason that I do not believe any strictly loan bill can solve this problem. It may assist in doing so, but if the noncooperative can stay on the outside and get the value of the increased price, why go inside and help pay the bill? That is what any cooperative organization is up against to-day. They are practically forced to carry the load at their own expense and give the outsider the benefit of it. You can not blame them for not wanting to do so.

BILLS PROVIDING EQUALITY

Of all the bills—and there have been hundreds of them introduced in the Agricultural Committee in the last few years—undertaking to solve that problem, there are, in my judgment, but two that do not overlook that fundamental difficulty. I do not believe that any bill can really succeed in full measure that overlooks it. There are but two that meet this question squarely, and those are the McNary-Haugen bill and the debenture plan. They both undertake to establish parity between the farmers and industry. I do not believe the McNary-Haugen bill will establish full equality. It will go a certain distance and therefore has merit. The theory of both bills is that by lifting the surplus the price of the domestic commodity will automatically rise to a higher level. Some one asked, How would the debenture plan accomplish that result? In exactly the same way, so far as the raising of the price is concerned. No one who has supported the McNary-Haugen bill expects the cooperatives to buy all of any commodity. Their only thought is that by levying this equalization fee they will be able to buy enough of the commodity to cause the demand to lift the domestic price to the higher level. If they undertook to buy the 800,000,000 bushels of wheat, it would take a billion dollars or more to do it. I do not think it would be necessary.

I think if they bought a reasonable amount of it a rise would automatically come because of the fact that you would have the surplus removed. Now, if by giving an extre premium, which you can do with only a part of the machinery that is required in the McNary-Haugen bill, you dispose of the surplus, you enhance the price which the cooperative or other exporters may pay for the product. It will follow as the night follows the day that the domestic price of the commodity will be brought up.

SIMILARITY OF PLANS

The two plans run along the same lines in the early features of the bill. The bill prepared by Mr. KETCHAM and myself provides for a board of 5 members instead of 12. I do not think the additional members would be necessary in this bill. It also provides for a very similar loan feature to the McNary-Haugen bill. It also provides for the insurance feature, not so elaborate but following along the same lines. Then it parts company in the manner of raising the funds with which the problem is going to be handled. Understand, both bills undertake to solve the question by handling the surplus. Both of them undertake to lift the domestic price of the commodity by handling the surplus of that commodity and letting the price rise up to meet the demand.

EXPORT PREMIUMS

The debenture plan provides that the debenture, as it is called, or an export premium of 21 cents a bushel, shall be given any cooperative association or farmer or other person who exports wheat. If the farmer or a cooperative organization of farmers exported a thousand bushels of wheat, it would be given a certificate of $210. That certificate would be acceptable in payment of any customs duties on any commodities brought into this country. It would not have the effect of reducing that duty, but it would simply have the effect of trapping parts of the fund on their way to the Treasury. That is all. It would leave the tariff where it is, and it would give the farmer what he has never had, namely, equality under the system that we have in this country.

NOT A SUBSIDY

Somebody suggested the other day that it is a subsidy to take 21 cents a bushel on wheat, $10 a bale on cotton, 7½ cents a bushel on corn, and 15 cents a bushel on oats and issue those certificates and give the farmer the benefit of it. I claim it is not a subsidy. It simply restores to the farmer what has been taken away from him by reason of the laws that have been enacted. Is it a subsidy when you pay back to a man money you have taken away from him? Is it a subsidy to the farmer to restore him to the equality that he had before we enacted laws that have favored certain sections and certain interests? It is simply putting the farmer on an equality with industry, on the same level of equality with others, and that is not a subsidy. That is simply restoring him to his rights, rights which every man under the flag should have.

What gives the wheat farmer and the cotton farmer and the other farmers of this country the price that they get to-day? It is the competition between the domestic and the export buyers. They pay only what they have to pay. They pay only what the demand and supply require them to pay. If you put a premium of any amount in favor of the exportation of that commodity, naturally the domestic buyer must pay that extra amount or not get the commodity. It operates exactly as the tariff, except in an inverse manner. It brings up the price of the commodity in the same fashion, and it is the one bill that it seems to me would really give full equality.

TWO PURPOSES

The two purposes of these measures, especially the McNary-Haugen measure, are to stabilize and to equalize. One reason why the farmer has been forced to market his commodity during the season of gathering is the fact that he has been pressed for money. Through the tariff and other measures, which the Congress has enacted—and I am not arguing the merits of them—

every thinking person must admit this—through the tariff measures and other measures which have been enacted he has been put on a disparity; he has been "hog-tied" for many years, and forced to sell his product the minute it came on the market. If he could get the same comparative level of prices that the other man gets, he would be able to market his products in an orderly manner, or in a manner much more nearly so, even if we did not provide the other fund or the other machinery of the bill.

It is not because the farmer has not sense enough to know how to market his product that he has had this trouble. It is because his products do not sell for enough money to enable him to carry out his plans. If they are paid proper prices they will be able to deal with their problems. If you adopt a fair system that make their returns as much as others get, the other problems will fade like the mist before the morning sun. I have not much patience with people who prate continuously of making farm life more attractive. Make it remunerative and they will make it attractive. They understand the advantages of better equipment, and they will get better equipment and modern conveniences if they have the money with which to get them.

Not a man who appeared before the committee supporting the McNary-Haugen bill or any other bill has denied that the export premium will put money into the farmer's product. Is not that what he wants?

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. McKEOWN. What process would he go through in order to get cash on his debentures? How does that work?

Mr. JONES. Exactly as the McNary-Haugen bill would work. The exporter and the domestic buyer, we will say, for instance, are now paying $1.20 a bushel for wheat. If an equalization fee of 21 cents a bushel is paid for the exportation of wheat, the domestic price must meet the competition of the exporter, and the price rises 20 cents per bushel. It proved true in Germany, and it proved true in England and in Czechoslovakia and in Sweden. They have tried out this plan in all those countries.

Mr. McKEOWN. Instead of taking from the farmer the equalization fee, the money would be taken from the customs duties?

Mr. JONES. Yes. We collect approximately $600,000 per year in customs duties. Behind the tariff wall conservative estimates show that about $3,000,000,000 is collected from the American people by way of increased prices. I am not at this time arguing that it is too high or too low. The price is increased; otherwise there would be no demand for a tariff. I am not going into the question of the tariff, however, because it involves too much. But every man from the days of Alexander Hamilton, who is the patron saint of the tariff in this country—every thinking man must admit that the farmer does not get full advantage of the tariff measures that have been enacted. That is true because the farmer produces a surplus of most of the basic farm commodities—a surplus of wheat, a surplus of cotton, a surplus of practically all the basic commodities.

A man would be foolish to argue that a tariff is going to be of much assistance on those commodities of which we produce a surplus. The chairman of our committee, who votes for protection, made that open statement in the committee, as others have done. The tariff on wheat, while 42 cents a bushel, is practically reduced to 1 per cent of 42 cents, or less than one-half of a cent a bushel, because of the drawback provision. During the last five years we imported enough wheat to produce a revenue amounting to $20,000,000 or $25,000,000, but practically all of that was drawn back from the Treasury or was milled in bond.

Mr. AYRES. Will the gentleman yield?

Mr. JONES. Yes.

Mr. AYRES. Fifty-six million bushels were imported into this country in the last five years?

Mr. JONES. Yes. I have the figures; 56,409,926 bushels were brought in and milled in bond. This process kept out of the Treasury 41 cents per bushel, or $23,128,069.16, within the last five years.

Mr. AYRES. Fifty-six million bushels during the five years were imported for milling in bond, in round numbers, and 18,000,000 were imported into this country on which a duty was paid, but I understand much of that was refunded under the drawback provision.

Mr. BURTNESS. Will the gentleman yield?

Mr. JONES. Yes.

Mr. BURTNESS. The gentleman is not distinguishing between milling in bond and the drawback?

Mr. JONES. No; because there is essentially no difference if it is mixed with as much as 30 per cent American wheat and exported.

Mr. BURTNESS. Because if he is his figures are not correct.

Mr. JONES. I am just saying this in answer to those who have argued that this is a subsidy. It is no more of a subsidy than the drawback, and all millers either mill in bond and do not pay the money or they pay the customs duty and then go to the Treasury and draw it down. Ninety-nine per cent of the duty is thus avoided where they mix it with as much as 30 per cent of American wheat and export the flour.

Mr. CROWTHER. Will the gentleman yield?

Mr. JONES. Yes.

Mr. CROWTHER. The drawback principle is a fundamental that has been in all tariff bills that your side has written and that my side has written.

Mr. JONES. I do not dispute that proposition.

Mr. CROWTHER. I agree with the gentleman that there are some discriminatory features in the present wording of the act which I do not think should exist.

Mr. JONES. I thought the gentleman would agree to that.

Mr. CROWTHER. I think those features ought to be changed in writing another tariff bill, and if that were done it would come nearer reflecting the benefit of the tariff to the agriculturists.

Mr. JONES. The gentleman is a very ardent protectionist, and I thank him for his contribution. I want to read to him what the man who first advocated a tariff in this country said. Alexander Hamilton, in his Treasury report, submitted on December 5, 1791—his report on manufactures—made the following statement. After discussing the fact that a tariff would be of advantage to the manufactures in this country because it would aid in the promotion of "infant industries"—a term which has more or less fallen into disuse recently but still used to some extent—he said that a tariff would put agriculture at a disadvantage as compared to industry.

Whatever else you may say about him, he was a far-seeing man, a clear-headed man, a courageous man; he was intellectually honest and was fair in his conclusions. He was discussing that very proposition when he said:

> The true way to conciliate these two interests is to lay a duty on foreign manufactures of the material, the growth of which is desired to be encouraged, and to apply the produce of that duty by way of bounty.

He was referring to agricultural products.

Mr. CROWTHER. I hope while the gentleman is quoting from Alexander Hamilton he will put in a few excerpts from the sayings of James Buchanan and Thomas Jefferson, who were also very ardent protectionists.

Mr. JONES. I decline to yield further. I do not care to go into a discussion of the tariff except as it bears on this program. The first law of this kind that was ever enacted——

Mr. FORT. Will the gentleman yield?

Mr. JONES. Yes.

Mr. FORT. Is there any distinction in the gentleman's mind or in the quotation which he has just read from Mr. Hamilton between a subsidy or bounty on a product of which our production is deficient and a subsidy or bounty upon a product of which we produce more than we need?

Mr. JONES. Well, of course, there is a distinction, but if we are deficient on any commodity you will not need any bounty or any McNary-Haugen bill. As a matter of fact, the McNary-Haugen bill, while it covers all commodities, will probably not be invoked on anything of which we do not produce a surplus.

Mr. SUMNERS of Texas. Will the gentleman yield?

Mr. JONES. Yes.

Mr. SUMNERS of Texas. At the time Mr. Hamilton wrote that practically all of the exportations of this country were agricultural.

Mr. JONES. Yes; a large part of them.

Mr. SUMNERS of Texas. Practically all of them.

Mr. JONES. The first time, so far as I have been able to learn, that this principle was enacted into law was in England in 1673. I have a photostat copy of the law here. When prices were low and England was producing a surplus of corn—they called it corn, but the term as they used it included rye, barley, oats, and all other grains—in 1673 she put a bounty of 15 cents a bushel on wheat, 10 cents a bushel on rye, and 7½ cents a bushel on barley. That law was enacted to last for three years, during the depression, but it lasted for five years. In 1689 Parliament reenacted the law, reciting in the preamble:

> That the exportation of corn and grain into foreign parts when the price thereof is at a low rate in this kingdom has become a great

advantage not only to the owners of the land but to the trade of the kingdom in general, and therefore be it enacted, etc.

In other words, they said that inasmuch as the previous law had inured to the benefit of the owner of the land and to the trade in general, they would reenact that law. This law stayed on the statute books with some varying amendments for more than 100 years.

There came times when the price got so high because of shortage that they had to put a ban on exportation. There came times when they applied an import tariff. They have studied this problem a great deal over there. There came a time when they fixed limits within which it would be operative. They changed it two or three times.

However, this law remained on the statute books practically as I have given it here until 1765, but was made inoperative at times when the price was too high.

In 1773 Burke prepared a law which he thought would probably have permanent applications. In this law it was provided that a bounty should be allowed when wheat was $1.32 a bushel or less, and that the bounty should cease when wheat reached $1.44 per bushel; and when it got above $1.50 all duties would be removed from wheat coming in, so that wheat might be imported duty free. When it got below $1.32 all wheat was forbidden to come in for the purpose of sale in the domestic market.

This law was on the statute books until 1815, but in the meantime England became a great industrial country, having her far-flung possessions all over the world, and her population increased to the point that her people demanded so much of farm production that her limited acreage could not satisfy the demand. Therefore, England having fallen into the condition that my friend from New Jersey spoke of a while ago, the law was no longer needed, and in 1815 it was repealed—not because it did not work but because a condition had come about with the great growth of London and the industrial development of England that they needed all of the farm commodities they could possibly produce. So the problem solved itself by virtue of the development of the country.

DANGER OF OVERINDUSTRIALIZATION

I think one of the greatest dangers our country faces to-day is that of becoming overindustrialized. The tendency to centralize always carries with it the demand of groups for legislation especially caring for the interest of such groups. This leads not to democracy but away from it. This leads not to equal rights but to special privilege and decay of democratic principles.

Some one objects that this plan would keep money out of the Treasury. It would keep money out of the Treasury, yes; but so do some of our other laws. I have made some figures here on just two or three commodities that I want to call to the attention of the committee. I take it you would be interested in these figures.

MONEY KEPT OUT OF TREASURY

If this were the first proposition to keep money out of the Treasury, there might be some argument made against it, but my colleague, the gentleman from Michigan [Mr. KETCHAM], told you this morning about the effect of increasing the tariff rates on butter.

When tariff on butter was raised from 8 cents a pound to 12 cents a pound it had this effect: During the three years between January 1, 1923, and April 1, 1926, there were 50,000,000 pounds of butter brought into this country under a duty of 8 cents, which produced $4,018,000 in revenue or an average of $103,000 per month. During the 21 months following the raise to the 12-cent rate 11,900,000 pounds were brought in, producing a revenue of $68,000 a month. That raise kept out nearly $40,000 per month. I am not arguing whether it should be done; I am just saying it was done.

ALUMINUM TARIFF KEEPS MONEY OUT OF TREASURY

If butter were the only thing that had this effect, it would be a different proposition, but on aluminum what was the effect? On aluminum during the last three years of the old Underwood tariff law this Government received $619,149 in revenue. During the last three years of the present law it has received $228,140. The present law has more than doubled the rates, and it kept out of the Treasury during an equal period of time $391,140.

If it is all right, if it is just, if it is fair to keep money out of the Treasury for the benefit of the aluminum company, is it unfair to keep it out of the Treasury in order simply to put the farmer on the same level of equality that the others already possess, or to put him where they already stand? Is it any more unholy to restore to the farmer what you have taken away from him by law than it is give to Mr. Mellon a tariff measure not for the purpose of giving him equality but to enable his company to raise the price above the parity?

The CHAIRMAN. The gentleman from Texas has used 30 minutes.

Mr. JONES. Mr. Chairman, I yield myself 15 minutes more.

The increased tariff in behalf of Mr. Mellon's company was not for the purpose of giving equality but for the purpose of lifting that company above the general level. But you kept $391,000 out of the Treasury for him. Why is not it all right, just, and fair to restore the inequalities in this system? It will require less machinery. It will put money in the pockets of the farmers, and do it by making the present laws national in their scope. Is it unfair to make a law that has been operating sectionally a national law?

Mr. McKEOWN. Will the gentleman yield?

Mr. JONES. I yield.

Mr. McKEOWN. Are there any figures of the amount that will be kept out of the Treasury by your bill?

Mr. JONES. They were put into the RECORD by the gentleman from Michigan [Mr. KETCHAM] yesterday. It would be about $146,000,000 if it were fully operating at all times.

This plan is not new. It is not untried.

Mr. AYRES. Will the gentleman yield?

Mr. JONES. Yes.

Mr. AYRES. Has the gentleman the figures of drawbacks in reference to sugar and molasses, and so forth?

Mr. JONES. I have the figures, but I will not take the time to go over them. The drawbacks on the various things add up to a great many millions of dollars, and the principle is the same. There is practically no difference in the drawback or debenture—they are practically the same.

Mr. KETCHAM. Will the gentleman yield for one question?

Mr. JONES. I will.

Mr. KETCHAM. I do not know whether the gentleman has developed it, but the debenture plan would fit in to any tariff system.

Mr. JONES. I am glad that the gentleman has called that to my attention. It makes no difference whether we have a high tariff, a revenue tariff, or a low tariff—the rates can be so adjusted as to apply equitably to whatever tariff there is. Whatever the tariff provisions on the statute books may be they would not apply equitably unless some provision like this were enacted.

In Germany they issue what they call the Einfuhrscheine on the exportation of certain commodities, including rye, wheat, oats, barley, and legumes. It is an export certificate which is tenderable in payment of import duties.

This is the situation that has developed in Germany. They produce an exportable surplus of wheat in the northern or northeastern part of Germany, but they do not have an exportable surplus in the southern part. That works out in this way: The northeastern part of Germany is nearer to other outside markets and without paying high freight rates they can carry the commodities where they are needed, so they get an export certificate for shipping the product out. In many instances they bring the product back from outside contiguous countries to the southern part where it is needed and in that way they save paying the freight rates between the northern and southern parts of Germany.

Germany had the law on the statute books before the beginning of the present century, but in a little different form. They enacted the present law in 1902, and it proved so satisfactory that they reenacted it in 1926.

After 15 years of discussion the country of Sweden enacted a law which gives an export certificate on rye and wheat, the principal commodities of the country, making the certificate tenderable in payment of custom duties. In the same year Czechoslovakia enacted the law issuing export certificates on wheat, rye, barley, oats, buckwheat, millet, and other commodities, making them acceptable in payment of import duties.

Now, let me show you what the people say about the effect in Germany. Germany as a nation must always be reckoned with. She has some very intelligent people, some very progressive people, and has some great thinking people. A German student in one of the American universities was asked what was the effect of the establishment of this law in Germany. His reply was that it certainly puts money in the pockets of the farmers.

Doctor Grunzell, who is a student of agriculture in that country, says:

These import certificates were extensively employed in grain exportation, but in the case of flour the older provisions for manufacture in bond were found preferable. The immediate effect was that the prices of

grain in those parts of the country which depend on exportation for their market and which formerly had to contend with depressed prices rose to a point higher than the general world market price by approximately the amount of the import duty.

That is what he says was the effect. Of course, that would be the effect. Any man who has studied it knows that must be the effect of its application. Why can there be any objection to doing this thing? It was suggested in the program of Mr. Hamilton as necessary to the fair operation of any tariff system. The same proposition in a different form was offered by the Hon. William L. Wilson as an amendment to the McKinley tariff, and I understand it lacked only a few votes of carrying. He offered it in this form, that where farm commodities were exported they might be exchanged for other commodities, and those commodities brought in duty free. That is but another way of reaching the same end. Some one suggested a while ago that he was afraid there might be some sort of collusion whereby the farmer would not get the advantage of this debenture. In order to safeguard against the possibility of such a thing we put a provision in the bill for organizing an export corporation by the board, with full power to step in and buy, sell, and export any such commodities; and if there were any effort to take down a part of this debenture this corporation could step in immediately. I do not think it would be found necessary, but it would be like a musket behind the door. If they tried to discount too much, this corporation could see that the farmer received the full effect of the debenture. I do not think it will be necessary to use that power.

THE SWEDISH LAW

Let me show the effect in Sweden. The certificate there provides on its face that the Government of Sweden will pay them 98 cents on the dollar out of the customs duties if the receipts are available there, and I suppose they always are. They would be in this country. Hardly any of them come in for redemption in that way, because the importers would rather pay them 99 cents or 100 cents on the dollar. Rather than go to the bank and get a draft they simply take up one of these export certificates, and they practically get 100 cents on the dollar. At any rate the standing offer of the Government is always available.

Mr. BLACK of Texas. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. BLACK of Texas. Would it not be well to incorporate some provision of that sort into the debenture plan, so as to make certain that certificates would be redeemed?

Mr. JONES. I do not think it would be necessary. I thank the gentleman for his suggestion. Suppose the firm of Marshall Field wanted goods brought in here that required the payment of a thousand dollars; if they could buy one of these certificates for $990, do not you think that they would go out and buy them?

Mr. BLACK of Texas. I make the suggestion because the fact that it can be redeemed in that way would make it more certain to be negotiable.

Mr. JONES. It would not do any harm, and if necessary a similar plan could be worked out.

Mr. BURTNESS. Is there any likelihood whatsoever that under the so-called export-debenture plan the amount of export bounty could at any time exceed the amount of import duties received by the Government?

Mr. JONES. Oh, no.

Mr. BURTNESS. As a practical proposition, there would not be any chance of that?

Mr. JONES. No. Take the last five years' period. If this had been in force all of that time, it would have amounted to only $146,000,000.

Mr. BURTNESS. In view of the fact that they could never amount to that much, then why bother with these debentures? Why not simply take the money out of the Treasury in the first place and thus eliminate the scalping?

Mr. JONES. The gentleman has not thoroughly studied this measure. The history of the tariff system shows that the export-certificate plan is much less liable to result in retaliations. The certificate plan tends to encourage trade rather than to discourage it. I have not the time to go into those distinctions. It is a much better plan than we have adopted, because it ties onto the tariff system. It does not provide for the payment of a bounty except when they are being subjected to the inequities of the tariff system.

Mr. KETCHAM. And is it not true that with the new distinctions incorporated in the bill with reference to cotton and also to grain it would reduce those quite a considerable number of millions?

Mr. JONES. Yes. They are worth, as shown by the different nations that have tried them, practically 100 cents on the dollar, and they have no trouble with them at all.

For the first time in the history of the protective-tariff system a plan has been devised that is just and fair as between agriculture and industry. This plan was originally admitted to be the only means of doing justice in connection with the plan submitted by the man who originated the system. In this report of 1791 there are several recommendations. The program has been adopted, except that part that would do justice to the farmer. Mr. Hamilton said that the adoption of his system would work an injustice to the farmer, and that the only fair way to make up for that injustice would be to make him a part of the system. How could anyone object to that sort of a provision?

We would all like to see the farmer given equality. The working out of any complicated system of reaching that end must necessarily meet with many handicaps before the final end is reached.

The export-premium plan is the simplest that has been devised. It requires the least machinery. I would like to see the common sense of the Members on both sides of the aisle adopt a plan that history proves would give that equality.

I would like to see them test out a program that would put the farmer on the same basis as the other man and would treat all the citizens of this country alike.

I do not know whether or not the McNary-Haugen bill would work out like those who have been ardent advocates of it contend. I have very grave misgivings about certain features of it. But I have voted for it because I believed that by taking the step we can work out a program that would ultimately bring results. I have been favorable to farm relief. The McNary-Haugen bill has no precedent. Nothing like it has ever been enacted in the history of the world. I think it has merit, but I think the debenture plan has more of merit. That plan will bring the farmers to an equality with others. Why not enact it? [Applause.]

Mr. ASWELL. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. SOMERS].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. SOMERS of New York. Mr. Chairman, during my short but very happy service in this House it has been my privilege to have listened twice to debates on the McNary-Haugen bill.

The first debate was probably the finest I had ever heard, and as such it will linger long in my memory. Men fought for and against the bill with enthusiasm. Those who favored it were as sincere as those who opposed it, and the note of sincerity ran through every speech at that time. It was, indeed, fascinating to hear men plead the cause in which they honestly believed. However, in the present debate this note is missing in most of the speeches of the proponents of the bill. Even the chairman of the committee in opening the discussion fell short of his usual effectiveness. He reminded me of a sorrowing man, weeping tearfuly, bitterly, at the bedside of his dying child. Apparently he did not care particularly whether it was a good or a bad child, for he refused to comply with the request of my colleague from New York to discuss the merits of the measure. Evidently he was concerned only with the fact that he was losing the thing he had fathered. Let us have a look at this thing over which the sorrowing father weeps. Let us draw aside the sheets and see if it is worth saving. Lo and behold! The first glance reveals it to be a two-headed, indecent monstrosity. One head is normal; the other is ugly and unnecessary. It is called the equalization fee.

Aside from this unnecessary head, the child is physically sound, and if it could be relieved of this deformity it might grow up to fulfill the expectations of its family. [Laughter.] It was brought into this world to help the farmer, but if it were to live in its present condition it would be a source of constant embarrassment to the farmer and its vision would nauseate every man who to-day is trying to help it live. Aside from that, it would be a constant terror to the consumer. But it can not live. Even those who are anxious to protect it now, being too sensitive to kill it when they should have, realize that the chief exterminator of the imps of congressional indiscretions will eventually be forced to drive the veto through its heart.

Let us see just how vicious this thing may be. Under this bill a Federal farm board of 12 is created. It is given all sorts of arbitrary power to obtain information regarding agricultural productions. Its members will gather to themselves the most complete statistics on wheat, corn, cotton, and other commodities. It will have more information on conditions affecting these commodities than any person or group of persons in all the world. You can readily understand what an unscrupulous man on this board could do with such information. If a man were so inclined, having in his power the right to impose the equalization fee whenever he deemed it advisable, he would

be in a position to make himself rich beyond the dreams of avarice.

Political appointees, experience teaches us, are not always honest, and I warn you just as sure as the sun rises and sets, if you create this board, there will one day come into it a man who will betray his trust. Oh, you may say that there are provisions in the tale of this bill which will prevent this, but that is not speaking the exact truth. These provisions may keep a man from personally gambling with these conditions but they can not keep him from having his friends gamble for him. In other words, he will still be able to suck the eggs as long as he successfully hides the shell.

Again, this is a proposition of vicious class legislation. It proposes to tax 70 per cent of the people for the benefit of 30 per cent of the people.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. ASWELL. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from New York is recognized for five minutes more.

Mr. SOMERS of New York. It violates all the traditions of the Democratic Party, and it imposes a terrific burden upon the people themselves. It will increase the cost of living at home, and through the doubling of surpluses it will decrease the cost of living abroad. Every inhabitant of every city in the United States, in addition to his present high rents and the present high cost of living, will find himself further taxed by the passage of this act. In these days, when prosperity is rapidly disappearing and the army of unemployed is constantly increasing, I deem it very unwise to attempt to draw more taxation from those who can hardly afford to meet the taxes already imposed.

I am interested in the farmer. I want to see him given the proper opportunities. He is evidently in a hole. It is our duty to rescue him. The gentleman from Georgia [Mr. CRISP] in the early stages of this debate suggested that we would aid the farmer by passing Muscle Shoals legislation. That seemed to me to be a good plan. It seems to be the logical thing to do. It is throwing a rope by which the farmer may pull himself out of the hole. That is much better than attempting to dig away the dirt around the circumference of the hole, as we are doing with this legislation, in order that the farmer may walk out. You want to remember it is difficult for the farmer to walk out. He is so shackeled by tariff laws and immigration laws and prohibition laws and transportation laws that it is all he can do to hobble along on the level. And it might be a good idea for this Congress to try to relieve him of some of these shackles so that he may take his place upon the road of prosperity with head high, shoulders straight, and free. [Applause.]

Mr. ASWELL. Mr. Chairman, how much time has the gentleman used?

Mr. SOMERS of New York. I yield back any time I have not used.

The CHAIRMAN. The gentleman yields three minutes.

Mr. ASWELL. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. STEVENSON]. [Applause.]

Mr. STEVENSON. Mr. Chairman and gentlemen, I happen to be one of the class they are trying to relieve. The only industry I have, outside of being a politician, is being a farmer, and I am concerned about the effect of this legislation as at present constituted upon the class of farmers to which I belong, to wit, the cotton farmers.

It was stated the other day that this would not affect the cotton farmers unless the other provisions failed; in other words, that the equalization fee, which we apprehend will be a burden upon the cotton farmer, is only to act as a pinch hitter, and which was very properly characterized by the gentleman from Louisiana as something that would pinch the farmer and hit him at the same time, and that is what it will do to the cotton farmer, I am afraid.

The argument is advanced that they will first try out the question of the cooperatives handling the cotton, and if they can not do it, then a marketing period will be decreed. I want to call your attention, first, to a report of the committee as to what they say is a surplus, which is a misstatement. On the fifth page of the report of the committee they say:

> The term "surplus" in this connection is more definitely stated to mean "a seasonal or year's total surplus produced in the United States and either local or national in extent."

Well, now, let us see what the bill says:

> That is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for the commodity.

Now, when you come to cotton, what are the domestic requirements for the commodity? Take the experience of the last five years and you will find that the requirements range about seven and a half million bales as far as the domestic requirements of the commodity known as cotton are concerned. How much was the production? If you will look at the report of the Census Bureau, which is available to everybody, you will see that the production of 1926 was 17,755,000 bales; of 1925, 16,123,000 bales; of 1924, 13,639,000 bales; of 1923, 10,171,000 bales; and of 1922, 9,729,000 bales. Therefore there has not been a year in the last five years in which the production in America was not largely in excess of the domestic requirements.

What does this bill require this board to do as soon as they find that situation? The bill provides that they shall make an investigation and shall declare a marketing period whenever the yield or year's total surplus, produced in the United States and national in extent, is in excess of the requirements for the orderly marketing of any agricultural commodities or in excess of the domestic requirements for the commodity. It is provided that they shall declare a marketing period and make provision for a marketing period, and prior to the commencement of that marketing period with respect to that agricultural commodity, and thereafter from time to time during such marketing period, the board shall estimate the probable losses, costs, and charges to be paid under marketing agreements with respect to such commodities and under such nonpremium insurance agreements in respect of such commodity as hereinafter provided, and impose an equalization fee upon that commodity for the purpose of taking care of that estimate.

But they say they must try out this other proposition first. They must try out the cooperative proposition and let the cooperatives solve the proposition; but the law is mandatory, if written as it is here, that whenever it is discovered that there is an excess produced in this country over domestic requirements that they shall take steps to have it sold in this way; but they say that when it appears—

> that the operation of the provisions of section 5 (relating to loans to cooperative associations or corporations created and controlled by one or more cooperative associations) will not be effective to control such surplus because of the inability or unwillingness of the cooperative associations engaged in handling the commodity, or corporations created and controlled by one or more such cooperative associations, to control such surplus with the assistance of such loans—

They shall declare a marketing period.

Now, I want you to note the fact that this bill has been pushed and pushed in the cotton States on the ground that the cooperatives want to force every farmer in the cotton States into cooperative associations. I want to call your attention to the fact that we have been experimenting for seven years with cooperative associations in the cotton business. I have no criticism to make of them, but they have been so unfortunately managed that of the 25 per cent of cotton men in my county who went into the cooperative association five or six years ago there is not 5 per cent in now. The proposition is to fix it so that when the cooperatives come up and say they are unwilling or unable—they do not compel them to show they are unable—but if they say they are unwilling to undertake to handle this unless an equalization fee is placed upon it, then the board must do that and make every farmer who raises a bale of cotton contribute his part of the expense of this thing—in other words, force every farmer in the cotton States to become a member of a cotton cooperative association and bear a part of the burden he has tried to bear heretofore but found unsatisfactory.

The proposition is to force him into this thing, make him come in and bear the losses that may occur from the operations of this board here in Washington, with which he has had nothing to do.

The committee says in its report:

> AIDS COOPERATIVES TO HANDLE SURPLUS
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> To attract and to increase or even hold their membership, cooperative associations must be in position to secure for the producers they represent an effective bargaining power that influences the prices at which their commodities sell. They can not secure fair purchasing power for the farmers unless they can manage crop surpluses in the interest of orderly marketing. If they attempt this, the costs, losses, and risks of carrying over and of selling exportable surpluses of certain crops at competitive prices outside the United States must be borne by the members of the cooperatives, while the better prices are shared equally by the outsiders who, on the other hand, escape the inconveniences of deferred settlement and perhaps actual losses. This is destructive to the morale of cooperative enterprises.
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> * * * * * * *

Through the operation of the equalization fee, which requires every unit of a commodity to bear its share of the cost of its stabilization and protection, the effect of this plan is to provide 100 per cent cooperation of all producers in financing transactions necessary to the control and disposition of crop surpluses. It takes 100 per cent cooperation to deal effectively with the surplus, and it is impossible to get such complete cooperation otherwise than through Government action. Honest, able, and sincere men with extraordinary ability have attempted it and have failed.

So the proposition for the cotton people is to say to them, "You can go and join your cooperatives, or, if you do not, we will make you come in and bear your part of the expense whether you get any of the benefits or not." Now, what do they propose to do? They propose to impose a fee upon the farmers of the cotton States for the purpose of enabling the cooperatives and the agencies created by them to market the cotton as they see fit.

Now, let us see about that. They declare their findings and they direct the contracting of agreements with these agencies which are created to buy and hold the cotton. They have divided them into two classes. The fellow who belongs to the cooperative, they take his cotton and hold it, and he does not pay the equalization fee until the cotton is sold; but what about the men—and there are plenty of them in the cotton States—who do not wear anybody's collar and who decline to be forced into a cooperative association where they have not found things satisfactory before. What about him? He will say, "No; I want to act independently and sell my own cotton." He goes and sells it on the market, and they take the equalization fee right then and put it into the treasury of this concern. That is exactly what they do.

The man who can be bulldozed into signing with the cooperatives is going to have his cotton carried until it has gone either up or down, and does not have to pay the fee until the adventure has been successful or has been so unsuccessful that they sell him out, and they advance him part of the value of the cotton, and they advance it out of the appropriation made by Congress, which comes from all of us, and out of the equalization fee paid by those of us who sell our cotton independently, as we have been able to do in the past. We have not made fortunes out of it, but we are yet able to attend to our own business.

Now, how are you going to maintain the price? If this is going to equalize everybody, you must bear in mind that here is one party who puts his cotton into the cooperative and lets it stay there until the price raises—if it ever does—and here is another man who sells it and has to take the market price to-day. He sells it to the same crowd and pays in his equalization fee to help them hold it, and hold it for a profit which goes into this fund which they propose to build up and live off of.

Mr. QUIN. Does not the gentleman think that is an inducement for the gentlemen to come in?

Mr. STEVENSON. It is not only an inducement; it is a club. It is the biggest kind of club to force him into the cooperative; and for myself, I do not ever propose to say to my farmers that I voted for something to drive them into a corporation that they have heretofore found to be detrimental to their interests and that they have rejected and refused to sign up with any more.

This is the whole proposition, and my friend the gentleman from Mississippi [Mr. QUIN] will not go down and admit to his farmers that he did that either; or if he does, they will find another fellow to represent them up here in Congress.

Mr. QUIN. But we give them $400,000,000 to help all of them raise their prices.

Mr. STEVENSON. Well, we will see about that in a minute.

Now, here is the proposition. You are going to equalize everybody, and before they declare a marketing period they have got to ascertain whether there is probably an excess of production over domestic consumption. They have got to determine that before they start.

The cotton season opens the 1st of August. They start to work and they know beforehand there is going to be more cotton produced in this country than we will consume, because the history of the country has shown we have exported at least 55 per cent of all the bales that are made all over this country for all time almost. Therefore they do not have to have any long siege in determining whether they will declare a marketing period, because, so far as cotton is concerned, it is foreordained that they will have to do it by the very terms of this bill.

Well, they declare that period and cotton begins to move. The farmer says, "How much are you going to raise the price of cotton?" and they say, "You are going to put up $10 a bale," and the farmer says, "Well, you will certainly raise the price that much."

Now, how are you going to do it? How much cotton goes on the market during the months of September, October, and November, and do you know how much money it will take? You talk about $400,000,000. That is not all for cotton, is it? No; it will take $10,000,000 a day right straight along, day in and day out, for the months of September, October, November, and December, to handle the cotton that goes on the market, and if they are going to charge everybody an equalization fee then they are under obligation to raise the price for everybody, and they have got to buy up this cotton, because there is nobody who is going to buy above the world price except this crowd that is taking this money out of your pockets. They have got to buy it up, or else let these farmers who wanted to be independent or who were not in position to join the cooperatives have their cotton sold at whatever it will bring on the world market, and I say the result is that this crowd has got to put up at least $10,000,000 a day for 120 to 130 days during that period, and it is going to take a good deal more than the $400,000,000 before you get through with it when you divide it with the wheat fellows, the corn fellows, the hog fellows, the cow fellows, and all the balance of them.

You are not going to have the money to do this unless you take it out of the farmer who is selling his cotton upon the market, and what will be the result? There will be the devil to pay by the time you get through with it, I will tell you that right now, because they are not going to stand for it, and I do not blame them.

I have belonged to cooperatives, and, as I have said, I have no stones to throw at them. They had a difficult problem, but I will tell you now you can not force the American farmer, as I know him, into belonging to a cooperative if he does not want to any more than you can force him to belong to the Catholic Church or to the Ku-Klux Klan. [Laughter and applause.]

Our American people believe in choosing their associations, and they will do it as they please.

Now, what will happen? How much cotton is made in the world?

You talk about raising the price of cotton in this country. You have to raise it above the farm level; you ought to raise it above the world level or there is nothing in it.

Now, how much cotton have we raised during the last five years? Let us see. In 1922 there were 17,000,000 bales made in the world, 8,000,000 of which were made abroad. In 1923 there were 19,000,000 bales made, 9,000,000 made elsewhere than in the United States. In 1924 there were 23,000,000 bales made, 10,000,000 of which were made outside of the United States. In 1925 there were 26,000,000 made, 10,000,000 of which were made outside of the United States. In 1926 there were 27,000,000 bales made, and 10,000,000 bales made outside of the United States.

Now, are you going to put up the price in the United States 4 cents above what it is in the world market, and what will you have? Why, there is 10,000,000 bales waiting elsewhere and millions held that was taken out of this country that will come back the minute you put the price higher than the world price abroad.

Mr. BURTNESS. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BURTNESS. I am very much interested in the gentleman's speech, but I have misunderstood the theory of the cotton people who have been sponsoring the bill before the committee. They expect to stabilize the market of cotton in this country, and because so much was produced in the United States in the case of cotton where they could actually raise the world price.

Mr. STEVENSON. I do not yield any further. I get the gentleman's point. The gentlemen who have been advocating this before your committee, who have been preaching it from the housetops, are the cooperative people who want to force the people into the cooperative associations. They do not know and do not care what is made elsewhere, but when you have 10,000,000 bales made elsewhere do not you know that when you put the price higher than the world market do not you know that you can not dominate the world price? Do not you know that on any product that consumes only 35 per cent and has to export 65 per cent you can not dominate the world price. Liverpool is the center of the cotton market of the world. The equalization fee would raise the price for everyone else and take it out of the pockets of the farmers of this country.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. STEVENSON. I was promised more time if I had not got through.

Mr. KETCHAM. I have a few minutes of my own time which I will yield to the gentleman if he will arrange to have it transferred to me later.

Mr. STEVENSON. I will do that.

Mr. KETCHAM. I will yield the gentleman seven minutes.

Mr. STEVENSON. Oh, they say when we talk about raising the world price that is all folderol. What have they done about the equalization fee on cotton brought in from the outside? Well, they knew it would flow in here, that they could not keep it out when they began to keep the price up. Anybody knows that, and so they put an equalization fee on here, and when a man ships in cotton from the outside he may have to pay $10 equalization fee and you may raise the price in this country $10 a bale. But the minute it goes up to that the foreign cotton comes right in and fills the hole. There is no other explanation. It is all folly to talk about raising the price of cotton in the world with 10,000,000 bales made elsewhere. That is 40 per cent of all the cotton made in the world outside United States.

Now, let us look at it a minute. I go down and sell my cotton or my colored man does. And let me tell you something about selling cotton. I tried the cooperatives. My croppers said that we prefer to sell it on the market, and do you know what my colored men did? I am not saying it disrespectfully, but they beat the cooperatives 3 cents a pound for three years in succession in selling cotton, and when the colored people on my farm can do that I said "you go to it boys, I am not in the cooperatives any more," and I told the cooperatives so.

Mr. SCHAFER. The gentleman had better cotton.

Mr. STEVENSON. No; I did not—the cotton went to the gin side by side. The cropper and I got alternate bales. My colored men sold their cotton for 3 cents a pound higher on the average than it brought by putting it into the cooperatives. There is the proposition. If you will take the equalization fee out of the bill I am willing and will support it enthusiastically. Take the equalization fee out of the cotton business and I will support it. There is much can be accomplished by it, but I will not vote to coercing farmers into the cooperative and tax him to make him rich. It will not work with cotton.

Take wheat for instance, with a billion bushels raised. You could raise your price on account of the tariff probably 40 cents a bushel. Forty cents a bushel on 800,000,000 bushels would mean $320,000,000. You would pay an equalization fee which would amount to $80,000,000, and you would be "in" $240,000,000. That is all right, but let us take cotton. We spun 8,000,000 bales of the 1926 crop and sold 10,000,000 bales. Suppose you raise your price $20 a bale. We would make $160,000,000 on the bales that we sold here. We would take it out of the manufacturers or whoever got it. We would lose $20 a bale on 10,000,000 bales, which would be $200,000,000. You would put on an equalization fee sufficient to make it up, and we would be "out" $200,000,000 on what we sent abroad, and we would be "in" $160,000,000 on that we sold at home, so that on the whole proposition we would be "out" $40,000,000, and in addition $60,000,000 thereto on your flour that we would have to buy from you wheat men.

What is the equalization fee for? It is to pay the losses on the exported products. I now wish to quote a distinguished authority on this proposition, Mr. CHARLES ADKINS, of Illinois. I quote the following from the RECORD of January 6, 1928:

> Mr. BLANTON. Neither the last McNary-Haugen bill nor any other McNary-Haugen bill has ever provided that the profit that may be made from marketing the surplus through this board shall be distributed back to the farmers or the producers who raise the commodity.
>
> Mr. ADKINS. You just forget it, if you think there will ever be any profit from "ditching" this surplus on the foreign market, where the prices are lower than on our domestic market. This is why it is necessary to provide some means for taking care of the loss, and the only way you can do it is through an equalization fee.

If that is not good authority in this church, I do not know to whom to appeal, unless it is to Bishop HAUGEN. And he has never denied that statement. [Applause.]

Mr. PURNELL. Mr. Chairman, I yield myself 20 minutes. When the farm relief bill was before the House at the last session of Congress I prefaced my remarks with the statement that our Committee on Agriculture had just concluded the consideration of the greatest problem any committee of any Congress since the beginning of the Government has undertaken to solve. I can with equal propriety make the same statement to-day. Although the problem is still acute and agricultural conditions little improved, I think we can report progress in the matter of proposed legislation. The bill under consideration is the culmination of a long period of evolution, and, in my judgment, represents an economically sound and workable plan, which if enacted into law will result in placing our greatest American business—agriculture—upon an equality with industry and labor and thus establish and maintain a well-balanced permanent prosperity throughout the country that will not only insure the happiness of all our people, but will be the means of preserving our free institutions as well. I shall not discuss the general subject of agricultural degression. It has been discussed at length by the members of our committee at each session of Congress during the last four years as we have presented farm-relief measures for the consideration of this House. It is a condition which is universally accepted. The President, in various messages and speeches, has declared that there is a farm problem. In his veto message of last year he said—

> That there is a real and vital agricultural problem is keenly appreciated by all informed men. The evidence is all too convincing that agriculture has not been receiving its fair share of the national income since the war. Farmers and business men directly dependent upon agriculture have suffered and in many cases still suffer from conditions beyond their control. They are entitled to and will have every consideration at the hands of the Government.

I shall only refer to a few witnesses who have offered conclusive evidence of the fact that a farm problem exists. I refer to the United States Chamber of Commerce and the National Industrial Conference Board, who, after a joint consideration of the subject, published a summary of their conclusions, in which, among other things, they said:

> The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to post-war conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

I also refer to the fact that the Association of Land Grant Colleges and Universities of the United States, on November 17, 1927, adopted a report prepared by a special committee of the association, in which, among other things, it said:

> Incomes from farming since 1920 have not been sufficient to pay a fair return on the current value of capital used and a fair wage for the farmers' labor, or to permit farm people to maintain a standard of living comparable with other groups of like ability. Agriculture has received a much smaller share of the national income during this period than during the period prior to the World War; and in spite of the continued decline in the proportion of the population engaged in agricultural pursuits and the marked increases in efficiency in agricultural production, farmers in general have not been receiving as adequate rewards for their labor and their managerial efforts and for the use of their capital as have been received in most other industries. Farm returns for the country as a whole showed some improvement each year from the very unsatisfactory year of 1921 through the year 1925, but they declined again in 1926. The indications now (October, 1927) are that the agricultural income in 1927 may be slightly higher than in 1926. The continued low returns have resulted in a shrinkage in the value of farm property and a marked acceleration of the movement of population from farms to cities.

I also recall that there appeared before our committee spokesmen for practically every farm organization in the United States who stated without reservation that there still exists a farm problem.

I think we are all agreed that the one great problem is our agricultural surplus and how to deal with it. Whenever there is a surplus, that surplus fixes the price for the whole commodity, inasmuch as it is necessary for the producers of that surplus to sell it in foreign markets. It naturally follows that the price obtained by the American producer is the foreign price and that the foreign price determines the home market price.

The bill which we passed at the last session of Congress failed to meet Executive approval. Those who have been charged with the responsibility of drafting the present bill have had in mind the objections which were expressed by the President and have made an honest effort to eliminate the points which met with Executive disapproval. I shall confine my remarks very largely to a discussion of the changes in the bill and the manner in which our committee has attempted to meet these objections.

The bill declares it to be the policy of the Congress to promote the orderly marketing of agricultural commodities; to provide for the control and disposition of surplus; to preserve advantageous domestic markets; to prevent undue and excessive fluctuations in the markets; to minimize speculation and waste in marketing; and to further the organization of producers of such commodities into cooperative associations. Certainly, these objects are most laudable, and if carried out in any

measurable degree will tend toward a general uplift of our great basic industry.

This bill, as previous bills, creates a Federal farm board, but places no limitations or restrictions upon the President's power to appoint the board members other than to provide that one shall be appointed from each of the 12 Federal land-bank districts and that they shall be confirmed by the Senate. The former bill provided that nominations should be made by farm organizations to the President, whose power to appoint was limited to the list of such nominees. The President objected, and I think very properly, to this limitation on the authority of the Chief Executive.

The present bill applies to all agricultural commodities, whereas the former bill applied only to wheat, cotton, corn, tobacco, rice, and swine. This meets the objection which the President urged to this section, and the bill is no longer open to criticism upon the ground of discrimination against any product or any section.

A new section has been added to the bill providing for cooperative clearing houses and terminal market associations to stabilize the movement in commerce of agricultural commodities, which not only strengthens the bill but further meets the President's criticism on the ground that it applied to only a few commodities.

The former bill provided for State conventions to express the sentiment of producers as to the commencement and termination of operations with any commodities. The elimination of this provision from the bill removes another point of objection made by the President.

The present bill provides that if the board is of the opinion that there are two or more cooperative associations or corporations created and controlled by one or more cooperative associations capable of carrying out any marketing agreement, the board in entering into the agreement shall not unreasonably discriminate against any such association or corporation in favor of any other such association or corporation. It further provides that if the board is of the opinion that there is no such cooperative association or corporation created and controlled by one or more cooperative associations capable of carrying out any marketing agreement for purchase, withholding, and disposing, then the board may enter into an agreement with other agencies, but shall not unreasonably discriminate between such other agencies. The latter provision has been inserted to meet the objection of the President. In his veto message he charged that it would be possible to have "unreasonable discrimination" in making marketing agreements with agencies other than cooperatives.

The former bill authorized the issuance of a serial receipt to cotton producers, and not to other producers upon whose marketed products the equalization fee was collected. The President objected to this provision as constituting a discrimination in favor of one crop and against another. That special provision for cotton is omitted from the present bill.

A new section has been added to this bill which provides specifically that the United States shall not be liable directly or indirectly upon agreements under the act in respect of agricultural commodities in excess of the amounts available in the stabilization, premium insurance, and revolving funds. The former bill had no such limitation, and the President in his message called attention to the fact that there might be a further liability upon the part of the Federal Government.

The insurance provisions in the present bill are so amended and clarified as to meet the objections urged by the President. It was suggested by the President in his veto message that the insurance proposal in the other bill amounted to a Covernment agreement to pay the cooperative associations any loss which they might incur in withholding commodities from the market, no matter how high the prices might go in the meantime.

The present bill provides for the collection of a fee upon the importation of the commodity during a marketing period in respect of it and for the collection of an equivalent fee upon the importation of any food product manufactured in whole or in part from such commodity. The President suggested in his veto message that while the provision for collecting an equalization fee on processing would require millers, for example, to purchase their wheat at a price level that would include both tariff and equalization fee, nevertheless the flour manufactured therefrom would have to be sold in competition with manufactured flour that had paid the tariff but was manufactured from wheat that had paid no equalization fee. This, it was pointed out, would subject the millers to disadvantage in competition with flour imports. It was for the purpose of obviating this condition that the collection of a fee on importations under certain circumstances is authorized.

Thus have all the objections urged by the President been substantially met save the equalization fee, and it is set out in the bill specifically as an alternative remedy.

In other words, the board is not authorized to resort to the plan of operating through marketing agreements and equalization fees until the provisions for surplus control through loans to cooperative associations have proven ineffective. The board must find that there is a surplus, that loans to cooperatives are ineffective in controlling it, and that the commodity is adapted to the use of marketing agreements. These are all findings of fact to be made by the board itself before entering into marketing agreements with cooperative associations or corporations created and controlled by them.

When the board enters into any marketing agreement it makes the revolving fund responsible, through the stabilization fund for the commodities, for any losses which may be incurred under the agreement. Since the marketing agreements are to be resorted to only when the board finds them necessary to secure the regulation of interstate and foreign commerce intended by this measure, this contribution which each unit is required to make is known as the equalization fee and is provided as a necessary incident to the regulation of such commerce. The board is directed to establish a stabilization fund for each commodity dealt with through the marketing agreements, the money in such fund to be in the first instance advanced by the board out of the revolving fund.

The equalization fee is collected upon any commodity and deposited in the stabilization fund to make good any payments required under the marketing agreements, so that the advances from the revolving fund may be repaid as equalization fees are received. It is provided that these advancements shall be returned to the revolving fund, together with 4 per cent interest.

Those who are opposed to surplus-control legislation have singled out the equalization fee as the most vital point of objection. It remains the only point of objection in the bill. Much of the opposition to the equalization-fee provisions comes not from the farmers themselves but from those who apparently oppose any farm-relief legislation. Whatever fee may be collected will be paid by the farmers themselves, and strange as it may seem, little, if any, reflected in the prices to be paid by the consumer. It is the first time I have ever known of any group appearing before Congress asking for relief and offering to pay the cost of that relief out of their own pockets rather than out of the Federal Treasury.

It is argued that it is unconstitutional. That question would of necessity have to be determined by the Supreme Court. No man can now say it is or is not constitutional. Able and conscientious lawyers differ on this question, as they have differed on all major pieces of legislation heretofore passed. It is said that such a plan as is proposed by the equalization fee is without precedent. The principle is as old as government itself. In its practical effect there is little, if any, difference between the principle involved in the equalization fee and those employed in local improvements under paving, drainage, or irrigation projects. The recapture clause in the transportation act of 1920 applied the equalization-fee principle to the railroads. In the Federal reserve act, as well as the transportation act, Congress employed the principle of requiring contributions to be made under certain circumstances in the interest of the contributors. Under the provisions of the Federal reserve act every national bank is required to be a member of the Federal reserve bank of the district in which it is located and is required to subscribe to the capital stock of its Federal reserve bank in a sum equal to 6 per cent of its paid-in capital stock and surplus. The national bank that fails or refuses to join the Federal reserve system forfeits its charter.

The equalization fee provision has been placed in this bill at the request of the farmers themselves. I regard it as an expression not only of their desire to pay their own way but as evidence of their unwillingness to ask for or accept a subsidy from their Government.

Opponents of the equalization-fee plan contend that it is not only unworkable but in violation of the Constitution. This bill has been very carefully drawn so as to provide two distinct and entirely separable remedies. It is provided that the board shall first try to bring about the desired relief through loans to cooperative associations at a low rate of interest. This plan has frequently been suggested by the Secretary of Agriculture and many others who do not approve the equalization-fee plan. The alternative plan, in case of failure of the first remedy to accomplish the purposes of this act, is the making of marketing agreements by the board which shall provide that the cost and losses on transactions authorized under the agreements shall be paid by the commodity whose producers receive the direct benefits. The bill is so drawn that if any court in any proceeding

should restrain the board from entering into marketing agreements financed by the equalization fee or if the Supreme Court of the United States should hold such provisions to be in conflict with the Constitution, the bill would still present a workable whole and the board could proceed under the first plan without interruption.

In conclusion, I should like to suggest that if this bill becomes a law it will be one or two years at least before the board can become thoroughly organized and conversant with its duties to such an extent as to successfully put in operation and try out the first plan set out in this bill for bringing about agricultural relief. In my judgment, another two years would elapse before the board could definitely determine that loans through cooperative associations, as provided in section 5 of this bill, had failed to accomplish the purposes of this measure. I wish to further suggest that if this bill becomes a law the board appointed under its provisions will be composed of men who will bend every effort toward making the first plan provided by this bill effective in order that they may not be called upon to put in operation the alternative plan. If, as its opponents contend, this bill is unconstitutional, ample opportunity will be given to determine that fact before it could work any hardship upon either producer or consumer or do any violence to any of the rights guaranteed to all our people under the Constitution. [Applause.]

I wish to suggest further just one thought which is prompted by a speech on the floor this afternoon. Who would appoint this board? The President of the United States, without any limitation whatever. If this bill were to be signed within the next 10 days or 2 weeks, our own President Coolidge, for whom I have the highest regard and whose sympathy with agriculture I do not question, would appoint this Federal farm board. I repeat, it would take a year and maybe two years before that board appointed by him without restriction could orient itself and find out its duties and begin intelligently to handle this question, and I undertake to say that after they had organized and had gotten started and had tried to stabilize agriculture under section 5 of the bill it would take another two years before they would find out that the thing would not work, if it did not work. We have been told time and time again by the Secretary of Agriculture, and we have been told by gentlemen on the floor of this House who sympathize with other bills similar to that in character, that through these loaning provisions to cooperative associations we may stabilize and strengthen agriculture. Follow my thought, if I have not muddied the water too much to express it intelligently: The two years having elapsed, and another two years in which to perhaps find out the thing is not workable, it is not unreasonable to assume that within that time the constitutionality of this alternative plan which I still designate as a "pinch hitter" can be determined.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. PURNELL. I am very sorry, but I promised more time than I have. I yielded back for this addition the time I have not occupied of the last five minutes.

The CHAIRMAN. The gentleman yields back three minutes.

Mr. PURNELL. Mr. Chairman, I yield nine minutes to the gentleman from North Dakota [Mr. HALL].

Mr. HALL of North Dakota. Mr. Chairman, the subject of legislation in behalf of agriculture has been before the country for many years and particularly has it been one of the major subjects during the past seven years. Hundreds of speeches have been made in this Chamber on the subject of doing something which would more nearly place the farming classes upon an equality with the industries and labor. Paper enough has been used in the publication of speeches and articles on the subject to cover every foot of farm land on the continent and we have not yet received that for which we have so long sought. The Agricultural Committees of the Senate and House have favorably reported the bill now under consideration with the recommendation that the bill be passed, and the Senate has passed it in most of its essential parts.

I am convinced that finance, industry, and labor recognize that agriculture is in a bad way. The banking business has been caused to shift its operations since the deflation in land values and produce prices. Many banks have been forced to close. Industry is beginning to feel the reaction, and labor has recognized the peril for many years.

The farmer is convinced that with a little help in the way of laws and extension of credits that agriculture can work out a solution to the problem. He sees the railroads protected and encouraged at an enormous Government outlay. He sees industry protected by tariff rates and trade rules and practices, but not much for him. He finds labor protected from competition by the high wall of the immigration act. The farmer is not greatly opposed to this, but he is sure that he has been slighted and almost entirely forgotten in the great scheme of things.

The railways complain of high taxes and tell us that for every tick of your watch the railroads pay $11 in taxes. That may be true, and if it is, then for every tick of your watch the farmers of America are paying $26 in taxes.

It is time that industry and labor should be awake. The farm buildings of America have an estimated value of $12,000,000,000. The life of a farm building is about 50 years, so there is an annual market for about $300,000,000 a year worth of lumber, hardware, building materials, and labor. There is almost $3,000,000,000 invested in farm machinery, which has to be renewed every 10 years, or at the rate of $200,000,000 a year. Industry and labor should study the situation.

This McNary-Haugen bill endeavors to set up a Federal farm board of 12 men to be appointed by the President; one man from each of the Federal land bank districts, with the Secretary of Agriculture an ex officio member.

The general purposes of the measure are:

First, to preserve advantageous domestic markets for the commodity.

Second, to prevent surpluses from unduly depressing the price obtained for the commodity and from causing undue and excessive fluctuation in its market.

Third, to minimize speculation and waste in marketing the commodity.

Fourth, to further the organization of agricultural producers into cooperative marketing associations.

You are all quite familiar with the general provisions of the bill.

Mr. Chairman, I want to direct my remarks to the minority report against the bill as submitted on the 11th day of April by Congressman JOHN C. KETCHAM, of Michigan, and Congressman MARVIN JONES of Texas, members of the House Committee on Agriculture, which deals with the question of agricultural surplus control in two parts: First, an outline of the reasons for their dissent from the majority approval of the Haugen bill, and, secondly, a brief of arguments in favor of the export debenture plan.

This minority report in its opening statements clashes with the facts when it says:

> H. R. 12687 with its equalization fee feature can not apparently receive the approval of the Chief Executive, whereas the export debenture plan has no such handicap.

No one in Washington really believes that the President would sign the export debenture bill. The proponents of the debenture plan in this minority report admit that it would take approximately $146,000,000 annually from the United States Treasury by reducing customs income. That is, the adoption of the debenture plan would keep out of the Treasury $146,000,000 annually, based on a normal crop production. Other estimates show a greater loss to the Treasury. How would such an annual cut in income square with the administration's program for tax reduction?

The most important objections in the President's message accompanying his veto of the McNary-Haugen bill last year also apply against the debenture plan. The debenture plan would apply only to those crops of which we produce an exportable surplus. This was one of the chief objections of the President against the McNary-Haugen bill of the last session. The debenture plan would have the effect of furnishing American farm supplies to foreign consumers at prices lower than those obtaining in the domestic market, to which the President strenuously objected. The debenture plan offers an indirect subsidy to agriculture, which the President has repeatedly condemned and which the farmers do not want.

In his message to Congress on December 6, 1927, President Coolidge said:

> The most effective means of dealing with surplus crops is to reduce the surplus acreage * * *. It can not be sound for all of the people to hire some of the people to produce a crop which neither the producer nor the rest of the people want.

In the same message he pointed out that a "Government subsidy would be bound to result in disaster."

In outlining their "reasons for dissatisfaction with H. R. 12687," the Haugen bill, Congressmen KETCHAM and JONES list first its alleged unconstitutionality. I am not a lawyer, but it seems to me that if there is any one thing certain about legislation of the character either of the debenture plan or of the Haugen bill, it is that the constitutional question is certain to be raised in a court action. You may depend upon it that the debenture plan, if it should be enacted, would be attacked in court just as quickly as would the Haugen bill. American cotton manufacturers, for example, who would be compelled to buy

their raw material on a higher basis than that at which their foreign competitors secure their supply, would be certain to enjoin the plan.

The general constitutional questions involved in either plan can not be settled here. Their supporters in Congress believe in the constitutionality of their respective proposals. The final decision will rest with the Supreme Court of the United States.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. HALL of North Dakota. Yes.

Mr. BURTNESS. I notice in the Haugen bill, section 18, provision is made that if any section of the law should be declared unconstitutional, that would not apply to other provisions of the law?

Mr. HALL of North Dakota. That is true.

Mr. BURTNESS. So the situation, therefore, is this, that even if the equalization fee is declared unconstitutional the rest of the law would remain in effect.

Mr. HALL of North Dakota. That is correct.

Mr. BURTNESS. And if the Attorney General and the President were correct when the veto was made that the equalization fee is unconstitutional, then even if this bill is signed, when a decision of the court to the effect that the equalization fee is unconstitutional is made, that would not in any way affect any of the rest of the bill, and a great many of the most ardent opponents of this bill and of the equalization fee have stated on the floor of the House that the bill without the equalization fee would work and be applicable. Am I correct?

Mr. HALL of North Dakota. Certainly.

Mr. BURTNESS. Does the gentleman see any reason for not supporting the bill upon the part of anyone who believes the equalization fee is unconstitutional if he likewise believes that the bill otherwise would work?

Mr. HALL of North Dakota. Not so; not at all.

Aside from the quotation from the opinion of the Attorney General, which is completely answered in the brief on the legal phases of the Haugen bill, contained in the majority report, pages 36 to 46, inclusive, this minority report quotes some unnamed authority—the quotation is from the speech of Senator WALSH of Montana—as asserting—

> that the public funds can not be taken out of the Public Treasury, funds contributed by all the taxpayers, and turned over to a private individual or association of private business.

This particular constitutional objection would apply against the revolving fund authorized to be appropriated in the Ketcham bill just as certainly as it would apply against the Haugen bill. There is absolutely no difference, therefore, there is no point to this objection in the minority report.

The minority views consider in some detail the provision in the Haugen bill which require the board to find that the loan provisions have been ineffective in controlling the surplus before it can enter into marketing agreements with reference to any crop, to be financed from the equalization fee. The minority report assumes that loans will be ineffective in controlling the surplus, therefore, it proceeds to the conclusion that, "Government purchase and exportation of the surplus" is the direct purpose of the Haugen bill.

As a matter of fact there is no Government purchasing or exportation provided in the Haugen bill. The Government board, under the present bill, has two main functions—to administer special loans to cooperatives, and to make marketing agreements with them for handling surpluses. Both functions are intended to assist in developing strong business agencies representing and controlled by farmers.

Under the present bill there is no Government corporation to buy or sell. The extent of Government participation is to collect the common fund from the producers of a commodity through equalization fees and to make it available to meet the costs and losses of surplus control contracts.

Cooperative associations or corporations created by them, or other existing agencies where there are no cooperatives, would do the buying, storing, and selling involved. The Government agency proposed by this bill would, of course, be a new factor in business, but then the farmer says, the Government is already "in business" in almost innumerable ways, so why draw the line when he is to be the beneficiary?

Another reason for dissent outlined in the minority report, already referred to, is that the Haugen bill faces a certainty of presidential veto. It is no more certain that the President would veto the Haugen bill in its revised form than that he would veto the debenture bill.

Certainly the probability of the veto can not be raised as an objection exclusively to the Haugen bill, in view of the President's many statements which would seem to disapprove directly of the principles of the debenture plan.

It is also objected that years of delay would follow the enactment of the Haugen bill before its provisions could be made effective. On this point it should be observed that no problem is settled permanently until it is settled right. Certainly any far-reaching legislation would have to undergo a period of test as to its constitutionality—the debenture plan just the same as the Haugen bill. But that is not the real heart of the matter. The question for Congress to determine is, What is the proper and effective method of meeting the agricultural problem? The only enduring form of relief is that which permits agriculture to pay its own way. No subsidy, direct or indirect, open or disguised, will be long tolerated by the American people—and that is one of the fundamental objections to the debenture plan.

It is objected further that the equalization fee adds another tax to the farmers who are already overburdened with taxation. Certainly this objection is poorly founded and far-fetched. The collection of the equalization fee is indirect. If the net result of operations under the Haugen bill is to increase and stabilize farm prices, as both the friends and opponents in their arguments have conceded, there is no ground to charge that the farmer's taxes are increased thereby.

The equalization fee in this bill will have the effect of discouraging increased production.

The cost of disposing the surplus is assessed back against the grower through the equalization fee. If the growers increase their acreage—and their surplus—because of better prices, the equalization fee will also increase in size and thus discourage production. It will serve as a deterrent to increased surpluses.

The argument that—

> the proponents have singled out the farmer and imposed upon him an equalization fee in order that he may get what is said to be the other end of the tariff while the manufacturer gets his protection without any fee at all—

is specious and unsound. If manufacturers produce a surplus, its disposition requires that the costs and charges involved in handling it, and the loss if it is sold abroad at less than the domestic tariff-protected price, shall be absorbed by the industry that has produced the surplus. That is precisely what the bill proposes for agricultural surplus crops. Economically the course of the manufacturing industry with a surplus, and that of agricultural producers under the proposed bill, would be identical. The cases are on all fours, except that the farmers, who because of their numbers lack the power to act cohesively, and who because of their lack of control over the forces of production, can not control the volume of the aggregate output, would be given by the Haugen bill the necessary supplemental power to do what industry in practice now does for itself.

In listing the advantages of the export-debenture plan the minority report first explains that the provisions for a farm board and a revolving fund for loans to cooperative associations are included in both bills.

The argument on the debenture plan itself is largely an explanation of how the plan is expected to operate. There is no occasion for discussing this explanation in detail, but some of the disadvantages of the debenture plan may be briefly mentioned.

From the standpoint of the Corn Belt the debenture plan set forth in this bill has practically nothing to offer. The livestock debenture rates are so small that the advantage would probably be absorbed by the packers and exporters. Corn is not primarily an export crops. The foreign market for our corn is limited, and the domestic price is not controlled definitely by the price for an exportable surplus. The problem with corn, as with cotton, is to provide a sound and workable method for controlling the marketing of the surplus in the interest of producers, not of stimulating the domestic price by forcing an increased exportation by means of a premium or bounty.

As far as cotton is concerned, a 2-cent export premium would undoubtedly work to bring about substantially a 2-cent difference between domestic and world prices. That is, compared with the present relationship between foreign and domestic price for raw cotton, this act in effect would tend to raise the cost of cotton to domestic buyers 2 cents per pound over the cost of cotton to foreign buyers. This does not mean, however, that the 2-cent premium on cotton exports would result in an absolute raise of 2 cents per pound in the domestic market for raw cotton. American cotton exports amount to approximately two-thirds of the world's international trade in cotton. If exports were stimulated by the 2-cent bounty, it is a question whether the result would be to raise domestic prices 2 cents per pound or to lower the world price 2 cents per pound. Probably in operation the 2 cents per pound premium on cotton would depress the world price some and raise the domestic price

some. The measure of difference between them would be 2 cents per pound compared with the present relationship between world and domestic prices.

The debenture bill authorizing issuance of export debentures at half the rate of the existing duties on swine and pork, cattle and beef, corn, rice, and wheat and flour. In addition it authorizes the issuance of debentures on cotton at the rate of 2 cents per pound and on tobacco at 10 per cent ad valorem.

In addition to these listed commodities, the bill authorizes the board to designate any other agricultural commodities as "debenturable" whenever certain findings are made, the debenture in each case being limited to the amount of the tariff.

It is impossible to estimate the total value of the export debentures which would be issued under this plan because no one can foretell what additional commodities might be made debenturable by action of the board. Also, it is impossible to predict what the increase in the volume of our exports would be under the stimulus of export to bounties of debentures. Certainly the total diversion from the Treasury on account of export debentures would be no less than the $146,000,000 estimated by the members of the committee who submitted the minority report.

If the debenture plan had been applied to the wheat surpluses during the years 1924 to 1927, the gain in price at 21 cents per bushel would have amounted to $705,268,280; and the cost of the operations to the Government would have been $142,488,630, or a gain of $526,783,640. Under the equalization-fee plan the net gain would have been $906,949,742, or an advantage to the wheat farmer of $398,166,092 over the debenture plan. If the debenture plan had been in operation during those four years on corn, the advance in corn prices would have totaled $802,866,000. The cost to the Government would have been $4,999,500, or a net gain of $797,875,500, whereas by the equalization fee in operation the advance in values would have reached $1,690,046,033, or a gain of $892,170,533, a difference in favor of the equalization-fee plan as against the debenture plan of $94,295,033. Therefore, I feel that the equalization-fee plan is much to be preferred. [Applause.]

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. PURNELL. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

The CHAIRMAN. The gentleman from Minnesota is recognized for 15 minutes.

Mr. ANDRESEN. Mr. Chairman and gentlemen of the committee, there is no man on the Committee on Agriculture more qualified to speak about the contents of the bill than my colleague from Indiana [Mr. PURNELL]. I hope that the Members will read his explanation of the bill in the RECORD, because he has been the man selected by the committee to give the details and explain the workings of the bill.

The main controversy involved in the bill is the controversy concerning the equalization fee. Our good friend from New Jersey [Mr. FORT] and other opponents have agreed that the bill is workable without the fee, and they will vote for the bill if we only agree to accept this modification. They approve the bill up to and including section 8.

Mr. FORT. The gentleman also agrees that it is a workable bill?

Mr. ANDRESEN. Yes. But it is necessary to have the equalization fee in the event the loan provision proves ineffective. The provision is sound and should be a part of the law. The loan provision to cooperatives, together with the equalization, will encourage cooperation and will assist the farmers in building up their own business marketing organization. The equalization fee is the pinch hitter to be used in case of real emergency.

The Committee on Agriculture of the House has worked diligently for months in an effort to bring before Congress a bill which should be enacted into law and a piece of legislation that will be of real benefit to agriculture. It is without doubt the best farm relief bill offered by the committee since farm legislation became the important question before Congress.

Agriculture, the basic industry of this country, is entitled to a square deal, and that is all that the proponents are asking in the bill under consideration.

I have just read with a great deal of interest an editorial from the New York World commenting on farm legislation, as follows:

> If Congress could draft a plan of farm relief which the East believed would bring all the benefit the sponsors of the McNary-Haugen plan claim for their measure it is a safe wager that eastern industrialists would urge its adoption. The plain truth of the matter is that the western Congressmen have failed to convince the business leaders, even of their own section, that they have found a remedy for the ills of agriculture.

The position taken by this paper evidently expresses the view of certain business interests and professional speculators throughout the country—particularly in the East. If the farmers of the United States would be compelled to first submit a plan of farm relief legislation to these business interests no legislation of real benefit would ever be enacted.

The agricultural sections of this country are never consulted by the business groups when it comes to matters of legislation affecting industry or banking, and it would therefore seem logical that the farmers and their representatives should play the important rôle in the shaping of farm legislation.

A survey of the agricultural States discloses the fact that the majority of business men in agricultural sections favor the enactment of the McNary-Haugen bill as it is now before the House. Retailers, wholesalers, bankers, and other professional men throughout the Middle West have generally gone on record for the enactment of this bill. They realize that their success and prosperity are largely dependent upon farming, and consequently they have now joined hands with the farmers to bring about the enactment of beneficial farm legislation.

The present bill has been approved by the majority of farm organizations of the country and we believe that these organizations, through their representatives, speak for the American farmer. Many farmers have appeared before the committee in approval of the bill.

The proponents of farm legislation are of the opinion that the McNary-Haugen bill now under consideration meets the majority of the objections of the presidential veto of last year. The only controversial point in question is the equalization fee. The objection to the fee is met with the provision that the board shall not put it into operation until such time as the loaning and cooperative features have proved ineffective to handle the marketing of the surplus.

Mr. WINTER. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. Yes.

Mr. WINTER. Before the gentleman leaves the equalization-fee matter, which he has just mentioned, I want to say that the inquiries of the gentleman from North Dakota [Mr. BURTNESS] were very pertinent in that regard. It is clear to me that those Members who are convinced and clear in their own minds that the equalization fee is unconstitutional are perfectly justified in opposing the bill on that ground, and equally and obviously so those who are clear in their minds and convinced that the bill is constitutional will be fully justified in voting for it. But probably there are Members of the House who are doubtful on that point. Those Members who are doubtful on the ground of the constitutionality of the equalization fee are certainly justified in taking the same position that the Supreme Court will take when it decides that section, and that is that if it not clear that it is unconstitutional they will sustain it and hold it to be constitutional.

Mr. ANDRESEN. The gentleman is correct, and any doubt as to the constitutionality of the fee by Members should be resolved in favor of the bill.

The bill not only has the approval of the American farmer but it also meets the requirements and fulfills the pledges of the Republican and Democratic Parties, as set forth in the 1924 platforms of both parties. Since both parties have agreed to aid agriculture, the question of farm relief can not be considered as a political issue, and it is now up to both sides of the House to support this measure in order to carry out the pledges and promises to the greatest industry in this country. The ultimate welfare of nearly 30,000,000 people hangs in the balance pending a satisfactory solution of this great economic question, and it is therefore high time that Congress takes some definite action in the solution of this great question, in order to avoid the repetition of the last four years.

If the leaders in Congress and Government would have shown the same constructive interest in the question of farm-relief legislation as they have in the matter of flood control and other legislation, a satisfactory solution would have been reached long ago. There has been no spirit of get together on their part, and they have yet to make the offer to sit down and across the table work out a common problem.

Many bitter critics of farm relief, both in and out of Congress, deal in generalities, denouncing the bill before us, but these same critics have nothing to offer as a suggestion toward the solution of the farm problem. They admit, however, that we have a real problem to solve, and since they have offered nothing, they should at least be willing to try out the solution offered by the farmers themselves.

The general policy of the bill is to promote orderly marketing of all agricultural commodities. It is not a price-fixing meas-

ure, and it only seeks to give the farmer or producer the benefit of existing tariff schedudes on his products.

I might say in regard to the tariff, to which reference was made a few moments ago, particularly as to the recent tariff bill, the Fordney-McCumber Act, it has been claimed that this measure is of no benefit to agriculture. If it were not for that tariff act you would see millions of bushels of wheat shipped in from Canada, and other agricultural commodities shipped in from other countries, to come in competition with our own production. The agricultural schedules of our tariff bill do at least this, that they prevent the importation of these commodities to any great extent.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield there?

Mr. ANDRESEN. Yes.

Mr. KINCHELOE. Is it not a fact that for a time last year wheat was higher in price in Winnipeg, Canada, than it was in Minneapolis?

Mr. ANDRESEN. Yes. I realize that that was the fact, but the reason why it was higher in Canada than in Minneapolis was largely due to the cooperative pool that is operating up in Canada, where the pool controls the greater portion of Canadian wheat.

Mr. KINCHELOE. The gentleman believes that that was what affected the price?

Mr. ANDRESEN. Partly. That shows what can be done under this bill. Under section 5 the cooperatives could form a corporation and create a pool of American wheat just as they do in Canada, and the equalization fee will automatically bring all domestic wheat under control of the pool.

Mr. MORTON D. HULL. May I ask the gentleman if that is the law in Canada?

Mr. ANDRESEN. I presume there is a law in Canada permitting the pool.

Mr. MORTON D. HULL. Can they not do the same thing here now?

Mr. ANDRESEN. Yes; they could do the same thing, but at present there is no governmental supervision over it, and they can not function as a farm organization should unless the Government is back of them. If the Government assumes the supervision of the work, it will be more effective and the producers will have confidence in cooperation.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield there?

Mr. ANDRESEN. Yes.

Mr. BURTNESS. Is not this also largely due to two other factors, one of them being a reduction of freight rates in Canada from the farm to the terminal, and the other a very large wheat crop in the so-called spring-wheat area of the United States, with the result that we in the United States were under the necessity of importing wheat—more of the protein wheat—than the millers of the country needed?

Mr. ANDRESEN. Yes.

Mr. KINCHELOE. And therefore, if the gentleman will yield, this provision for the exclusion of the protein wheat should be stricken out?

Mr. ANDRESEN. I think not. I know we can produce all the wheat we need in this country without competition from any foreign country.

I might also say in connection with the statement of the gentleman from North Dakota [Mr. BURTNESS] that a large number of speculators have gone up into the Canadian market and speculated and probably forced the price up to a large extent.

The manufacturer who can control his production enjoys the benefit of a high protective tariff. Labor has its restricted immigration which brings about a higher wage level. The railroads and other public service corporations, as well as financial interests, are the beneficiaries of legislation backed up by favorable court interpretations, so that they are all generally recognized through operation of law as being entitled to a profit and fair return upon their investment. This is all the farmer is asking in the present legislation, and he is willing to finance his own operation as provided in the bill.

When the last tariff law was enacted it was intended to be particularly favorable to agricultural products. Unfortunately, on account of large surpluses of certain products, the farmers have received only a small benefit, and they have been compelled on account of the surpluses to compete in a world market. This world market fixes not only the price of the surplus but also regulates the price of the large portion of the crop sold in domestic consumption.

The farmers have been continually encouraged by the Government to raise a surplus, and therefore this legislation seeks to bring about the readjustment so that the American producer will have his proper place in our economic life. It attempts to give him an American price for the portion of his crop sold and consumed in this country.

Congress can not legislate prosperity for any inefficient producer, laborer, or business man; but Congress can and should encourage honest and efficient effort on the part of our citizens as long as we proceed under the theory of the protection of American institutions.

Statistics disclose that there are nearly 6,000,000 farms in the United States having a population of nearly 30,000,000 people, and consequently the farmer becomes an important factor in our economic life. His producing or purchasing power is the determining factor in the welfare and prosperity of the entire country.

The farmers are the only annual producers of new wealth. Billions of dollars' worth of new wealth is annually taken from old Mother Earth by the toil and effort of the farmers. Their purchasing power is greater than any other single group. They need equipment and machinery in their business, and they are entitled to have and enjoy the luxuries and comforts of an American standard of living.

Thousands of cities and villages in this country and their inhabitants are to a large extent dependent upon the purchasing power of the farmers. If agriculture prospers, these people prosper.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. PURNELL. Mr. Chairman, I yield to the gentleman three minutes more.

The CHAIRMAN. The gentleman from Minnesota is recognized for three minutes more.

Mr. ANDRESEN. The agricultural problem is not a local or class question. It is a nation-wide problem, and it is a pleasure to note that the entire country has at last come to the realization that something must be done for agriculture.

Secretary Jardine recently stated in an article in the Washington Star:

> Farm relief is not a war cry. It is a national need. Not for nothing has that need been widely studied and discussed during the last few years—so studied and discussed that it is everywhere awakening city people to an interest in what used to be thought only a farmer's problem. City people are beginning to understand that the farm problem is also their problem, to realize that efficient and prosperous agriculture is fundamental to general national prosperity. It is well that it is so.
>
> For understanding and sympathetic interest of city people are necessary to secure legislation helpful to agriculture.
>
> No one understands better than the farmer that national legislation is no panacea for all ills, yet there is real opportunity for helpfulness by the enactment of carefully studied programs both by the National Congress and by the legislatures of the separate States.

I agree with the Secretary and believe that he should fall in line and give sympathetic support to the bill before us. The McNary-Haugen bill has taken in all of the principles advocated by the Secretary, and it has gone a step further to provide for an equalization fee to be paid by the farmers, in the event the other provisions prove ineffective.

The President, who has indicated a sympathetic interest toward agriculture, should approve the bill for the following reasons:

First. The majority of his objections to the bill passed in the Sixty-ninth Congress have been met.

Second. The equalization fee, to which he objected, does not go into effect until the loaning and cooperative features have proved ineffective.

Third. It fulfills the pledge of the Republican Party.

Fourth. The President selects the members of the Federal farm board, who are responsible for the administration of the act, and I assume that he would appoint qualified men as members of the board—men who would be sympathetic to agriculture and who would administer the law in a businesslike way. He should sign the bill, so that a fair trial may be given to the only piece of legislation which has the approval of the majority of the farmers of this country.

In conclusion, I want to say that I represent an agricultural district. I have just received a telegram from Mr. George W. Freeman, secretary of the Goodhue County Farm Bureau, in which he says:

> ZUMBROTA, MINN., *April 30, 1928.*
>
> Hon. A. H. ANDRESEN,
> *Congressman:*
>
> Goodhue County Farm Bureau passed resolution favoring McNary-Haugen bill.
>
> GEO. W. FREEMAN, *Secretary.*

I would also like to inform the membership of the House that every county in my district, which is an agricultural district, has gone on record, in convention assembled, in favor of the

McNary-Haugen bill; that the State Republican convention recently held in my State adopted a resolution unanimously favoring the McNary-Haugen bill with the equalization fee—I said unanimously; probably I should have stated that there was 1 county delegation in my State out of the 86 counties which did not support this bill; otherwise I think you will find the State of Minnesota to be unanimous on the proposition of the McNary-Haugen bill. [Applause.]

RECESS

Mr. PURNELL. Mr. Chairman, under the previous order of the House, I move that the committee do now take a recess until 8 o'clock p. m.

The motion was agreed to; accordingly (at 5 o'clock and 11 minutes p. m.) the committee stood in recess until 8 o'clock p. m.

EVENING SESSION

At 8 o'clock p. m. the Committee of the Whole House on the state of the Union resumed its session.

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. ROBINSON].

Mr. ROBINSON of Iowa. Mr. Chairman and colleagues, everyone agrees that one of our greatest national problems is the successful handling of our agricultural surpluses.

The bill we are now considering, which is H. R. 12687, by my distinguished colleague from Iowa, Mr. HAUGEN, under Senate title S. 3555 will help solve this problem.

If economic conditions arise under which a large and most important section of the people are in distress and unable, as individuals, to correct the trouble it clearly becomes the duty of the Government to provide the needed machinery to enable the individuals to act together in a collective way to overcome the harmful condition. Governments are organized to do for the governed what they, acting individually, can not do for themselves.

The absolute necessity of a change in the agricultural situation seems to be admitted by all—any difference of opinion is regarding the methods to be adopted. This problem might well be called everybody's problem, for it is that very thing. There is no business or profession in the Nation that is not vitally affected by the failure or the success of agriculture.

It has been all too easy to feel and think that the severe depression in Agriculture is entirely a farmer's problem, and to permit him to bear the burden of it, and to work out his own salvation or to perish in the attempt and go down and cut and let others take his place. If this were true, it would be all wrong; but it is not true, for already there is something knocking at the door that shelters and protects business, industry, labor, and profession, and calling in a voice that grows more insistent the longer it is ignored. This problem is also your problem. The injustice that has been done agriculture is now reacting upon you. It will continue in ever-increasing amount until this wrong is righted. For your own best interest act now and help correct this wrongful situation.

Mr. CLARKE. Will the gentleman permit a question?

Mr. ROBINSON of Iowa. With pleasure.

Mr. CLARKE. Does not the gentleman think his suggestion, which I regard as the highly important germ of his argument, is this—act now.

Mr. ROBINSON of Iowa. From my genial friend from New York I would expect that to be a strong point.

Mr. CLARKE. Then what can the distinguished and extremely capable Representative from Iowa expect with a presidential veto staring him in the face while the gentleman is recommending to his constituents especially acting now?

Mr. ROBINSON of Iowa. Will my colleague permit me to say it does not stare me in the face; I see it one year in the rear. We have gone by it.

Agriculture, industry, labor, interdependent, are so closely associated together under our national policy of an American standard of living—of a protected home market for labor, for industry, and for agriculture, which shall be better and higher than exists anywhere else—that harm to one soon becomes harmful to all.

United, we stand a self-sustaining prosperous nation; divided, we fail to measure up to the possibilities that are ours—of bringing to everybody, to all our people in every line of activity, a degree of prosperity, happiness, and success that the world has not previously known; and I ask for agriculture only what I would gladly ask for labor or for industry were they in the same need, for failure of any one of these three would be disastrous to all. A homely illustration, but worthy of consideration: "Which leg of a three-legged stool is the most important?"

This problem of agriculture is not a local one—not a State problem, but is a governmental, a national problem. It can be, and it must be, solved.

The agriculture problem is in reality a group of problems, involving among others:

First, greater efficiency.

Second, control of overproduction.

Third, orderly marketing.

Fourth, removal of surplus from competition in the home market.

All for the purpose of securing a fair price for our products. We have in the past given much attention to the production side of agriculture and have succeeded to a remarkable degree. The business side, the marketing side, is the one that now needs improvement.

The McNary-Haugen bill, if enacted into law, will solve some of these problems. Even doubters must admit that it is an attempt in the right direction and is well worthy of a sincere, thorough trial. Of this we can all be sure: That the problem will not be solved without national legislation and that control of surplus, which is absolutely necessary to success, can be brought about in no other way than by national authority.

This bill might well be called a marketing bill, for it deals primarily with the disposal of farm products. It is called the surplus control act because it provides therefor.

What is the purpose of the bill? It is to give agriculture the opportunity to do just what other lines of business and industry do, and rightly do; that is, to have control of the surplus supply of their product and thus to have a protected, higher home market for the amount of their product used at home and the power to dispose of their surplus products on the world's markets without reducing the home market. The purpose of this legislation is also to stabilize the prices of farm products by removing the surplus from competition in the domestic or home market. We are now producing and for many years have produced a larger amount of food and other agricultural products than we need or can profitably use at home. There are nations that need these surplus farm products; there are world markets on which they can be sold, but their prices are fixed by lower standards of living than ours, by lower production costs, by cheaper labor, by economies we are not willing to exercise, and in most instances by cheaper land. Their ability to pay is less than ours. We can not meet this competition and maintain our American standard of living. We can not sell our entire farm production at a price based on this world price, and why should we do so? The exportable price of any commodity should not necessarily determine the home price.

There is no greater reason for the farmer selling his products on the American market at the lower world price than for the manufacturer to sell his goods in America at the low world price. American labor—American manufacture; both entitled to the American home-protected price for their products. Is American agriculture any less so? And it should be said to the high credit of American labor that the Federation of Labor agrees with this and has indorsed and approved this legislation.

Does anyone question the statement that the world market price does, with certain minor limitations, control the home market price of agricultural products in which an uncontrolled surplus exists, with the result that the producer in America receives a price based on the cheaper production standards of the world, though his cost of production is much higher? The governor of the Federal reserve bank in Philadelphia in an address recently said:

> When one realizes the vast exports this country makes to Europe every year and takes into consideration the fact that the export price of cotton, grain, and other surplus crops practically fixes the price on the whole crop—

And so forth.

Just what we have been claiming. Just what we say is wrong, unfair, and ruinous to American agriculture.

Do we permit the price of manufactured commodities in England to fix the price we pay our factories in this country? We do not, and we should not. But we do ask them to cable us each day the price they will pay for our wheat, for flour, for cotton, for meat products, and our price here at home is largely based on the price they name.

Do we permit the price of manufactured articles in efficient, hard-working Germany to fix the price we pay our manufacturers in this country? We do not, and we should not. But we do ask them to wire us each day the price they will pay for our lard, our hog products, and other farm products; and our market here at home, for what is consumed at home, is largely based on their price less transportation charges.

Why should the wage of labor abroad affect or control the wage of our home labor? It should not. If labor is underpaid, as it is in most countries in the world, that is no reason why it should be underpaid in America. If manufactured articles are made and sold in other parts of the world for less than the cost

of production in America, that is no reason why our manufacturers should sell their products at a loss here at home. Does not the same reasoning apply to farm products and their producers?

We can afford, if necessary, to sell our surplus on the world market at a price the other nations can pay, provided we can have our own home domestic market, based on our home cost of production, and in fair proportion to the home price of other commodities. It is said, and the statistics show, that we consume from 85 to 90 per cent of our farm products, except cotton, at home. If we can receive for this amount, used at home, the protected home price, we can sell the balance or surplus of 10 to 15 per cent on the world markets and succeed; but if we permit the low world price received for our surplus to control and fix the home price and consequently we are compelled to sell our entire farm product at the low world price, we are placed at a disadvantage with industry. We find the purchasing power or value of our farm products reduced below par. We find our cost of production increased above par. We find that success is impossible and failure certain. There is no competitive business that can survive under similar conditions.

We hear much about the law of supply and demand and its application to our problems by those opposed to this bill. How can the law of supply and demand work or function when everybody knows there is a supply exceeding the demand? The law of supply and demand is a fine old law. We are all for it; but we are not for the law of oversupply and consequent underdemand.

Remove the exportable surplus from competition in the home market, and then the law of supply and demand can function; and it will determine the home price, and with orderly marketing, brought about by cooperation, this price will be approximately what it should be, for it will be in proportion to the price of other things; and that is all we ask.

How shall this problem of surplus be handled?

Shall we prevent a surplus of food products by reducing acreage and breeding? Or shall we provide a means for taking care of any reasonable surplus that may arise by removing it from competition in the home market, as provided in the Haugen bill?

Some say control production as does the manufacturer, limit the acreage to the amount that will produce the quantity desired, forgetting that even if this could be done, which I think is very doubtful, control of production goes far beyond this. Until man can control the elements, the things that an all-wise Providence now seems to have reserved to Himself—sunshine and rain, heat and cold, wind and storm, drought and flood, insects and pests, boll weevil and corn borer, and the other things that are beyond his power, he can not safely attempt to closely control the production of food by limitation of acreage. Nothing in a material way is so essential, so absolutely necessary, to an individual or to a nation as their food supply.

More nations have been conquered by hunger than by armed forces. Abundance of food supplies is necessary to national safety. The dread of hunger is born in the human race. We are constantly providing against it. America has never known hunger or famine, but other parts of the world have; and it is a fearful thing.

If there is to be any favored business or class it should be the food producers, for they are more necessary than any other. No argument is needed to prove that the food supply sustains a more vital relation to a nation than any other product. A nation's safety lies in a food surplus. From a consumer's viewpoint, nothing could be more dangerous than limiting production each year to that year's consumption. It would mean at times a shortage and an excessive price, neither of which should occur. Our national and our personal safety and comfort demand a reasonable surplus production of food. Are we then not under obligation to care for it and to prevent its becoming harmful and a loss to the producer?

In 1923 Iowa produced 436,000,000 bushels of corn, in 1924 Iowa produced 305,000,000 bushels of corn, in 1925 Iowa produced 492,000,000 bushels of corn, on practically the same number of acres—a difference of 187,000,000 bushels in one year.

The United States produced, in 1923, 3,000,000,000 bushels of corn; 1924, 2,300,000,000 bushels of corn; 1925, 2,900,000,000 bushels of corn—a difference of six and seven hundred million bushels, with no very great difference in the acreage.

Suppose we had reduced the acreage at the close of 1923, when we had the large crop, or increased the acreage at the close of 1924, when we had a short crop. What might not have happened?

Is it not much safer, much better, to control the surplus when it comes than to attempt to control it by limitation of acreage before we know there will be any surplus? An ordinary American-controlled surplus, as I see it, is not a thing to fear, not something that will harm us, but quite the opposite.

Such a surplus properly controlled and handled need not be harmful, but helpful. But a surplus uncontrolled is harmful. It demoralizes our markets and causes loss instead of profit. The Haugen bill proposes a workable plan of surplus control.

May I ask a question and also answer it? The question is: Is an exportable surplus in any commodity desirable?

If the answer is "yes," as I think it must be, may I then ask, Why should not agriculture produce its share of the surplus? I call your careful attention to these figures.

We imported into the United States from foreign countries during the year 1927 commodities that cost us $4,184,378,182; and in the year 1926 the amount was $4,431,000,000, the difference being caused by a lower price for rubber and coffee in 1927.

It is interesting to note that this included in 1927, 61,000,000 bunches of bananas, and yet we sing, "Yes; we have no bananas"; and that rubber and raw silk are our largest imports in both years. Our imports for a number of years have been about $4,000,000,000 each year. We are steadily increasing the quantity we import.

How shall we pay for these goods? If with money, in a few years we will be broke and bankrupt. We can not do that. We do pay for these imported goods by exports—of what? Of the surplus commodities we produce; that is what we are now doing. We would not send these commodities out of our country if they were needed here. The very fact that they are sent proves that they are surplus. Why should not agriculture share in the benefit received from producing this surplus?

Wealth, to a considerable extent, remains in the section of the country in which it is produced. Our oil fields, our mines, our great automobile and steel plants, our great factories and industries prove that where wealth is produced or created, there in that general section of our country much of it remains.

Agricultural communities should share in this prosperity, this production and accumulation of wealth, and at the same time help pay the Nation's import bill by furnishing their share of export products.

What reason can be given for reducing farm production to a place where there is no surplus? I know but one: The maintenance of the home market at its proper price level without the lowering influence of a surplus that must be sold on a low world market.

This is not a sufficient reason, and it disappears when we bring about surplus control as provided in the Haugen bill.

This is in accord with American tradition. From the beginning our national policy has been to encourage production—to encourage the growth and development of industry, of commerce, of agriculture. We must not now discourage the growth of agriculture and encourage only industry and commerce.

What objections are urged against this legislation?

First. That it will increase the price of farm products and consequently increase the cost of living.

This is an admission that the legislation will be effective—will work—and will bring to the farmer the price he is entitled to receive, and we agree with the objection up to this point.

The farmer produces the unfinished "raw product." Industry makes of it the finished product, and business delivers it to the consumer. It is the price of the finished product, delivered, that affects the cost of living. Experience of the past few years clearly shows that the price of the raw product may go up or down without greatly changing the price of the finished product, and often not changing it at all. The cost of the raw material, the farm product that enters into a package of oatmeal, corn meal, a loaf of bread, the wool or the cotton that enters into a garment, the price of the hide that enters into the shoe, are but a small part of the price of the finished product; and a fair increase of price to the farmer for his raw material need in increase the price of the finished product but a very small amount, if any. However, if it should be found that there is some slight increase, it is only correcting an existing inequality, a present unfairness, and should be done.

Eventually industry will have to pay its "board bill," whether it be higher or lower; why not now? It will be easier to pay as we go along.

Second. The objection is also urged that an increased price to the farmer will increase production to such an extent that his loss on the surplus will overcome the profit on the amount sold on the home market. Two safeguards are in the bill to prevent this:

A. The power given the farm board in section 6 to refuse loans in case of undue increase of acreage.

B. The equalization fee that says to every producer: "If you produce excessively you lose the benefit of this legislation."

Third. Unconstitutionality. What does this mean? By some it is defined about this way: "Unconstitutional—the legislation

we do not desire and do not approve of. Constitutional—the legislation that we want and believe in."

Let us not overemphasize this matter. That which at one time has been declared to be unconstitutional has at a later time, with slight modifications, been declared to be constitutional. We have great courts, good men and true, specialists in such matters, to determine them for us.

If legislation is desirable, if it will promote the welfare of the people, if it will accomplish good, if it is correcting a harmful condition and an inequality that should not exist, surely some constitutional method of procedure can be found.

Fourth. The charge is made that it is "price-fixing" legislation. No proof of this can be given. It is "price-influencing" legislation. It is intended to give the farmer the benefit of the protected home market. It does not fix prices. It attempts to enable the American farmer to receive an American price for his products. That is why I am so strongly for it.

The equalization fee seems to be chosen for the real point of attack. What is the equalization fee? It was well defined by Senator CARAWAY a few days ago, when he said:

> The equalization fee is the means of saying that everybody who is engaged in an industry shall bear his proper proportion of the cost of making that industry successful.

The equalization fee charges every producer his share of the cost of selling the surplus crops on the world market and in that way keeping the home market for the amount consumed at home at a home-market price.

It charges back to the producer of the particular crop directly benefited the cost of such benefit, the cost of marketing his surplus production. The more surplus the more expense to be charged; and right there you have one good, powerful reason why he will not intentionally largely overproduce—that is, the reason of self-interest. It is not a tax; it is an expense of marketing and can be done under Government supervision better and more safely than in any other way.

What is the equalization fee? Is it not cooperation in action? The history of cooperative marketing has been that it became cooperation of only a part of the producers. All producers received the benefit of the increased prices caused by the cooperation, but only a part paid the cost that was necessary to bring about the benefit. Naturally this part grew less and less, and sometimes it resulted in the burden increasing to such extent that the cooperation ceased. Under this proposed legislation the cooperation will include all who receive the benefit, as it should do. Some may call it compulsory or enforced cooperation, and I have no fault to find with the statement. We must have cooperation of all producers to make it successful.

Enforced cooperation runs all through our form of government. What are taxes except enforced cooperation, payment for the innumerable benefits brought us by our Government? Who pays taxes as a matter of choice? Is there such a thing as a welcome tax? We pay taxes not from choice but from necessity, recognizing that the benefit received in return therefor far exceeds the value of the payment made.

What is our State and National Government but enforced cooperation? Our Government, the greatest Government, the greatest blessing that has ever come to any nation, the marvel and the pride of the world—but it is enforced cooperation. If so large a benefit in government, why should it not, in a modified form, be of benefit in our marketing operations?

If the removing of the surplus from competition in the home market will so increase the price of the product sold in the home market that the producer can pay the expense of the transaction and have a good profit remaining, is it not a wise thing to do and good business? In what essential way does it differ from other marketing expense, such as transportation, storage, cost of selling, which we have long recognized as a part of business?

Stabilization of prices will be one of the large benefits of this legislation.

It has been pointed out during the debate on this bill that prices for farm products are now higher than a short time ago. In my section this is true of hogs and corn, the major part of both having previously been marketed by the producer. Corn has advanced to a fair price at a time when we have none to sell. Hogs are advancing to a fair price, where they should have been during the entire marketing season, but at a time when the larger part of the crop has already been marketed at a lower price. We are glad to see these increased prices. They will be of help to a few of our farmers, but what we need, what we should have in all fairness, is a right price when we have the product to sell.

The supply of hogs and hog products and of corn was well known prior to the advance. How does it benefit the producer, the farmer, in whose interest we are asking this legislation, to advance prices after his products have left his hands? Our trouble is low prices when the large part of the crop is being marketed. The very nature of the farmer's business requires that the larger part of his products become ready for market at certain fixed times. When a car of hogs or cattle are fat and ready for market, they can not be long delayed, except at a loss, be the price what it may. Seasonal price slumps of large amount should not be permitted. Orderly cooperative marketing under the direction and advice of the Federal farm board can be of large help here.

It is not a question only of a satisfactory price this year, but every year. We want prices stabilized on a fair basis.

Large crops and small crops, good crops and poor crops will continue in spite of all we can do, and surpluses will come. They should be cared for and controlled and made a blessing. It is almost unthinkable that a large crop should bring a smaller return to the producer than a small crop, yet this very thing has happened. When Providence and nature smile upon us and we have bountiful harvest, we should have a bountiful return for it; and some organization, large enough, strong enough, with knowledge enough, with money and credit enough, should be provided with power to care for and control this surplus crop until in the natural course of events our home country or the world needs it; and in the meantime it should not be permitted to spoil the home market. It should not be necessary to have a short crop, a partial crop failure, either at home or abroad, for us to receive a price for the product used at home that shall have a fair relation to cost of production and to the price of other commodities.

I am convinced that the enactment into law of the McNary-Haugen surplus control bill will do more to bring prosperity to agriculture than any other legislation now before Congress. I do not expect it to cure all our farm and business troubles. It will not at once restore prosperity, but it will start us on the right road. It will change the outlook. It will bring back the morale to many a discouraged landowner and farmer. It will place within his hands the power to make his future a success.

We are building in America a standard of life unknown elsewhere.

A wage standard.

A business standard.

An educational standard.

A standard of living, of comfort and happiness, of conduct and morals the highest and best in all the world.

Protection is the accepted policy of our Nation.

Agriculture.

Industry.

Labor—all worthy, all equal, all entitled to the same protection. It is our duty to see that they receive it. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman and colleagues, we have listened during the course of this debate to the statements repeatedly made that the farmers of the country are suffering from some vague and indefinite injustice, and that they are the victims of intentional discrimination. There is nothing to warrant these assumptions.

The farmer and the man in the factory are not only brothers under the skin but they are affected in the same way by the economic conditions which prevail in our country. If the farmer has a problem it is not his alone; it is a national problem; it is a problem for the entire people of the United States.

The farmer is a consumer just as much as the man who works in a factory, just as much as the man who works in the counting house; in fact, the circumstance that the farmer is a consumer is responsible for the conditions of which he complains.

This is an economic problem which confronts us and one which goes back, with many ramifications, for many years.

It is well to remember that complaints are coming mostly from the one-crop growers—the grain, cotton, and tobacco agriculturists. The general farmer who raises diversified crops has not complained. His condition is better than it ever has been before in our history. The one-crop farmer complains that he can not dispose of his surplus. Wheat, corn, cotton, tobacco, pork, and beef exported meet with the competition of foreign producers and the American producer must sell abroad at prices fixed by the foreign markets.

Now, let us be frank. Is that difficulty any different from that which confronts the American manufacturer? He also has to sell his surplus abroad at prices fixed by foreign markets; yet he is able to do so successfully; he looks upon the foreign sales as velvet and is doing all he can to enlarge such sales.

The American manufacturer produces his surplus with the intent to go into the foreign market and, protected as he is by

the high tariff, is able to get enough profit out of his domestic sales to more than counterbalance the reduced prices he gets for his exported commodities. He does this automatically.

THE FARMER'S PROBLEM

But with the farmer the case is different. Remember, he is a consumer also. He must buy not only clothing and hardware and his other innumerable needs from American manufacturers, protected by high tariffs, at artificially inflated prices, but when he comes to sell he must submit to prices fixed by the competition of the world.

A partial remedy is possible by having the farmer consent to the same policy that has been adopted by the manufacturers—that is, fight for a tariff on foreign agricultural productions which will enable him to command the home market.

But there is the rub. He is not content with the home market alone. He knows the financial advantage of the surplus to the manufacturers and he wants his share.

Now, how do the sponsors of this bill propose to meet the problem?

THE POLICY OF THE M'NARY-HAUGEN BILL

In order to comprehend their point of view let us look at the first paragraph of the bill, which purports to enunciate their policy. It constitutes a most amazing aggregation of economic absurdities which might very well furnish the theme for a Gilbert and Sullivan opera. All of the principles of political economy which experience and scholarship have come universally to recognize, all of the policies of this Nation which have been laboriously worked out and crystallized into law for the protection of the consumer against monopoly are airily discarded, and in their place it is proposed to set up a paternalistic socialistic system of elaborate machinery, not for the benefit of all, at which socialistic programs usually aim, but for the benefit of a chosen specially favored class.

Let us run through this astounding confession of vicious purposes as revealed in this "declaration of policy."

First. To prevent suppression of commerce with foreign nations in agricultural commodities.

This, of course, is merely a demagogic rhetorical intimation that somebody has been trying to suppress our commerce with foreign nations in agricultural commodities—a thing that no man or group has either the will or the power to effect. It is mere buncombe.

Second. To prevent unjust discrimination against such foreign commerce.

More buncombe! No one discriminates against our foreign commerce except in ways they have a perfect right to follow and in precisely the same manner that they discriminate against the commerce of other nations.

Third. To provide for the control and disposition of surpluses of such "agricultural" commodities.

The answer to this absurd and arrogant assumption of paternalistic power is: Why should the Government assume control of agricultural surpluses in preference to surpluses in all other dustries?

If the suggestion were made, for instance, that the Government should purchase and attempt to control the surplus in shoes, clothing, tools, hardware, and automobiles we would all agree that such a proposal was virtually sovietism in its worst form. And yet this bill proposes to purchase the surpluses of food commodities—grains, meats, and dairy products in all their ramified forms and processes.

Fourth. To preserve advantageous domestic markets for such "agricultural" products. Advantageous to whom? The consumers? No! Advantageous to the producers. In other words, mulct the consumers generally!

Fifth. To prevent such surpluses from unduly depressing the prices obtained for such "agricultural" commodities.

In other words, defy the law of supply and demand and keep up prices artificially!

Sixth. To further the organization of producers of such "agricultural" commodities into cooperative associations.

In other words, have the Government help in the organization of monopolies to fix prices and restrict trade in defiance of its past history as exemplified in the Sherman Antitrust Acts and other statutes in which we have always deemed it wise to prohibit monopolistic control of prices.

Those six propositions might well be engraved in the six angles of the soviet star.

INCONSISTENCY OF THE NAME

Then, again, its official name—the name by which it is to be dubbed, if it ever becomes a law, is a contradiction and an absurdity. Under section 21 of the bill we read:

> This act may be cited as the "surplus control act."

And yet on page 34, under the general powers of the board, we find, among other things, that they may advise—

> through their organizations or otherwise in the development of suitable programs of planting or breeding, so that burdensome crop surpluses may be avoided or minimized, in order that they may secure such benefits.

Well, if the production of surpluses should be "avoided or minimized" why go to all the pains of erecting this complicated machinery in order to dispose of surpluses?

Again, on page 36 of the bill we find this among the powers of the commodity advisory councils, they are to have the power—we are told—

> to cooperate with the board in advising the producers through their organizations or otherwise in the development of suitable programs of planting or breeding so that burdensome crop surpluses may be avoided or minimized, in order to secure the maximum benefits under this act.

Again we note that surpluses are to be "avoided and minimized." Why, then, may I ask, do they create a revolving fund of $400,000,000 to buy and juggle with surpluses?

As we have seen, one of the basic principles of the bill is to prevent surpluses from unduly depressing the prices obtained for such agricultural commodities. In other words they want to defy the law of supply and demand. It is fundamental that if there are more goods on the market than there is a demand for, the price is going to come down. What do they propose to do? Build up a machinery to invert the laws of nature, the laws of political economy. In other words, have the Government help in the organization of monopolies to fix prices and restrict trade in defiance of the whole antitrust history of this country. If this is to be a surplus control act, why not strike out all the rest of the bill? If the supporters of this bill are honest in their belief that crop surpluses are to be avoided or minimized, why not confine the legislation to that one object?

That, however, would never do. They really do not want to avoid or minimize surpluses. They know that is going to be a hard task. What they want is to turn the surpluses into a profit and to get Uncle Sam to take the responsibility of marketing the surpluses for them.

THE REAL ENEMY OF THE FARMER IS THE TARIFF

The farmer in the United States for many years has practically fed the world. In 1901 the exports of farm products of the United States were 65 per cent of our total exports. In 1913, under the discriminatory provisions of the Payne-Aldrich Act, our exports of agricultural products had dropped to only 43 per cent of our total exports. In 1913 we put into effect the Underwood-Simmons Tariff Act and immediately our foreign export trade began to increase, so that in 1919 our exports of agricultural products had increased to 50 per cent of the total exports. Before the passage of the Fordney Tariff Act the excess of our exports over imports ran over $2,000,000,000 a year. In 1926 this excess of exports over imports; in other words, the balance of trade, had dropped to $287,444,000.

PENALTY FOR OUR POLICY OF ISOLATION

This is the penalty for our isolation as a Nation. If we erect a barrier around our boundaries, so as to practically constitute an embargo to the entrance of the products of other nations, we must expect to suffer from it.

Mr. CLARKE. Will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman.

Mr. CLARKE. Does not the whole question, with its ramifications, go back to Alexander Hamilton as to the policy of the Government in protecting its own citizens in what it produces as against foreign markets?

Mr. GRIFFIN. That is what I am saying——

Mr. CLARKE. Then come, brother, let us go on together. [Laughter.]

Mr. GRIFFIN. But it is a mistaken policy, one that has brought about the economic troubles of the farmer. In other words, we have so inflated the prices of everything in this country to-day that it is impossible for the farmer to sell his wheat or his grain; it is impossible for the shipbuilder to build ships; it is impossible almost to enter any field in competition with our rivals abroad.

TRADING BY FORCED DRAFT

Of course, it is true that we do trade; but we trade, as it were, under forced draft. We have established a Bureau of Foreign and Domestic Commerce. In 1920 the appropriation for that bureau was only $1,085,460, and in the current bill for this year it is over $4,546,857.

THE FARMER'S SURPLUS

What are the attachés doing? They are trying to help the manufacturers sell their goods abroad. Are they doing any-

thing for the farmer? They may be, but they never succeed, because they have run up against an economic impasse. The farmer buys in a protected market, and he has to sell, except in the home market, in competition with the world. Thus arises the surplus problem, which this bill attempts to solve.

What does the manufacturer do? If he has a surplus, that surplus is "velvet." He sends it abroad, and, although he gets a lower price than he exacts from the American people, nevertheless, he has a safe margin of profit. It is well known that American typewriters, sewing machines, hardware—all have two prices—one price for the American consumer, who is fool enough to put the instrumentality of the tariff in the hands of the manufacturer, and the other, the export price, at which he sells in the foreign countries. He can manufacture the surplus without additional expense, because it is produced with the same overhead costs, and thus the surplus that goes abroad to be sold is practically all profit.

THE FARMER OUGHT TO FIGHT THE TARIFF BARONS AND NOT THE CONSUMERS

The farmer can control the home market by resorting to the same expedient as the manufacturers—namely, by tariffs. If he is persuaded that the tariff is the best thing for his trouble he ought to go the whole way and fight for more and higher tariffs.

But the trouble is that he is not persuaded of the economic soundness of the tariff. He knows the full extent of its inequalities—for he is a consumer as well as a producer—and he knows that the tariff makes the consumers its victims. The farmer, therefore, being one of the greatest sufferers from the high protective system, is not anxious to avail himself of its economic handicap and thus put an additional burden on his back; but on the other hand he has been voting with the Republican Party for years and he knows its only excuse for existence is to maintain a high tariff wall for the benefit of the manufacturers—its chief campaign contributors—so he is in a dilemma and wants to find a way out. He does not want to repudiate his party, although he knows its tariff policies have brought him to the verge of ruin; so under the goading of half-baked economists he has been induced to accept this ingenious piece of folly of farm boards and equalization fees as his salvation.

SECTION 9 PUTS THE GOVERNMENT IN BUSINESS

I am surprised to see many gentlemen support this bill who have bitterly denounced putting the Government in business, and yet here they are standing behind a socialistic proposition which mandatorily compels the Government of the United States to assume the burden of taking the surplus off the producers' hands and selling it abroad.

The most amazing part of this bill is section 9, the so-called marketing provision. This is nothing more nor less than putting the Government in business, enabling an irresponsible and perhaps biased or interested group of men to corner the food products of the country, withhold them from the market, and thus artificially raise the prices of the fundamental foods of the consumers—wheat, corn, rice, beef, and pork—and, unless the bill is amended eliminating fruits and vegetables they, too, will be put under their domination and control. Such a conception of the functions of government is diabolical and subversive of all of the traditions of a free people. This unlimited power, vested in this board and its subsidiary commodity councils, carries with it the germ of revolution and if ever exercised will surely lead to food riots and general disorder.

The burden of the attacks directed against this bill seems to have been concentrated against section 10, providing for the so-called equalization fee, and section 11, providing for the so-called stabilization funds. They are certainly bad enough but are not comparable in any sense to the iniquity of section 9, which puts in the hands of a group of men the power to buy up food commodities in the name of the Government, withhold them from sale until a scarcity has been artificially created, and then exact exorbitant prices from the unfortunate consumers. Such a policy is little short of sovietism. A revolving fund is created, taken out of the United States Treasury, and out of the taxpayers' pockets, of course, to enable the Government to corner the foodstuffs of the people.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. QUIN]. [Applause.]

The CHAIRMAN. The gentleman from Mississippi is recognized.

Mr. QUIN. Mr. Chairman, I would like to know if my good friend from Iowa [Mr. HAUGEN], the chairman of the Committee on Agriculture, can yield me some time?

Mr. HAUGEN. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for 15 minutes.

Mr. QUIN. Mr. Chairman and gentlemen, I thank you for this little opportunity to speak a word in behalf of the farmers of the United States. It seems in my conception that somebody should stand up and say a word for him to-night. This afternoon I sat in amazement and heard a distinguished gentleman who I thought was a friend of the farmer speaking before this House and this audience and telling you that this bill would oppress the farmer, and especially the cotton farmer, the chief type of farmer that we have in the section of country from which I come.

I heard a gentleman from New York City to-night tell you what a socialistic bill this is. Is it possible that these gentlemen, through these years of agricultural depression, through these long, weary months that the people of the United States have been anxiously waiting for Congress to act in behalf of the agriculturists of this Republic—is it possible that the vision of these distinguished gentlemen is so short and so beclouded that they forget the real issue before this Congress?

The gentleman from Indiana [Mr. PURNELL], a member of this committee, expressed my sentiments exactly when he said this is the most important measure before the American Congress. [Applause.] Yet, while men should be standing with their loins girded and their armor on to fight the battles of the farmer, some Members get on this floor and endeavor to defeat this legislation. All this trickery and legerdemain that has been brought forward is fooling no one except themselves.

Do you know that the special-privilege interests of this country are able to obstruct legislation through committee work? Yet, alone and unaided, the people who are earning their living through the sweat of their faces, the men in the workshops, in the factories, on the railroads, in the stores, and in the fields of this country, the people who toil by day and by night in order to keep the wheels of commerce going and to keep the flag floating over this Capitol seem to receive scant consideration at this hour. [Applause.]

There never has been a time since I took the oath of office before the Speaker's stand yonder to support the Constitution of this Republic and obey its laws as a Member of this House when I have not come forward with my voice and my vote for the men and the women who toil in factories, in the field, and everywhere else. [Applause.] At this hour I would be ashamed of myself if I did not raise my voice in behalf of this bill, to endeavor to give the farmers of this Republic a square deal. They have never had it since the Civil War. Since the year 1865 the farmers of the United States have been handicapped. They are handicapped now.

No people work harder than do the farming class of this country. It matters not whence they come, whether from the wheat fields of the Northwest or the Corn Belt of the Middle West or the cotton fields of Dixie; the farmers, their wives, and children, according to my idea, work harder than any other people in this country and they receive less for their toil. Why, it is nothing unusual for a man and his wife and all his children from 5 years up to go to the fields before sunup and work all day long except one hour at noon, when they go home to eat their dinner and then return to work in the field as long as they can see; and all that they have is some common clothes to wear and the food they raise on their own farm, a little money to pay the preacher, and maybe a long stick of candy and a box of apples for Christmas, and that man's wife is lucky if she has a $10 dress and a $3 hat on her head. Those children go barefoot except on Sunday and in cold weather. And yet it is stated here to-night that there will be no farm relief.

Yes; we should pass this bill. We take the $400,000,000 loan and the equalization fee. Who is afraid of the equalization fee? I will tell you from the cotton-growers' standpoint. It is the spinner, running the factory, spinning the yarn to be made into cloth. He is the man who is afraid of it. It is not the man back in the field raising this cotton that is afraid of the equalization fee. Why is it that the same interests that oppose the equalization fee are against the whole bill?

Some of these gentlemen come before you and try to camouflage the situation and say the bill is all right—if you cut out the equalization fee. The equalization fee stands as the emergency asset. Every farmer knows that his cotton or his wheat or any other farm commodity will, with this emergency asset standing up there, be certain to bring its proper price. That would stabilize it. That will put the real vitals into this bill. Yet some gentlemen seem to be afraid that the farmer will object to it. They need not be uneasy about the farmer objecting to it. If we happen here to make a mistake in endeavoring to help him, he will know that we are honest and that the act that we pass can be repealed if it works against him.

Every farmer in the United States knows that something ought to be done. The representatives of the farm organizations that were before this Agricultural Committee, who have been hounded down and classed as lobbyists because they come here and endeavor to get legislation for that poor class of people that work 15 hours a day, are denounced as lobbyists, as doing something wrong, because they come before the Commitee of the American Congress and ask for simple justice.

Gentlemen of the House, it is time that the American people should consider seriously the question of their rights. [Applause.] The poor farmer is not organized. That is what is the matter.

One distinguished gentleman from South Carolina said this afternoon the cooperatives can not do anything. Why is it they are afraid of cooperatives? If 98 per cent of the farmers in the United States belonged to cooperative associations they could control the markets, just like union labor controls certain specific industrial lines of this country to-day. Why, do you not know that the railway employees would be working for half pay if they did not have the splendid and strong organization they have? It is the unified efforts of all the railway employees of the United States that has enabled that class of labor to receive just compensation for the arduous toil they are engaged in. [Applause.] I wish to heaven the farmers of the United States were situated so they could organize in one great, strong union in order to protect themselves against the enemies within as well as against the enemies without.

What are these men who work to produce the raiment which clothes the world, who work to produce the food with which to feed humanity and beasts alike, asking at your hands? Nothing but justice.

The gentleman from New York calls it socialistic. He thinks it is socialistic to put up an equalization fee which the farmers pay out of their own pockets in order that the products of their labor shall bring a just and fair price. Who is it that thinks it is unjust for the powerful Government of the United States to put up $400,000,000 as a revolving fund and loan it to the cooperative marketing associations of the United States, representing these poor farmers, at the rate of 4 per cent, in order that they may stabilize prices of their farm products and receive just pay for their labor?

Who is it on that side of the argument who objects to this when they have voted to plunder, exploit, and rob the people for all these years? Some of these gentlemen who voted to give a great subsidy to the private ocean shipping interests of this country, these gentlemen who voted for the transportation act in order that the railway business of this country would be protected and have an actual guaranty of 5½ or 6 per cent upon their capital stock, water and all; these gentlemen who cast those votes rise up in their might against the farmers of the United States receiving a simple law which will give them the right through their organizations to have $400,000,000 at their command in order that their crops may be marketed in an orderly way, fed into the markets as they really need them, permit prices to be stabilized, and the farmers receive somewhere in the neighborhood of what their labor is worth? Who is it that would object to the equalization fee being put into this bill when we know it will give the producers of farm products a fair price for their labor?

Some seem to think we would dump it over in Europe or in China at a cheaper price. They need not fear about what somebody else is going to get. Let us take care of the United States. [Applause.] I want to take care of these people in the United States who are supporting this Government.

The basic industry is agriculture. The basic industry on which the structure of all other industries rests is agriculture. It is the farmer who causes the railroads to be able to thread the United States and bear the products of the farms to the markets of the world. It is the farmer who enables the ships to cross the sea carrying cargoes from this country and bringing back to the United States the goods and wares we need.

It is the farmer who does all of that, and when you come to the last analysis he is the great burden bearer of all of this country, not only of the United States but of the entire world. Yet men rise up and say we have got the farmer poor and let us keep him poor. Is it possible that they object to this legislation because of the fear that the farmer may become independent? We all know now the hardships and struggles he goes through. Any man who is acquainted with farm life must realize that the farmer of this country is a real patriot, that he is the man who stands ready to bare his breast in time of danger to his country, that he is the man who stands ready to maintain the hearthstone, that he is the man who stands ready to support the Government in the wisdom of God for the benefit of all the people, that he is the man who protects the temple of justice, and that he is the man who causes our churches to maintain their dignity and supremacy. The farm people of this country are the salt of the earth, and, as Members of Congress representing all the people, it is our sacred duty under our oaths to see that they get justice, and justice in a measure is in the bill that is before us now. I hope it will pass this Congress by a three-fourths' majority. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. NORTON].

Mr. NORTON of Nebraska. Mr. Chairman, ladies and gentlemen, much has been said, and more can be said, upon the subject of farm relief. That we have a farm problem in this country is now generally conceded; it is seldom denied. In fact, it seems to be the common practice now to express sympathy for the farmer. But he is not asking for sympathy. He is not a subject of charity. He is not asking for gifts or for special privileges. He is only asking for fair play and an equal opportunity with others. He knows what he wants, and he will fight for it to the end. If he ultimately fails in that effort, he alone will not be the loser. What are some of the facts with reference to the present agricultural situation?

In less than eight years farm values including land, improvements, livestock, and equipment have decreased more than $20,000,000,000, estimated by some to be thirty billion, while industrial, financial, and transportation values have increased more than $50,0000,000,000 during the same period of time. Since the war 3,000,000 acres of land have been abandoned, and annually more than 2,000,000 farm people have left the farms and have drifted to the cities. Why have these people left the farms? In view of the situation how could they have done otherwise? Hundreds of thousands have lost their homes through foreclosures, there being an average of 170,000 such foreclosures annually. Farm mortgages have mounted from three and one-half billion dollars in 1910 to twelve and one-quarter billion dollars in 1928.

I grant that some sections of the country have enjoyed prosperity in recent years, especially industrial and financial centers, but unfortunately that prosperity has not been shared by the farmers. As further evidence of that, permit me to call your attention to the fact that of the more than 4,000 bank failures which have occurred in this country since the war, more than 95 per cent have been in rural communities.

Although bank deposits have increased from $21,359,842,316 in 1914 to $57,820,730,000 in 1928, and the American capitalists have increased their foreign investments from $2,000,000,000 in 1914 to $12,500,000,000 in 1928, the great majority of American farmers have been struggling to secure an income each year that would be sufficient to pay operating expenses, to pay their interest on an increasing indebtedness, to pay their rapidly increasing taxes, and have something left with which to clothe and feed themselves and the other members of their families.

There are those who maintain that the economic situation is becoming more favorable to agriculture, and that the farmers will soon be enjoying their fair share of the economic income of the Nation. I wish that that were true, but unfortunately the facts do not so indicate. If that is true, then why is it that, according to the reports of the Department of Agriculture, the farmers' income in 1927 was 20 per cent less than in 1926? If that is true, then why is it that there were more bank failures in 1927 than during any year previous to that in the history of this country? And remember, as I have already stated, that 95 per cent of those failures were in rural communities. Furthermore, how can the farmers be prosperous in view of the comparatively small income that they are now receiving? According to the 1926 Agriculture Yearbook, issued by the Department of Agriculture, the total value of farm products has dropped from $14,775,000,000 in 1919 to $8,415,000,000 in 1926, a reduction of 43 per cent, and since the income of the farmers in 1927 was 20 per cent less than in 1926, the total income for last year was less than one-half of the income for 1919. Again, according to the same report, in 1925 there were 6,371,640 farms that were being operated. These farms had an average valuation of $9,000, and an average income for that year of $1,200. After deducting interest on the investment, less than $700 remained with which to pay taxes, to pay the cost of upkeep and equipment and to meet the living expenses of the family. Who would say that such an insufficient income can be construed as being indicative of great prosperity among the farmers? I fear that had it not been for the cows and the chickens, the butter and eggs, the story to be told would be an even more distressing one.

Now, then, who is to blame for this situation? There are those who are unkind enough to say that the farmers them-

selves are to blame. Those who would thus indict the farmers insist that they were guilty of great extravagance and reckless management of their own affairs during the war, and likewise during the years immediately following the war. They would have us believe that the farmers have brought this condition on through what they have done or have failed to do in various ways. For instance, they point to the investment of money in high-priced land. In answer to that it must be remembered that only a comparatively small per cent of the farmers, who have suffered during the agricultural depression, did invest money in land during the recent period of inflation. Then, they charge that the farmers have invested too much money in automobiles; but who would grant that means of transportation to others and deny it to the farmers? Especially, in view of the fact that the farmers have been content to use the less expensive makes of automobiles. Besides, is it not true that with them the automobile is more of a necessity and less of a luxury than with many others engaged in other occupations? Not content with that, some of these critics maintain that the farmers have failed to adopt business methods that would result in efficient production, and that in face of the fact that the American farmers are known to be more efficient and to be producing more per capita than the farmers of other countries. It has been stated that the farmers have failed to properly organize, and I grant that to a certain extent that is true. However, I fear that some of those who offer that criticism may have had little or no experience in the effort to secure effective and desirable organizations among farmers, and for that reason are not familiar with the difficulties to be encountered. In the first place, the farmer, by training, experience, environment, and the peculiar type of his particular vocation, is an individualist. He is not inclined to surrender to collective management any part of that which he has previously directed in person. Besides, he has experienced so many difficulties, and often failures, in his effort to secure proper organization that he has become discouraged to a certain extent. Even so, the farmers have strived, although with only limited success, to effect through organization and the use of cooperative methods a solution of their problems. But the present situation, as I view it, is not primarily the result of what the farmers have done or may have failed to do, but is very largely due to forces beyond their control.

We have been passing through a period of readjustment, during which industrialization has been taking place. Industries that are representative of great wealth have become organized along lines of mass effort and control. On every hand efforts have been put forth and are still being put forth to secure the benefits and advantages that can be enjoyed through combination and cooperative effort. That is true of the manufacturing industries, of the large banking institutions, of certain distributing and merchandising establishments, of the railroads, of organized labor, and, to a greater or less degree, of other activities as well. With this trend the farmers have been unable to keep apace, but their failure is not due so much to the lack of effort on their part as to the fact that they have been denied opportunities and privileges which others have enjoyed. In other words, by law we have extended aid to other industries, but have denied similar aid to the farmers. If the farmers were given a fair field in which to operate and were given an equal chance with all others, they would in time effect a solution of their problem; but denied that measure of justice, we can not hope or expect that they will succeed to the degree that they deserve.

Wherein, then, lies the real trouble—the main cause of the present agricultural situation? During the war the farmers responded to the demands of the Nation and as a patriotic duty did their part by increasing the production of foodstuffs sufficient to satisfy the needs of more than 4,000,000 American soldier boys, to aid in supplying food to the Allies, and to furnish the required food for home consumption. They plowed up their pastures and meadows in order to increase the production of grain, and did everything in every other way possible to help increase the desired production of other food products as well. But after the war ended, then what happened? The farmers found their industry in a state of overproduction, not overproduction in the sense that there was no desire or need for their products, but overproduction in the true sense that economic demand did not exist. Consequently, when the deflation was brought on in 1920 and the farmers were forced to unload this great surplus in order to meet the demands for liquidation the crash came and the crisis began. But why did the farmers suffer more as the result of deflation than others? Because they were in no position to protect themselves. Then, as now, they had no voice in fixing the price of their commodities. Then, as now, they were compelled to pay the price asked of them for the things they bought and accept the price offered them for the things they sold. Had the farmers been properly organized at that time, or had the Government done what it ought to have done, and what it did do to support the railroads and certain other industries of the Nation, it could have saved the situation. [Applause.]

When I say that the farmers have been discriminated against, have been denied equality of opportunity and a fair field in which to operate, I realize that I am entering upon a much-discussed subject, and yet one that involves a situation which is properly subject to attack. It is a well-known fact, conceded on every hand, that the protective tariff has enabled the manufacturers of this country to raise the price of their product to the American consumers and to realize great profits as a result thereof. Legislation did that. It is equally well known that the "guarantee provision" of the transportation act, enacted after the war, resulted in the direct payment of more than $500,000,000 by the Government to the railroads and a further guarantee in pursuance of which the Interstate Commerce Commission has maintained rates that have been remunerative to the railroads. Legislation did that. Much as the Federal reserve system was fought by some of the leading bankers and certain other big financial interests of this country at the time of its enactment, it has proved a boon to the banking industry, especially to the larger banks and other large financial institutions of the Nation. Legislation did that. It is everywhere recognized that the Adamson law, in providing shorter hours and more favorably working conditions, and the immigration bill, in limiting the admission of immigrant labor that would compete with American labor, has greatly benefited organized labor. As a result American labor is enjoying a higher standard of living, to which it is justly entitled. Legislation did that. Legislation has very materially aided each of these and many others that I might mention, and yet we are told that the Congress can not legislate prosperity for any class, group, or interest. For that matter, the farmers are not asking for special privilege or for subsidy; they are simply demanding that the special privileges and subsidies that are granted other industries shall not be permitted to operate unfairly against their own progress and prosperity.

In other words, by law we have placed these other interests upon a higher economic level where they are permitted to operate in a protected and privileged field. If the farmers could limit their production to the actual demands of home consumption, or if through cooperative effort they could control, withhold from sale or market in an orderly manner their surplus, they, too, could enjoy similar protection and the same advantages now enjoyed by others. In the absence of such conditions, however, the farmers have been forced to sell their products, in most instances, in an open market in competition with the world, where the price received for the surplus has decided the price to be received for the entire commodity. That is, with all other American consumers the farmers have bought in a closed and protected market, and have been forced to sell in an open and unprotected market. What has been the result of that policy? It has resulted in bankruptcy and financial ruin for many and has seriously reduced the purchasing power of all American farmers.

What can Congress do to effectively aid in a proper solution of this problem? As I view it, two lines of procedure are open. Congress by accepting one or the other can aid in an effort to equalize the situation. That end can be achieved by bringing the other industries down upon a lower economic level as the result of withdrawing some of the advantages which have been granted them in the past, or by passing legislation which will aid in raising the agricultural industry to that higher level where the other industries now operate, so that the farmers may enjoy equal protection with the others.

The first plan proposed will involve a downward revision of the tariff on manufactured products, a reduction of freight rates with special reference to farm products, a more equal distribution of the tax burden and other similar economic changes which will aid in reducing the cost of living, the cost of production, and the cost of the delivery of farm products. The other course that is open is to be found in the enactment of legislation such as is proposed in the pending measure, the McNary-Haugen bill. Since there seems to be no apparent disposition on the part of the Congress to employ the former method, it is to be hoped that, in an earnest endeavor to work out a solution of the farm problem, the pending measure will be passed and approved so that the farmers of the Nation may receive the benefits to be gained thereby, and the relief too long delayed already. [Applause.]

This measure, if enacted into law, will enable the American farmers to secure the benefit of the tariff on farm products, a benefit generally not realized at the present time. Then the farmers will be permitted to sell in a closed market all except

that smaller per cent of their commodity which must then, as now, be sold in foreign markets. However, since only about 10 per cent of the agricultural products, produced in this country, are sold in foreign markets, the benefits to be realized from the operation of this law, if enacted, will be very great. The farmers are not asking for a subsidy, and this bill does not provide for one. Through the equalization fee the farmers will be able to finance their own operations and to achieve what they have so long desired and have so long strived to secure, a marketing machine that will permit of the orderly merchandising of their products. All that the farmers are asking that the Government do for them, even in this instance, is to loan them the necessary money, at a reasonable rate of interest, so as to enable them to finance their operations and to remove present discriminations that impede their progress. Ultimately, then, out of this favorable action, if granted by the Congress, can be perfected farmer owned and farmer controlled marketing machines that will be effective in the orderly sale of farm products.

On the other hand, what solution is offered by those who oppose legislation like that proposed in the pending measure? Some suggest that, since the farmer is primarily a producer, he should devote himself exclusively to the immediate requirements of his particular vocation, that of production, leaving all other matters of concern to him, including that of distribution, to other agencies. For that purpose, better business methods, more efficient production, involving rotation and diversification, are proposed. I fear, however, that those who advance this thought, as the basis of a solution, fail to take into account the effect such a policy, if carried to its logical conclusion, might have upon the welfare of agriculture. While it is to be conceded that all of these are necessary and desirable, it must be remembered that a very great increase in production, resulting from such a course, will aggravate the situation all the more, unless some plan is devised that will properly care for the marketing of the increased surplus that will naturally follow.

Rural credit and cooperative marketing have been widely discussed as means to be employed in a solution of the farm problem. Every true friend of the farmer is in favor of both. However, in view of present conditions, he is mindful of the limited extent to which either or both can be employed in an effort to solve the problem.

As to rural credit, that means alone will never relieve the agricultural situation. The War Finance Corporation was created for that purpose but failed to accomplish the desired result. Likewise, the intermediate credit law has been enacted for that purpose, but apparently is not relieving the situation. Unfortunately, the farmer who is most in need of credit can not secure it, while every farmer who can do so is endeavoring to reduce his obligations rather than to increase them. Therefore, although legitimate credit is not only desirable but necessary for agricultural operations and marketing purposes, that means alone will never relieve the situation.

Cooperative marketing, on the other hand, with the aid of a proper credit system, would result in a proper solution of the problem were it not for some of the difficulties which I have already enumerated, together with the further fact, recognized by every careful student of the problem, that cooperatives can not control the surplus and influence the market in a desired manner as long as a considerable per cent of the producers of any given commodity remain on the outside and fail to join in the cooperative effort. That has been the situation in the past; that is the situation to-day; and this bill, if enacted into law, will aid cooperatives in the future in their effort to remedy that situation.

In discussing the farm problem I have had particularly in mind the farmers of the Middle West, with whom and with whose activities I am most familiar. The situation elsewhere may be somewhat different, but in the main the underlying fundamental conditions are everywhere the same. Although I have discussed this subject as though it very largely involves the welfare of agriculture and that alone, I realize, as others do, that a proper solution of the farm problem will result in relative benefits to the other people of this country as well.

Who will deny that the agricultural depression has not had its deterring effect on the other industries of the Nation? When the farmers' buying power is destroyed the merchant, the banker, the professional man, others in the rural town are affected first, but that injury is later reflected elsewhere throughout the land. We are told that there are about 4,000,000 unemployed in the cities of this country at the present time, and yet that number is probably the direct result of the drift from the farms to the cities in recent years. Whenever you destroy the buying power of the farmers you have materially reduced or destroyed the market for a considerable part of the manufactured products of the country. Labor realizes that fact, and as a result thereof, organized labor has indorsed legislation, such as is proposed in this measure. Other organizations, national in character, have done likewise. The leading farm organizations of this country, with one exception, and that organization is not opposed to the purposes of this measure, but prefers another method, have indorsed this measure. Therefore, in view of the depressed condition of agriculture, and the need of immediate relief, I sincerely hope that the pending measure, which has such general support of the agricultural sections of the country, and much support elsewhere may be passed and approved, and the urgent demands for agricultural relief granted. [Applause.]

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. McKEOWN]. [Applause.]

Mr. McKEOWN. Mr. Chairman, on the 7th day of December last, at the first opportunity, I made a short talk to the House of Representatives upon the question of passing a bill that would be effective; that is to say, that the farmers in my country were anxious that Congress would give careful attention to this question and pass a bill that would be approved and become law.

I appeared before the Committee on Agriculture and I want to take this opportunity to say that I never saw a set of men who tried more conscientiously to do their duty. I want to say a word for the gentlemen who come from the Mid West country who are members of this committee. They worked under great pressure and under great difficulty. I compliment them upon the work they have done on the committee, but there is one thing I can not agree with.

I said then, as I say now, I would not vote for a proposition that I felt would endanger this bill in its passage. I know the committee has worked out a plan that is in the alternative, but for one I am impelled to vote to strike out the equalization fee. [Applause.]

I am going to do this for this reason: You have given us a splendid piece of work and if we are to work under this plan we can go ahead and it will take a year or more to try it out. The President of the United States has said he is opposed to the equalization fee, and some may say, "You are kotowing to the President if you yield your opinion." If I believed as those of you believe who sincerely feel that the equalization fee is the only salvation for these people, then I would vote like you will vote, but I can not see the necessity of the equalization fee in this bill at this particular moment because it will take a year or more to try out the alternative plan which you have given us, and the Congress will be in session and if the plan does not work, then we can put into effect the equalization-fee plan.

I differ from the Attorney General, and I told the committee I differed from him, but the President will listen to the Attorney General who is a very fine lawyer and a splendid and honest man. I can say this much for the Attorney General. The President will listen to the Attorney General and will not take my opinion on the question of the constitutionality of this provision.

Mr. GASQUE. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. GASQUE. Will the gentleman tell us why they did not put an equalization-fee provision in the tariff law and in the railroad law?

Mr. McKEOWN. Well, I will say to my friend from South Carolina I do not think there is such a bugaboo about the equalization fee. I think these gentlemen have studied this plan very thoroughly in their own minds, and in the absence of the money which you will have to provide for them to operate, you would be bound to have an equalization fee. However, you have already provided for $400,000,000 as a revolving fund for them to operate with and in order for them to see if the plan will work, and it will take at least a year to put that into effect.

Mr. CLARKE. Will the gentleman yield right there?

Mr. McKEOWN. Yes.

Mr. CLARKE. Would you not put in the equalization fee in giving equality to every line of industry in keeping with the tariff proposition and the theory of this Government since the time of Alexander Hamilton?

Mr. McKEOWN. I will say to the gentleman that, of course, my views on the tariff are quite different from his. I do not agree with the gentleman with respect to the tariff, and I think that is what has got us into a lot of trouble; but, of course, the gentleman will not agree with me about that.

However, this is a business proposition, and I do not blame anybody for putting in this alternative plan, because they are trying to safeguard the farmer. But here is what I do say.

No man has carte blanche on all the sense in this country and nobody has proven to me beyond controversy that this bill will be no good without the equalization-fee provision.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. JOHNSON of Texas. What about the substitution of the export-debenture plan of KETCHAM-JONES for the equalization-fee provision?

Mr. McKEOWN. Well, if I were writing the bill, of course, I would have two alternatives instead of one. That is what I would do about it.

Mr. CLARKE. I make the point of order he would "ketcham" coming and going under that.

Mr. McKEOWN. Yes; but here we are dealing with a proposition face to face, and if every man in this House is satisfied the President will veto this bill then, of course, there is only one alternative, and that is to pass the bill over the President's veto. I would not hesitate to vote for the bill with the equalization fee in it, but I do not want to be actuated by any political feeling. It is no satisfaction to me to embarrass the President personally, and therefore I am contending here that the bill ought to pass without the equalization fee, for the reason that you will then have met every objection that has been made to it and you will put into effect in one year the same proposition that you have in the bill here. If it does not work, you can bring it back.

Gentlemen, this matter of doing something for the farmer is a serious proposition. This is a big question and this committee has labored for four years to my knowledge as earnestly and as conscientiously as any set of men have ever worked in this House.

I am going to say that if you do not strike out the equalization-fee provision I will vote for the bill, because I am going to yield to the better judgment of a majority of the men in this House, because the conditions are such that we are bound to have some relief as soon as we can.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. SPROUL of Kansas. Has the farmer of the country manifested a desire to have the equalization fee stricken out?

Mr. McKEOWN. As far as the farmers I represent—the every-day farmer on his plantation without any connection with any organization—I do not think has expressed any opinion at all, and I think he is more interested in relief than in the equalization fee.

Mr. MORGAN. Will the gentleman yield?

Mr. McKEOWN. I do.

Mr. MORGAN. As I understand the gentleman's argument, it is based on the principle that if the bill passes without the equalization fee, we will have farm legislation with a revolving fund?

Mr. McKEOWN. Yes.

Mr. MORGAN. With a board of finance, and in case the equalization fee is incorporated and vetoed it will probably delay for two years farm relief?

Mr. McKEOWN. Yes; under the bill with the equalization fee in it you will not have to use it for a year; you can not use it for a year. If you can not use it for a year, why take the chance at this critical period of putting it in and getting no legislation at all unless you can pass it over the veto?

I can not conclude my remarks without mentioning the faithfulness of my old colleague, Hon. Charles I. Stengle, who has personally, and with his paper, the National Farm News, been standing by the farmers of America throughout this long battle, and I am hoping that the efforts of those who have toiled so long in behalf of the American farmer, making every effort to secure for agriculture a fair deal in the economic situation in America, may be crowned with success by the passage of a real agricultural bill.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FORT. Mr. Chairman, may I ask the amount of time that has been consumed?

Mr. ASWELL. Under the rule the gentleman from New Jersey [Mr. FORT] is entitled to one-half the time against the bill. I would like to yield that half of my time now.

The CHAIRMAN. If the time is divided as heretofore under the rule and the general agreement entered into in the House the three hours would be divided as follows: The gentleman from Iowa [Mr. HAUGEN], the gentleman from Louisiana [Mr. ASWELL], the gentleman from New Jersey [Mr. FORT], and the gentleman from Kentucky [Mr. KINCHELOE] would have 37½ minutes each, and the gentleman from Michigan [Mr. KETCHAM] and the gentleman from Texas [Mr. JONES] would have 15 minutes each.

Mr. PURNELL. The rule provides for an equal distribution of time, and there is nothing said in the rule as to a subsequent division of time.

The CHAIRMAN. The understanding and agreement of the House before the House went in to committee was that the division should be in a certain way. As stated by the gentleman from Louisiana [Mr. ASWELL]—

Mr. Speaker, I will say to the gentleman that general debate runs for 12 hours, 1 hour of which will be assigned to the gentleman from Michigan [Mr. KETCHAM] and 1 hour to the gentleman from Texas [Mr. JONES]. That leaves 10 hours to be equally divided between the chairman and myself, and I am to yield one-half of my time to the gentleman from New Jersey, and the gentleman from Iowa [Mr. HAUGEN] is to yield one-half of his time to the gentleman from Kentucky [Mr. KINCHELOE].

The CHAIRMAN. The Chair will recognize the gentleman from Iowa to yield some of his time?

Mr. HAUGEN. I yield to the gentleman from South Dakota. I think I have already yielded about 25 minutes.

The CHAIRMAN. The gentleman from South Dakota [Mr. WILLIAMSON] is recognized.

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

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. I would like to know how much time the gentleman from New Jersey [Mr. FORT] has been yielded during this discussion.

The CHAIRMAN. The Chair has not yielded him any.

Mr. ASWELL. I wish to yield to him half the time that I have. How much time have I?

The CHAIRMAN. The gentleman has 7½ minutes of his own and 15 minutes from the gentleman from Texas [Mr. JONES], making 22½ minutes in all.

Mr. ASWELL. How much does the gentleman from New Jersey [Mr. FORT] have?

The CHAIRMAN. He has 37½ minutes.

Mr. WILLIAMSON. Mr. Chairman, I do not wish to have all this time taken out of my time.

The CHAIRMAN. The gentleman from South Dakota is recognized for 10 minutes.

Mr. WILLIAMSON. Mr. Chairman and gentlemen of the committee, no physician can bring about the cure of a patient without knowing what ails him. His first job is to correctly diagnose the case.

In 1920 agriculture was stricken with an all but mortal illness, an illness aggravated and made infinitely worse by the policy of deflation purposely adopted and ruthlessly carried out by the Federal Reserve Board. The incoming administration attempted to stem the debacle by calling Congress into special session on April 4, 1921. Within a month the new Congress—the first of which I had the honor to be a Member—reenacted the emergency agricultural tariff law which had been enacted by a Republican Congress and vetoed by President Wilson a few months before.

This checked the incoming flood of agricultural products and at once resulted in stiffening the prices of those products of which we did not produce an exportable surplus. It also slowed up the downward trend of other products covered by the bill. To improve the credit situation, which by this time had become desperate in the typically agricultural sections of the country, the Congress promptly restored the War Finance Corporation, capitalized at a billion dollars from the Federal Treasury, and directed that agency to render all possible aid to the agricultural and livestock industries of the Nation. The corporation extended hundreds of millions of credit as directed by Congress, but was unable to materially check the disastrous trend that had been set in motion to force liquidation. In spite of all that could be done, frightful losses continued all through the Corn Belt and among the farmers and stockmen of the Middle West. With the financial ruin of the farmer, came disaster to thousands of banks and merchants throughout the agricultural area.

I think I know something about farming. I did not learn it behind a desk, but behind the plow. My father was a pioneer homesteader in Dakota territory and I followed in his footsteps and became a pioneer homesteader in my district 20 years later. I own and operate several farms and am familiar with the losses agriculture has sustained in my section.

DIFFICULTIES ENCOUNTERED

The fight made for agriculture during the last seven years by Members of Congress from the Middle West has had no parallel in the legislative history of this country. It has been a fight against tremendous odds by a handful of devoted men whose consistent and constructive efforts have won the admiration and respect of their bitterest foes. Greatly outnumbered, they have

by their determination, their unity of purpose and compelling logic forced the Congress and the country to recognize that there is a real farm problem that must be solved in the interest of justice to the agricultural producer. More and more it has dawned upon the people engaged in industry that the prosperity of business can not permanently continue unless agriculture can be put on its feet, but conviction has not reached the point where the representatives of these sections are willing to accept the solution that has been worked out by those who are the most immediately concerned and who have given the most thought and study to remedial legislation.

Then, too, agriculture has been handicapped by too many doctors and too many remedies, which in a measure have prevented that driving, cohesive force necessary to quick action. The solution of the problem tackled was fraught with great difficulties. The interests of the farmers of one section of our vast country clashed with the interests of other sections. A solution that looked promising to one class of producers was declared by other producers to be valueless or ruinous to them. Differences of tariff views and other economic questions entered, to say nothing of politics. Out of the innumerable conferences, investigations, and proposals there finally came a half dozen outstanding bills which have received the thoughtful study and attention of Members of Congress. From these have been evolved the bill now before the House which bears the name of the two distinguished chairmen of the agricultural committees of the House and Senate.

CONTROLLING FACTORS, NUMEROUS AND COMPLEX

The factors that control the farm problem are too numerous and complex to be settled in a single piece of legislation. Neither this bill nor any other which we may work out can permanently bring that stability and measure of continued prosperity to agriculture to which it is entitled. What we need in this country is a definite agricultural policy. To find and establish this should be the final goal of the best brains in agriculture and its representatives here in Congress.

An analysis of the situation would seem to indicate that the following are among the chief symptoms that still keep agriculture rheumatic:

First. High production costs.
Second. Comparatively low price levels for farm products.
Third. High taxes and interest rates.
Fourth. Long haul to market.
Fifth. High freight rates.
Sixth. High prices for farm machinery and other operating utilities.
Seventh. Heavy indebtedness.
Eighth. Deflation.
Ninth. Inadequate credit facilities.
Tenth. Lack of effective marketing organizations for surplus products.

While the above are not all of the unfavorable symptoms, they are sufficient for this discussion and to illustrate the necessity of a well-worked out governmental policy toward agriculture.

The farmer is still producing at close to the war-time costs in spite of improved machinery and increased efficiency. For the year 1927 the average price he received for what he produced stood at 131 as compared with pre-war prices. That figure was far below the index-price figure for nonagricultural commodities, which averaged 152 above the pre-war level. His taxes have increased from $344,000,000 in 1914 to $870,000,000 for 1927, an increase of over 250 per cent. Interest rates are still high throughout the agricultural area and freight rates are in many cases exorbitant.

REDUCTION OF FREIGHT RATES NEEDED

Three years ago Congress passed the Hoch-Smith resolution, directing the Interstate Commerce Commission to make a readjustment of freight rates, with a view to relieving the depressed condition of agriculture. While some relief has been accorded, it has been wholly inadequate. We, who live in the Middle West, have a long way to market. It is one of our greatest handicaps. There should be a further and drastic reduction in freight rates on bulky farm products from this area. Every effort has been made to bring this about, but so far with meager results. It will not do, gentlemen, to balk the farmer at every turn. He has not been getting a square deal. He is not getting it now. If you who represent the industrial sections will not aid us, who represent the farming section, you are due for a rude awakening. The farmer does not want to tear at the throat of your prosperity, but he wants to share in it. He is infinitely more interested in lifting himself to your lever than in bringing you down to his. He wants to pursue that course. We, who represent him here, have fought along this line. We are doing so now, but if you are determined to give him little or nothing of what he asks, he can and will eventually tear down the pillars that sustain your structure, though it bring added hardship on himself.

FARMERS ENORMOUSLY INDEBTED

The farmers of America are enormously indebted. They still owe from twelve to fifteen billions of dollars upon a total land value of not to exceed fifty-eight billion. Hence, they are intensely interested in bringing prices of farm products to a parity with nonagricultural commodities. Bringing farm prices up means more to them than bringing other commodities down. They need a reasonably high price level to pay their debts. They can not work out on a continued low commodity price. You have a chance to aid them by getting back of the Haugen-McNary bill. Every consideration of fairness and justice demands this. It is backed by practically every farm organization in the country. The farmer is just as much entitled to the benefit of the tariff as anybody else. This bill seeks to give it to him. He should be permitted to try out the marketing system created by the measure.

The purchasing power of union workers' wages was 37 per cent greater in 1925 than in 1913. It still stands at about that figure. The income of business, industry, railways, and public utilities is well above the pre-war level, while the purchasing power of the farmer's dollar as measured by the selling value of his commodities is now only about 90 per cent of the pre-war level. The average for 1927 was 86 per cent of the 1910 to 1914 base. Can you wonder that he is dissatisfied and demanding relief? Place him on a parity with industry and labor and you will hear no more kicks.

PROTECTIVE TARIFF AND THE FARMER

We are reminded here that the farmer shares in the protective tariff. Let me remind you that the protective system developed in the United States is much broader than the tariff. The tariff protects the manufacturing industry; the immigration and other laws protect labor; the Esch-Cummins and interstate commerce laws protect the railroads, and the Federal reserve act protects the banking business.

The farmer can not any more compete with cheap labor abroad than can anybody else. It is true that he has the largest protection in the present tariff law that he has ever enjoyed. Without it he would be completely ruined. Thanks to the "farm bloc," which I had the honor to help organize, he has the largest free list of the things that he must buy that he has ever enjoyed. But he is largely cheated out of the benefits that should accrue to him on this account by combinations and monopolies. This is especially true of farm machinery.

Democrats have twitted us for supporting the ruling of the Speaker on the McMaster resolution. Well, what was this resolution? Here it is in the form introduced:

Resolved, That the United States Senate favors an immediate lowering of tariff schedules and tariff legislation, embodying lowered schedules, should be considered and enacted during the present session of Congress: Be it further

Resolved, That a copy of this resolution be transmitted to the House of Representatives.

The plain import of this language includes farm schedules as well as others. There are no qualifying words. Of course, nearly all the Democrats were for it. Agriculture never has had any protection while they were in power, and the sudden disaster that came to that industry as soon as shipping became available after the war was due in very great measure to lack of protection against cheap agricultural imports.

During the debate in the Senate, however, it was soon discovered that this resolution had a decided back wallop. After several days' discussion it took this form:

Resolved, That many of the rates in existing tariff schedules are excessive, and that the Senate favors an immediate revision downward of such excessive rates, establishing a closer parity between agriculture and industry, believing it will result to the general benefit of all.

Resolved further, That such tariff revision should be considered and enacted during the present session of Congress; and

Resolved further, That a copy of this resolution be transmitted to the House of Representatives.

This had no back kick. It was perfectly safe to vote for it. Everybody could heartily join in nursing it along. It attacked no specific schedules. It gave no information. It was quite innocuous. We agree with the general sentiment expressed, but passing resolutions never changed a tariff law or altered a single schedule. To deal effectively with the tariff we must attack schedules and rates. That is what we of the Middle West have sought to do in the House, but we are a mere handful as compared with the Members representing the industrial sections and so far it has not been possible to secure many of the ad-

justments that we have sought. However, it seems reasonably certain that the next Congress will undertake revision.

When this resolution came over to the House the Democratic leaders saw a fine chance to start a little political fireworks and were not slow to seize the opportunity and so moved to refer it to the Committee on Ways and Means. Of course they knew this was contrary to the standing rules of the House, but what is the law of the House when there appears to be a chance to make some political medicine! The Speaker held that the resolution was transmitted to the House for the information of its Members and that it should be held there in accordance with the disposition of other resolutions of this character time out of mind. Upon appeal from the Chair his ruling was sustained. There was no vote on the resolution, nor was it tabled.

A mere inspection of the resolution must make it perfectly clear that the House could not vote upon it. It simply purported to express a sentiment or opinion of the Senate with respect to tariff revision and was transmitted to the House for its information. It was a Senate resolution, not a joint one. From a parliamentary standpoint it has exactly the same status as a Senate resolution advising the House that the Senate is in session and ready for the transaction of business or any other unilateral resolution of this sort.

It is a favorite pastime of a certain type of political demagogue to charge all of those who believe in the Republican principle of protection with being tools of Wall Street. There is not an informed man in this Chamber who does not know that Wall Street and the international bankers who have loaned billions of dollars to Europe and other foreign countries are in favor of a drastic tariff reduction. They reason, and correctly from their viewpoint, that the more foreign countries can import to this country the more certain they will be to get their money back. These people, if they had their way, would remove the farm schedules entirely. What concern have the denizens of Wall Street shown for the farmers of the country just so they can line their pockets? Of all charges this is in a class by itself for absurdity. So far as I am concerned I shall fight them to the last ditch. I do not propose to stand for a reduction of any of the farm schedules, if I can prevent it. A tariff sufficient to make good the difference in the cost of production here and abroad is the only safe criterion by which we can proceed.

FARMERS' FREE LIST

The idea that a drastic reduction of the tariff can materially help the farmer is largely illusory. This must be perfectly apparent when it is remembered that the great bulk of his purchases—those that require large expenditures—are on the free list. Among these are:

Plows, tooth harrows, disk harrows, headers, harvesters, reapers, drills, planters, mowers, horse rakes, cultivators, threshing machines, cotton gins, wagons, carts, cream separators under $50, breeding animals, pedigreed; cinchona bark and a long list of chemicals, binding twine, borax, cement, common brick, chrome ore, coal, cobalt ore, cocoa or cocoa beans, coffee, blue vitriol, tar, tea, barbed wire, wool used for carpets, copperas, gloves from leather, guano, explosives, with the exception of a few specially provided for; gunpowder, hones, whetstones, iodine, crude rubber, leather and products of leather usually used on farms, boots and shoes of leather, band and sewing-machine needles, oil cake and oil-cake meal, petroleum, kerosene, benzine, naphtha, gasoline, paraffin, pads for horses, crude phosphates, quinine, rennet, sheep dip, shingles, tapioca, turpentine, and lumber generally.

FARMERS' INTEREST IN TARIFF REVISION

Everybody knows that the prices of many of these articles are too high, but the tariff is not a factor. The tariff on woolen goods is quite as important to the woolgrowers as to the manufacturer. Of what possible value could a tariff be upon raw wool imports if woolen goods were on the free list? Such a policy would not only ruin the manufacturer and throw tens of thousands of employees out upon the streets to seek the soup kitchens, and thereby destroy the farmer's best market for his products, but would ruin the sheepmen, who would no longer have a market for their wool at any price. The same is true of the tariff upon cotton textiles. The cotton grower is quite as much interested in it as the manufacturer. Paint, which is over three-fourths pure linseed oil, falls in the same class. If paint came in free, what would become of the flax grower? And of what value would the present tariff of 40 cents a bushel be? He now receives a large benefit from this tariff, as we are on a import basis on flax. The whole question resolves itself down to the proposition of whether we believe in an American standard of living or whether we are going to force labor to accept the pitiful wage scale of Europe and submit to peasantry for our farmers. For my part I prefer our American standards. They are worth fighting for, but we want an American standard for the farmer also. He is more entitled to it than industry and just as much entitled to it as labor. Labor has indorsed our program. Industry should do the same.

I have from time to time introduced tariff bills to help the development of the feldspar industry in my State, to afford better protection to our alfalfa-seed growers, and the like. There are now pending before the Ways and Means Committee of the House several bills seeking to aid agriculture by readjustments and increased schedules on agricultural products. The milling in bond provision for wheat should be abolished, and the free importation of mixed oils, to the great detriment of our flaxseed growers, should be stopped. These bills have my earnest backing and are being supported by all midwestern Congressmen. Not only that, but just as soon as tariff revision can be undertaken we are going to insist that all schedules that are too high are reduced, that the tariff is removed entirely where not needed, and that there be such a complete readjustment all along the line as will give to the agricultural industry a square deal. To accomplish this end we of the Mid West propose to form any kind of a combination that will secure justice to the farmer. We are better organized and occupy more powerful committee assignments than our section has ever had. Most of us have been here long enough to know how to push our fight effectively, and will continue it if returned. Unity of effort here and backing from home will finally put across this program.

No one to-day who knows anything about the conditions under which agricultural products, livestock, and wool are produced in foreign lands believes that agriculture in this country can survive free imports. South America, New Zealand, Australia, and Russia can and will put the American farmers out of business if the farm schedules are removed, or even lowered to any considerable extent. The agricultural schedules in the present tariff law are the most favorable the farmers have ever enjoyed. The bill we are now considering is bottomed upon them. Remove tariff protection and it would have little value. The measure seeks to give the American producer the full benefit of the schedules by removing the surplus so as to permit the price of those farm products consumed at home to rise behind the tariff wall to a point approximating the foreign price plus the tariff on the product with respect to which an operating period is declared.

COOPERATIVES AND FARMERS' SURPLUS

The rise of cooperatives throughout the United States in recent years has been quite remarkable. On January 1, 1928, there were listed with the Division of Cooperative Marketing in the United States Department of Agriculture 11,340 farmers' cooperative associations. It is estimated by the department that the aggregate volume of business done by these cooperative associations, both marketing and purchasing, during the five years from 1923 to 1927, inclusive, is about $11,000,000,000. A rather complete survey made of farmers' cooperative business in 1925 showed a total volume of $2,400,000,000 for that year.

Gratifying as this showing is, however, it has been found impossible to extend any of them to a point where the surplus situation can be taken care of. This the bill before us seeks to help them do. Now, the burdens of cooperation are borne by the members alone, and outsiders largely reap the benefits without making any contribution. Under this bill all of the beneficiaries would share proportionately in carrying the overhead on any surplus product in which the farm board was operating. Corporations are permitted to sell their surplus abroad at a lower price than at home. That is what this bill proposes to do. Why should not the farmers be given the same privilege and be allowed to spread any loss on exports over the enhanced price received for the much greater bulk of the crop sold at home?

OPERATION OF EQUALIZATION FEE

Senator GOODING, of Idaho, in a recent speech in the Senate explained the manner in which the equalization fee would operate in actual practice, as follows:

Let me tell what happens to the farmer. The average production of wheat in America is about 800,000,000 bushels per year. We export 200,000,000 bushels a year. That is about the average export, and I am going to take the average. I will take round figures, because they will be easier for me to explain in relation to the benefit of the equalization fee as it will be put in force by the board.

In my State for the last two years the price of wheat to the farmer has averaged $1 a bushel, and I am going to take $1 a bushel, because that is a round number. What the bill proposes to do is to increase the price of wheat by the amount of the tariff, 42 cents per bushel. Wheat in my State is worth a dollar per bushel for export into foreign markets. That means, for the 200,000,000 bushels of wheat that will be exported and taken off the market to export, that the board will lose

$84,000,000; but in order to make up that loss they will levy an equalization fee of 12 cents a bushel, which will raise $96,000,000, or $12,000,000 more than the loss in the sale of the 200,000,000 bushels of wheat on the foreign market. This means that the farmer will have left 30 cents a bushel, because he is able to take off from this market the surplus and sell it abroad and bring the price of wheat up to the world price plus the tariff. He can not get the 42 cents but he can get the 30 cents, which means in round numbers that the farmer will make off of his crop of 800,000,000 bushels $240,000,000. In other words, instead of selling his wheat for $1 per bushel in Idaho, if this bill passes with its equalization fee, he will receive $1.30 per bushel and even that does not bring him within 10 cents of the actual cost of production as found by his Government that he is entitled to. Surely everybody ought to be willing to give any producer or any manufacturer the cost of production. There is something wrong in any man's system when he is not willing to give at least that much.

The farmers over the country are not asking the taxpayers to assume the hazard of loss on exports. They are willing to carry that risk and take the chance. Why should they not be allowed to do so?

PRODUCERS MUST CONTROL SALES ORGANIZATION

Under proper management the present bill will be a great stimulus to the cooperatives. These should be given every possible encouragement with a view to eventually turning the whole organization over to the farmers themselves. I am still of the opinion that the producers themselves must in the end be put in charge of their sales organization. Our agricultural colleges are devoting most of their time to better production methods. Is it not time they proceed to train young men in cooperative methods and salesmanship? This is quite as essential. We are yearly recruiting from the farm the best brains of the country for business and the professions. Why not train and recruit some of them to handle the farmers' own business?

We need these brains for agriculture and they should be so thoroughly trained that they can go out and compete successfully with the best that is to be found in business and industry.

DIRECT BUYING—CAPPER-HOPE BILL

To illustrate how difficult it is to legislate effectively let me call your attention to the packers and stockyards act that we passed in 1921. This act was designed to put an end to many abuses that had developed at the terminal markets. It was attacked in the courts but finally sustained and enforcement attempted. Now the packers are successfully avoiding some of its most valuable features by dividing up the territory and sending out their men to buy direct from the farmers. Their excuse is to eliminate the middleman and save freight for the producer. The actual effect seems to be to eliminate competition by keeping the hogs away from the terminals. While pretending to pay top-notch prices these have already been depressed by lack of competitive buying at the great centers. Not only are hogs kept from the concentration points, but the big packers having gotten a sufficient number of hogs by direct buying to keep their killers busy arrange to buy from the commission firms on different days so as to avoid bidding against each other. Wallace P. Neff, editor of the Kansas City Daily Drovers Telegram, at the hearing on the Capper-Hope bill before the Senate Committee on Agriculture, testified that as a result of this new development the price of hogs during the year 1927 was held approximately $3 a hundred below what the market would have been under competitive conditions. While this statement is not susceptible of exact proof, he cited figures which tended strongly to prove his assertion. The Capper-Hope bill seeks to head off this development. If the packers will not play the game on the square it is up to us to make them do so. I repeat, that the farmers' most effective weapon is organized marketing. It is his surest road to a permanent solution. The Haugen bill seeks to aid him in achieving this great result.

WATER TRANSPORTATION

A moment ago I called your attention to some of the difficulties encountered by the agricultural industry in the Middle West. We are in the country of the long haul and the high freight rate. A good part of the value of our products at the terminals is eaten up by the charges for taking it there. As already stated, it has proved impossible to get the freight-rate structure lowered so as to give us that relief which is essential to our prosperity and well-being. Failing in a direct attack we are proceeding by an outflanking movement. I have reference to the Great Lakes-St. Lawrence deep waterway proposal and the inland waterways' development.

Some years ago, in company with Hon. Frank O. Lowden, now candidate for President, Hon. W. H. McMASTER, then Governor of South Dakota, and a number of Senators, Congressmen, and others, I made a trip over the proposed St. Lawrence deep-waterway canal all the way from Niagara Falls to Quebec. I have made a careful study of the engineering features and am satisfied that the proposal is entirely feasible and that it can be completed at a reasonable cost. Every commission of experts that has examined the project has found in its favor as against every other plan for a canal connecting the Great Lakes with the Atlantic Ocean.

With direct water connection by ocean-going vessels between Duluth, Chicago, and other inland ports and Europe, we can greatly decrease freight rates on farm products exported abroad. It has been estimated that the saving on wheat alone would be close to 10 cents a bushel. As the domestic price is governed by the London price, less freight and handling charges, this would mean an increase in price of 10 cents a bushel on our average annual production of 800,000,000 bushels, which would place $80,000,000 annually in the farmer's pocket that he does not now get. That certainly is worth while. He would also be a large gainer on a good many other products.

DEVELOPMENT OF INDUSTRY IN MIDDLE WEST

Making navigable our inland waterways to the Gulf of Mexico and developing our barge lines will also greatly reduce freight rates by direct competition with the railways. This development is now well under way and is being pushed with all possible vigor. Its completion will not only reduce the freight on outgoing products but will greatly reduce the freight rates on cotton, coal, lumber, and the like that must find their way into the interior. It not only means much to agriculture but will permit industries to develop in the Middle West. In turn, this industrial development will aid the producer by bringing the consumer to his door. It will enable the farmer to successfully produce many things for which he now has no market. Industry is revolutionizing the South. Prosperity has come to her people. Give us cheap transportation and power and the Middle West will speedily come to its own. [Applause.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from South Dakota [Mr. CHRISTOPHERSON].

The CHAIRMAN. The gentleman from South Dakota is recognized.

Mr. CHRISTOPHERSON. Mr. Chairman, the question of parity for agriculture with other industries is one that has been before Congress for some years. Both sides of the question have been thoroughly discussed in Congress as well as in the press and the public forum.

At first it was urged that it was not a national problem; rather, one that would soon solve itself, but that expectation has not materialized. It is now generally conceded that the agricultural industry—the production of food for the Nation—is laboring under a handicap and has been for a number of years. This fact was recognized by both major political parties in their platform declarations in 1924.

The presence of the problem is therefore acknowledged and the only question is as to how best to solve it. Naturally, a question that affects directly the rural population of our land, and indirectly all citizens, would bring forth many different theories and opinions for its solution.

Coming from a fine agricultural district, it is not strange that I sensed, in its early stages, the depression that beset the farmers, and I had the pleasure and privilege of offering the first farm relief measure, namely, the Lyon stabilization plan, introduced in the House in 1920. The House Committee on Agriculture very graciously held hearings upon this bill and accorded me the opportunity of presenting such facts as I then had bearing upon the situation.

Later other plans were proposed, and since that time the Committee on Agriculture certainly has been both patient and painstaking in the lengthy, careful, and exhaustive consideration it has given the subject. In the hearings conducted by this committee in the past few years may be found most illuminating data and information relating to the entire industry, including production costs, marketing, and so forth.

In time the committee reported what is generally known as the McNary-Haugen bill, first considered in this House in 1924, and in 1927 it passed both Houses of Congress.

Now, again, we have this bill before us for consideration in a somewhat modified form, and as its provisions have been so thoroughly analyzed by others I shall not attempt to shed any further light upon the bill itself. Everyone here is familiar with its provisions.

I simply wish to appeal to you from the industrial centers of our country who may have some honest doubts as to the benefits of this proposed legislation. I ask you to give us the benefit of the doubt; help us give this measure such a majority that there can be no question about it becoming a law. Let us enact it into a live, effective statute at this session. Per-

haps it is not perfect; few important statutes are perfect to begin with. But if put in operation experience will quickly point out the defects and a subsequent Congress will then amend it in conformity with the knowledge gained by its operation.

It is my belief that the bill will be of immediate help when enacted into law. It will bring to an end the long discussion of this vexatious question. It will put this program to the test; and should it fail to bring about the equality that we hope for and believe will result, no great harm could result; while if it accomplishes what we confidently hope, then one of the most difficult problems that has confronted us for many years will have been solved. It will restore the agricultural industry to a fair degree of prosperity. It will bring peace and contentment to the large number of our people engaged in the production of the Nation's food supply. And, incidentally, let me remind you who come from the industrial centers, that you are also interested in this restoration of agriculture. When we enjoy prosperity we purchase more of your manufactured wares; we are better customers; and the added prosperity will be enjoyed by all.

This problem has been before Congress for many years. Let us approve the bill by such a majority as to insure its enactment and give it a fair trial.

Mr. HAUGEN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SEARS].

The CHAIRMAN. The gentleman from Nebraska is recognized for 10 minutes.

Mr. SEARS of Nebraska. Mr. Chairman, while I have reduced to writing what I intended to say on this question, so that I would not wobble too much, I can not dispose of it in 10 minutes, so I will avail myself of the leave to extend my remarks and print the address that I have prepared. But in addition I wish to say a word.

Several years ago I came to the conclusion that something must be done to stabilize the price of farm products. What made me think that, gentlemen, was this: I think that three years ago Secretary Jardine, our Secretary of Agriculture, stated that we had a shortage along in the summer of about 75,000,000 bushels of wheat. Now, one would think that according to the normal carrying out of the law of supply and demand, inasmuch as some of the far-away fields of production were not known and it was not known what they would produce that year, that would have the tendency to raise the price of wheat. On the contrary, the price went down half a dollar a bushel.

There are three kinds of wheat growers who must sell from the machine. One is the ordinary wheat grower. He does not know what the price will be in the future. He has to sell at once because he has been waiting for that crop to get some money. Another is the tenant farmer. The other is the one who has mortgaged his crop.

Now, Mr. Chairman, those three classes should be looked after, so that they will become useful citizens, so that they can educate their families properly and pay their debts and own their farms themselves. But as soon as those three classes had sold their wheat from the machine, which they were compelled to do, up went the price higher than it was before.

Now, it seemed to me that something must be done to prevent that evil from happening, that condition from becoming a permanent one in the country, so that those men would become citizens who would be valuable to themselves and their communities and not be robbed, as they were that year, of about $350,000,000.

Now, that $350,000,000 was the difference to those men of what was between adversity and prosperity. To the men who raised that wheat it meant $25 to the acre. It seems to me that something ought to be done. I do not know whether or not the McNary-Haugen bill will work out as some enthusiastical people believe. I have never said I was sure about it. But I have great confidence in many who have clear minds and warm hearts. If it fails, it will show what legislatively can succeed.

I think that is the only word I can give to you to-night. The rest I will put in the RECORD, and I hope that a few of you will take time enough and consideration enough to believe that there is some thought and some value there, so that you will read it in the RECORD of our daily proceedings. [Applause.]

I can not talk further on the subject of the McNary-Haugen bill without laying a foundation for an argument as to why something akin to the McNary-Haugen bill should not be passed. I want you to know the conditions out in the great Northwest section as I know them. Many of you do not as yet. The people of this Nation have never been fair to the great section lying east of the Rocky Mountains. They may have thought they were fair. They may not have thought anything about it. But still they have been more unfair to that great section than to any other. Even a barrel hoop will turn under too much pressure. And the innocent rabbit has been stated as one that at last would fight the bulldog at no matter what result.

Every section of our country demands fairness under the Great Compact. At one time many in New England were talking of seceding in the early days of the Union because they thought they were being treated unfairly under the compact. Later, the Southern States attempted to secede, because they thought they were being treated unfairly under the compact. And at least this is true that any section of the country that thinks it is being treated unfairly should state its grievances, either real or imagined.

Every section of our country except the great Northwest has been helped in its development along the lines of its best prospective. We fought a war for sailors' rights, and because the shipping business was great in New England. We have developed all our harbors around our coasts for the benefit of the respective sections. We have ornamented this city with hundreds of millions of dollars of benefits. We have expended hundred of millions of dollars in the lower Mississippi, including upkeep, and such. We have taken care of the Ohio River and the Great Lakes. We have encouraged corporate life until it has reached out and taken possession of every line of activity in the United States, and so that in the last 60 years men who commenced with nothing have started organizations that now own two-thirds of the Nation and dictate to the whole. They dictate to administrations and to both Houses of Congress and to our departments. They dictate to our press and to our schools. Directly or indirectly we are a price-fixing Nation as to everything but the product of the farm, and the most guilty ones of the price-fixing activity look the agriculturalist in the eye coldly, and without twitching a muscle, indict him as one who is trying to price fix.

No part of this Nation can thrive without navigation. If any section is without navigation, the rest of the country that has will get reduced rates because of their navigation, and the recoupment of losses will be placed on the shoulders of those without. The agriculturalists of the great valley, by act of Government in the deflation of currency and credits, were caused to lose more of their wealth than the entire war cost. There was the great commencement of their undoing. It was an act of the Democratic administration then in power. However, this is not an indictment of the Democratic Party in any special sense, for it would have been just the same if the Republican administration had been in power. Think of the Government sending out orders to reduce loans and discounts 30 per cent in 30 days. Who would have believed such a thing possible? Yet it was done, and suicides by the hundreds followed. Men of wealth and standing by act of Government were ruined in a year by the hundreds of thousands—worse than that, millions.

That great western country has asked that its flood waters be saved to it, especially that great section east of the mountains. People all over this country are asking that the floods be controlled by the only system that can control floods, by reservoiring the different minor flood areas whose combined volume makes up the great floods of the lower Mississippi. But this House and the Senate have each passed a bill that is intended to perpetuate floods, that is intended to cause the expenditure of billions of dollars to perpetuate floods. And the only hope of flood control up to this moment is placed in the hands of the avowed enemies of the only method of controlling and doing away with floods that can be devised. This in the face of the well-founded belief of all friends of real flood control that true control may be had to the American people at an expense of $600,000,000, of which $400,000,000 will be reimbursive, leaving a net cost, and a threat of floods gone forever, of $20,000,000 net.

Over beyond wishing to see the West develop according to its best, what are some of the purely selfish interests of the East, in the development of the national food supply that comes from the Great Plains country? For lack of water that great territory is losing its fertility and is not raising the wheat per acre as formerly. All authorities so declare. The winter wheating process and summer fallowing is sapping the nitrogen from the soil. It needs the added water to restore the nitrogen. In about eight years as a permanent condition the consumption of wheat in this country passes its production. We are then on an importing basis. This year, because of lack of moisture, the great wheat fields of the West will probably not produce one-fourth of their normal supply. The people of the East are now paying about half a dollar a bushel more than three months ago for their wheat, and the price is still soaring. It will probably go to a half or double beyond where it is now. In total this will mean hundreds of millions of dollars, and perhaps enough to reservoir the entire system of flood areas and surely of that great wheat country east of the Rocky Moun-

tains. The Atlantic States call for 250,000,000 bushels more than they produce annually. It may well be profitable for the East to seriously inquire, Can it ignore its own food supply even if it does the suppliers?

That great northwestern country of which I have spoken has asked that its great river be improved for navigation whereby will be saved to billions of bushels of grain raised each year, from 5 to 6 cents a bushel. The railroads of the West have fought 25,000,000 of agricultural people—including those dependent upon them for their industrial life—and for 50 years that improvement has been denied those people except as to an occasional gesture. It is easier to get a hundred million dollars to ornament the city of Washington than it is to get $10,000,000 to improve that great river. This in spite of the fact that all engineers—of course, all laymen—agree that that great river is the most practical river of them all for navigation. And governmental authority has said that when improved, as the old Missouri River commission knew how to improve it, that it would have the carrying capacity of 600 single-track railroads.

If the statements I have made are conservative and true, who shall say that that great western section has not good cause to voice its complaint? But that is only a part. With eyes wide open on ample and full advice of the needs of that great section for a conservation of its water resources, this session, as far as it could as yet, has fixed also the drought situation upon it. Now, drought is a greater calamity to the national welfare than floods in the lower section. Times over the losses occasioned by floods, bad as they are, are the losses occasioned by drought. Yet the East and the South, have said by their combination, that the floods shall continue and the drought shall continue, and that this Nation shall not develop according to its best prospective. And this because of the grip that the combined power people of this Nation have upon legislative and executive functioning. The power people who reach out to cities, States, and the activities of a nation, being determined that reservoir control of the flood areas shall not be had, for the reason that some of the reservoirs for the storage of flood waters might develop power for the people. That is the reason that Muscle Shoals has not been put to work for the benefit of the southeastern section of our country. And the power there developed is sold by the Government at 2 mills per kilowatt-hour to the power companies, and they in turn charging the people of that section 10 cents per kilowatt-hour.

There has never been known in the history of the world such good buyers and spenders when they were in a normal financial situation as the people of the Northwest. Yet the people of the East, in thinking only of their own interests, have denied to the West the ability to buy. How can the East prosper unless the West is prosperous?

Having laid down something of a foundation, let us get back to the McNary-Haugen bill. Why should a poor crop bring to the agriculturalist more money than a good crop? Something is wrong if it does. And it does. The farmer is the only man engaged in business to-day that takes his product to market and asks how much he shall receive for it. He does, and he does. If we were to commence in the first instance to adopt the policy of price fixing, where would we commence? By unanimous vote we would commence with agriculture. Yet price fixing obtains as to every one else but the farmer. I am for the McNary-Haugen bill because I think it will in all fairness fix prices and stabilize prices. It will take an act of Government to so arrange that this wonderfully scattered activity may have its parts so correlated that there will be such fair stabilization. I have never said that I was sure that the McNary-Haugen bill would work satisfactorily to all concerned. I do not know. But I have thought if it failed it would show us what would work. First, I am for my own section. If any man's hand is raised against my part of the country, I am enlisted in the war against him that he has declared and brought about. This, of course, in a very good natured way and abiding by whatever conclusions are reached, but hoping that in the end the battle shall wage with at least some modicum of benefit to my own people.

Mr. FORT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. LUCE].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 20 minutes.

Mr. LUCE. Mr. Chairman, of course I address myself to this subject under the existing conditions only in the hope that the unanswerable arguments which will fall from my lips will be reflected in print and in due course add something to the enlightenment of public opinion, upon which all law is founded. [Applause.]

I have addressed myself on previous occasions to this subject. It has become a biennial theme, and should I stay in Congress many years longer, I presume that the material which I now will give you will be available again for my own use every two years. [Laughter.]

I have one piece of good fortune as compared with the friends of the bill. A clergyman may turn his barrel of sermons upside down and use the old sermons over again, for principles endure. Gentlemen who favor this proposal, however, are embarrassed by the fact that conditions change rapidly. Several of the speeches to which I have listened evidently were taken out of the closet where they have been for from one to four years and have not been newly adapted to the change in prices and the improved prosperity of the farmer. I am not bothered in that way, because it is the eternal truth that I am maintaining. [Applause.]

It is well, in the course of these repeated discussions, that occasionally a voice from outside the circles directly interested should be heard, even though at remote intervals, the voice of somebody who speaks for the consumer. Here also I have some advantage, because nearly all the speeches that have been delivered have been appeals to the self-interest of one portion of the people, while it is my fortune to speak not for the 30,000,000 people of a single class, but for the 120,000,000 people of the whole country. [Applause.]

When this discussion was young, so many years ago that I suppose most of you have forgotten it, but when the end in view was somewhat nearer achievement than it is to-day, the weekly letter of the American Farm Bureau Federation said that the McNary-Haugen bill would be worth a billion dollars to the farmers of this country—one thousand millions of dollars of benefits.

Mr. MAJOR of Illinois. Will the gentleman yield?

Mr. LUCE. With the greatest of pleasure, because I may thereby get something in my speech that I might have forgotten.

Mr. MAJOR of Illinois. I wonder whether the gentleman has any corn or wheat farmers in his district?

Mr. LUCE. I hope presently, in the due and orderly course of my remarks, to come to that particular point. Now, I want you to stop thinking in millions and figure out what this means in dollars. This is a proposal to give one-quarter of the people of this country one thousand million dollars. Of course, it is not going to be taken out of the pockets of foreigners; it is not going to be fished out of the sea or pulled off some bush. It is to come out of all of us. We alone can furnish this one thousand million dollars. We must count in the farmers themselves because they, too, are consumers and must pay their quarter. If you figure it out with this in mind you will find that here is a proposal to take, on the average, out of the pockets of every family in this country $40 a year; and you are going to put into the pocket of every farmer of this country $160 a year. He will pay $40 of that himself, so that his gain is $120 a year, while we consumers pay $40 a year for each family.

I much regret that I do not see a large and enthusiastic attendance of the gentlemen from New York City this evening, but I trust they will read my words and prepare themselves to go before their constituents this next fall and explain to the people of the East Side and the West Side why we are going to take $40 a year out of the pittance that the wage earners receive. I do not see here my friend from Rochester, who last year made a powerful speech which disclosed the iniquities of the McNary-Haugen bill, and then proceeded to vote for it. I wish he had been here that he might by these remarks be prompted to ask his clothing workers what they think of contributing $40 a year, say one week's wages, for the benefit of another class in the community. In case the bill becomes law, I would ask every man here who has voted for it and expects to face an audience this fall to be ready to explain why he would take out of the pockets of every head of a family not a farmer $40 of his income and turn it over to the farmers of the West and South.

Mr. RANKIN. Will the gentleman yield?

Mr. LUCE. I yield with the greatest pleasure to the gentleman from Mississippi.

Mr. RANKIN. The gentleman evidently missed the speech made by the gentleman from New York [Mr. GRIFFIN] in opposition to the bill.

Mr. LUCE. I am thankful that somebody else looks at it in the same way, as all wise men should. [Applause.]

Mr. PURNELL. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. PURNELL. I do not claim to be half as wise as the gentleman from Massachusetts, but evidently he is not familiar with the hearings which have taken place in our committee for the last four years, otherwise he would know that every labor

organization in the United States and every body of workers within the United States that appeared before our committee upon numerous occasions advocated the passage of this bill, and I myself asked them this specific question at the conclusion of their statements: "Do you still favor this bill if you believe it will increase your cost of living?" And they said yes.

Mr. LUCE. That is all the more reason why my argument ought to appear in print and persuade the deluded. [Laughter.]

Mr. DOWELL. Will the gentleman yield for one question?

Mr. LUCE. Yes.

Mr. DOWELL. Then the gentleman admits in his argument that the farmer is going to be benefited by this legislation when it is enacted?

Mr. LUCE. I am taking the American Farm Bureau Federation at its word and proceeding on that assumption.

Mr. DOWELL. I am just suggesting to the gentleman that his argument is conclusive that this bill will do exactly what the purpose of it is, and that is to give the farmer a greater price for his products.

Mr. LUCE. If it does not do that, the bill is no good.

Mr. DOWELL. Certainly; and the gentleman admits it is good because he says it is going to give the farmer a greater price for his product.

Mr. LUCE. It is good for one-quarter of the people of this country at the expense of the other three-quarters.

Mr. DOWELL. But it is good for the farmer?

Mr. LUCE. It is fine for the Western and Southern farmer. You think I do not represent any farmers because I am from the East. Gentlemen discussing this bill do not think there is any such thing as a farmer north of the Potomac River or east of Pittsburgh.

To refute that I must distress you with figures. I come from New England, a part of the country which, with the Middle Atlantic States, is commonly known as "the East." This region, in the latest year for which I find the figures, grew crops estimated in value at $829,700,000, and had dairy products estimated in value at $464,400,000, making a grand total of $1,294,100,000. That was the value of the crops and dairy products produced in this region by about 580,000 farmers. I have not a few farmers in my district and not one of them has asked me to vote for this bill, save, I think, a single man, who, out of that broad and generous charity which characterizes some New Englanders, was willing to put his hand in his pocket, take out of it $40 a year, and give it to the men from the West and South who appear before us in this impoverished condition. I strongly suspect that the rest of the farmers in my district are not so philanthropical as to ignore the fact that they will have to pay more for their stock and poultry feed, more for such of the meat they buy as has been fattened with corn, more for the flour that comes from the West, more for the package cereals, more for every cotton garment they wear.

Mr. SCHAFER. Will the gentleman yield?

Mr. LUCE. Yes.

Mr. SCHAFER. Have any of the farmers in your territory written you in opposition to the bill?

Mr. LUCE. Not to my knowledge. My district relies upon its Representative to present the arguments. [Laughter and applause.]

I would further emphasize the fact that I do not come from a region that has in this matter the most important interest, measured either in men or in dollars. Gentlemen find it very difficult to disabuse themselves of the idea that New England is still dominant in industry, and gentlemen think that in passing a bill of this sort the cost is to be borne by men from the seaboard States. Can you not understand that the scepter of industry has passed beyond the Alleghenies? Can you not understand that at this hour the total value of the industrial products of Ohio, Indiana, Illinois, Michigan, and Wisconsin is two and a half times as great as that of New England? The total number of wage earners employed in the industries is two and a half times as great. The total amount of wages is two and a half times as great, and the value of the product is three times as great. You are not punishing or penalizing New England nearly so much as you are punishing and penalizing the industrial center of the country—Ohio, Indiana, Illinois, Michigan, and Wisconsin.

You have long thought us the leaders in the textile industry of America. Did you know that of the cotton consumed in this country since the 1st of January, 74 per cent has been consumed in the South and 26 per cent in the North? The interest of Fall River, New Bedford, Lowell, and our other mill towns is, in dollars, only one-third of the interest of North Carolina, South Carolina, Georgia, and Alabama. If this bill grinds down the faces of the people working in the textile mills, it will be chiefly the people of the Southern States. I wonder how any man from North Carolina, South Carolina, Georgia, or Alabama is going to his constituents this fall and answer the questions that will be put to him if he has voted for such a proposal.

What do you think this is going to do to cotton? You are going to send cotton abroad and dump it on the markets of the world, selling it at any price necessary to dispose of it all. Furthermore, by putting into the bill the new requirement that imports also shall pay the equalization fee, thus providing what will accomplish the same purpose as a tariff duty, you virtually prevent cotton, as well as any other commodity concerned, from being shipped back to this country in case it has been sold abroad at a price so much below the artificially elevated price here as to tempt reshipment.

I will admit now that when in previous sessions I talked upon this subject I had to be very careful lest I get caught by some inquirer who, when I told him he was going to feed the workers of Europe at the expense of the workers of America, would retort that the wheat could be brought back immediately if sold abroad at too low a price, or that cotton would likewise come back. I am now saved any worriment on that score, because the committee itself has put another lock on the door. No longer do I have to dodge that particular question; but what the committee has done has made the menace still more serious.

Furthermore, by reason of one thing the committee has not done, the prospect is blacker yet. The equalization fee is to be collected on any agricultural commodity imported when that commodity has been designated as within the operation of the fee, but not on the article manufactured out of such a commodity. This means that though raw cotton would have to pay the equivalent of a duty under such circumstances, it would, to the extent of the value of the cotton, come in free if fabricated, thus giving the foreign manufacturer virtually a bonus for its manufacture.

All this betokens still further calamity for the cotton mills that give livelihood to so many thousands of our people in the States of the Atlantic seaboard from Maine to Georgia, still more distress among the wage earners, still more of loss to the communities that have grown up around the mills.

Do you not know the condition of our textile industries? Since last year the wage pay rolls of the cotton-goods industry in this country have dropped by 14.5 per cent, more than one-sixth, in a year. The wage pay rolls in woolen and worsted goods have dropped 10.6 per cent. Here in one year an industry already depressed has by that much gone down hill disastrously more. This is not alone true of New England; it is true also of the textile mills of the Middle States and of the South.

What do you offer us? You gentlemen who to-day have $2 wheat, $1 corn, and 60-cent oats—what are you asking of us? You are asking the passage of a law that in the first place will give our foreign competitors certain raw materials of industry at a lower price than must hereafter be paid by the manufacturers of the United States. Secondly, you are furnishing to the workers in all industries, to the employees in Birmingham and Manchester and Chemnitz, and all the other industrial centers of Europe food at a lower cost than must be met out of the wages of employees in the United States. Thus New England, the Middle States, the South are to give aid to our competitors coming and going. We are in effect to subsidize England and Germany so that they can undersell us in the markets of the world.

Mr. SCHAFER. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. SCHAFER. Even if we do furnish the workers of these foreign countries food products at lower cost, apparently under the debt settlements we have relieved the taxpayers of the foreign countries from the payment of many billions of dollars. They were represented then as being very poor, indeed, and perhaps this bill will square with the billions of dollars which we have already relieved them of in the payment of their tax bills.

Mr. LUCE. Possibly this may work out by enabling the foreign manufacturers to dump their goods on our shores and underbid our manufacturers in a way to make the payment of those debts easier, but I would not defend it on that score.

Let us now come down to the crux of this proposition, the fundamental idea that has always been its weakness, is its weakness in its present form, and always will be its weakness. You are tempting the farmer to jump out of the frying pan into the fire.

Mr. FULBRIGHT. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. FULBRIGHT. The gentleman mentioned the dumping of surplus products into foreign countries and feeding them with cheaper foodstuffs. Is it not the fact that the manufacturing

industries dump their surpluses into foreign countries and sell them at a lower price than they sell at home?

Mr. LUCE. The last tariff bill we passed recognized the iniquity of that thing, and just so far as the American people possibly could they put their stamp of disapproval on what they said was an unrighteous practice.

Mr. FULBRIGHT. That does not answer the question. Is it not the fact that the manufactured products of this country, especially farming implements, are sold at a lower price abroad than in our own markets?

Mr. LUCE. If that is done, I still say it is an iniquity, and all the other countries of the world are fighting against it and we are fighting against it to-day.

Mr. FULBRIGHT. Does not the gentleman know that is true?

Mr. LUCE. I have the impression it is not so prevalent as it was in previous days.

Mr. FULBRIGHT. That is not answering my question. Is it not the fact that products manufactured in this country are sold on the foreign market at a lower price than they are sold on our home markets to our own people?

Mr. LUCE. Some products undoubtedly are.

Mr. HAUGEN. Will the gentleman yield there?

Mr. LUCE. Certainly.

Mr. HAUGEN. The gentleman is certainly aware of the fact that wheat sells in Liverpool at from 15 cents to 30 cents a bushel less than it does in Chicago.

Mr. LUCE. The cost of transportation I recognize to exist.

Mr. HAUGEN. Is not that true all along the line, just as the gentleman has stated; and have not the industries dumped their products for the last 50 years, to our certain knowledge, on the markets abroad at a price lower than the price received here?

Mr. LUCE. If that be true, the purpose of the bill is to carry farther a practice that in the end is unwise.

Mr. HAUGEN. The farmers have been up against it for 50 years, and we propose to do the same thing for them. They think what is good for the goose is good for the gander.

Mr. FORT. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. FORT. If the statement of the chairman of the committee is correct, that we sell for 35 cents a bushel less in Liverpool than in Chicago, that is clearly evidence of the fact that the farmer gets the whole benefit of the tariff.

Mr. LUCE. Certainly.

Now, in the very brief time remaining at my command I want to point out some of the effects of giving anybody in production, industry, or commerce——

Mr. PURNELL. Will the gentleman yield right there before he proceeds?

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FORT. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Seventeen and a half minutes.

Mr. FORT. How much time does the gentleman from Massachusetts want?

Mr. LUCE. That will depend upon how curious my audience is.

Mr. FORT. I yield the gentleman five minutes more.

Mr. PURNELL. I do not care to make a statement, but this is in the nature of a question. Industry is able to organize and can absorb the loss which it suffered by reason of the reduced price at which it sells abroad. Some of us who are sponsoring the bill have the thought, by reason of the fact that there are in the neighborhood of 6,000,000 farmers unable to organize, unable to absorb that loss in the prices at home, that they ought to have a measure such as this to assist in that very business.

Mr. LUCE. I am afraid I can not follow the gentleman's logic. Even if it be valid, let me go on to state what I think is the most serious evil in the whole matter and beg of you to give it attention.

A bounty to cure overproduction is like quenching flame with oil.

I have 20 acres of grass land in Maine. It is not worth as much as a good-sized garden patch out in Iowa. As grass land it is useless. I can not sell the hay because the automobile has ruined the hay market. [Laughter.] I can plow it up. I have the implements and have the help. I tell you, if this bill becomes law I will within 30 days get the land plowed and I will plant it, because I shall have a sure thing in the disposal of my crop. That is what you are offering the farmers of the country. You are guaranteeing them against loss, you are holding out to them the bait of high prices, you are inviting them to increase the real cause of their troubles, for at the bottom of all this is overproduction, surplus.

Remember what happened in the war. In the decade from 1909 to 1919, by reason of rising prices and a market apparently certain, 40,000,000 acres of pasture land were plowed up and put into crops, 5,000,000 acres of forest were cleared—40,000,000 acres of pasture land and 5,000,000 acres of forests! With the sudden increase of the price of wheat in the war period, the acreage increased 67 per cent in two years. The big jump in the price of cotton increased the acreage 53 per cent in four years.

By the way, our experience then gives the answer to the argument that we need to insure a surplus by such legislation as this. We found that by the use of extra land, better seeds, and more fertilizer supply can be quickly increased to vast extent.

See what happened in the case of coal when we turned the process the other way around. In 1922 when coal was $3.64 a ton there were 9,299 mines in operation. It dropped to $2.06 a ton, and the number of mines dropped to 7,144.

I want to get into this story what California saw when some of its producers put into practice the principles of this bill. In 1913 raisin grapes were selling for 3.46 cents a pound. The crop was 70,000 tons. An association was formed, by 1920 the selling price had been jacked up to 12.695 cents a pound, and the crop was 173,000 tons.

In 1922 the result of that folly was to send the price back to 3.214 cents a pound and to increase the crop to 225,000 tons. That fall there were 360,000 tons on hand. In 1925 there were of raisin grapes left unpicked on the vines enough to fill 10,000 cars; in 1927 enough to fill 15,000 cars.

There will be no raisin grapes left on the vines if you guarantee that the crops will be dumped on a foreign market. There will be no idle land. Everybody engaged in agriculture will jump at the chance to produce a surplus to be sold abroad at any price it will bring, with the consumers of the United States to pay the loss.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. If the gentleman will get me some more time.

Mr. FORT. Could the gentleman use five minutes more?

Mr. LUCE. I should judge so, at the present rate of inquiry.

Mr. FORT. Mr. Chairman, I yield the gentleman five minutes additional.

Mr. DOWELL. Mr. Chairman, will the gentleman yield?

Mr. LUCE. With great pleasure.

Mr. DOWELL. The gentleman has argued that three-fourths of the country would have to pay the penalty for the passage of this bill by the rise in the price of agricultural products. He now says that they are going to buy them much more cheaply than if the bill were not in operation. How does the gentleman reconcile the first part of his argument with what he is saying now?

Mr. LUCE. The gentleman forgets that the California raisin growers did not have the help of the McNary-Haugen bill to enable them to dump. The fate that befell them will not befall the wheat or the corn growers. It will be the foreign consumer, not the domestic consumer, who will enjoy the low prices.

Mr. DOWELL. The gentleman means that they are still going to maintain a good price for their products?

Mr. LUCE. Yes; and I am going to help pay for it.

Mr. DOWELL. Under this bill?

Mr. LUCE. Yes; with three-quarters of the population of the country, I am going to help pay for it.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Yes.

Mr. BURTNESS. Do I understand that the gentleman's solution of the agricultural problem is to keep the prices of agricultural products as low as possible in order to prevent the farmers from growing crops or raising farm products?

Mr. LUCE. Oh, no, Mr. Chairman.

Mr. BURTNESS. The gentleman objects to higher prices.

Mr. LUCE. Mr. Chairman, my solution of this agricultural problem is to refrain from interfering with the problem. The farm population of this country is lessening at a net rate of something like half a million a year. The rush from the farm to the cities has already nearly solved the farm problem. As I incidentally remarked, the price of farm products has so risen that the speeches delivered on this floor in this matter are mostly away out of date. The pendulum has swung the other way, and instead of misery and suffering being on the farm they are now in the city. But you do not find those of us representing the populous centers coming here and asking for special legislation. We ask you to let us alone and we will work

out our own problem, just as the laws of economics will help you to work out yours if you let them alone.

Mr. DOWELL. Will the gentleman apply that problem to industry and let it work out its own solution?

Mr. LUCE. Absolutely.

Mr. DOWELL. Would the gentleman take the tariff out of industry?

Mr. LUCE. The tariff is not and never was and never will be for the primary purpose of benefiting men engaged in industry. The tariff was put on to help the Nation. There is no defense for the tariff if it exists simply for the special purpose of helping a special class.

Mr. DOWELL. Of course, the gentleman means that by furnishing a home market for industry it means helping the entire Nation without assisting the gentlemen who put the products of industry on the market.

Mr. LUCE. Their advantage is no greater and no less than that of any other man who faces the laws of competition within the borders of the country. But I thank the gentleman for mentioning the tariff. I had almost forgotten it.

Mr. FULBRIGHT rose.

Mr. LUCE. I have not the time to yield now until I get through with this particular matter. The pending proposal is the tariff upside down. The gentleman from Texas [Mr. JONES] said of his debenture bill this afternoon, and the same thing is in essence true of the equalization fee, "It operates exactly like the tariff, but in the reverse manner." He was more nearly accurate than perhaps he intended to be. The tariff is to secure for our manufacturers the home market at reasonable cost. This bill is to secure for the farmers the foreign market at any cost. The tariff is to secure ultimately to the people of this country lower prices. This bill is to impose on them higher prices. The tariff is to make us self-sufficing. We are already self-sufficing in agricultural matters. The tariff is to diversify occupation. This bill is to discourage diversification. The tariff is to protect us against foreign competition. Agriculture is already protected, or if not it will be given the necessary protection. The tariff is to the good, primarily, of the whole country. This bill is to the good, primarily, of a single class. It is the tariff upside down, and not a single argument that justifies the tariff can be successfully perverted to its defense when it has been stood on its head.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. FORT. Mr. Chairman, I yield the remainder of my time to the gentleman from Iowa [Mr. HAUGEN] for such use as he desires.

Mr. ASWELL. Mr. Chairman, I have 22 minutes remaining. I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN] and the remainder of my time I yield back to the chairman of the committee [Mr. HAUGEN].

Mr. COCHRAN of Missouri. Mr. Chairman, ladies, and gentlemen of the House, it is hard to understand why the so-called friends of the farmer, if they are sincere in their desire to better his condition, continue to advocate a measure which has no chance to become a law. The President's veto of the last edition of the McNary-Haugen bill specifically pointed out his objections to the equalization fee, which we again find in the pending measure.

Probably I should not discuss a bill which I do not propose to support, but those of us who oppose this legislation have been criticized and told conditions in the cities can be attributed to the plight of the farmer. No doubt there is something the matter with the farmer, but in part he is responsible for his own condition, as I will point out later.

As the Representative of a city district I can tell you there is something radically wrong in the industrial field. There is a difference of opinion as to the number of million people out of employment at the present time, the Department of Labor figures being far below those advanced by certain Senators who have placed the number above 4,000,000. In St. Louis, part of which I have the honor to represent, you can find places for over 50,000 people and then have many additional thousands looking for positions. There is no movement in Congress to come to the relief of the unemployed, but at the same time you are asking for a law granting a subsidy to the farmer, at their expense.

Under the terms of this bill you propose to sell the surplus crop to people in foreign countries at a price far below that which you would charge my constituents. In plain words, you propose to reduce the cost of living abroad and raise the cost of living among the people of my community.

You propose to put the Government in business, where it does not belong. In June, 1924, at Cleveland, the Republican Party at its national convention adopted a platform and under the head of "Government control" said in part:

> The Republican Party stands now, as always, against all attempts to put the Government in business.

This was in 1924. Where are you standing in April, 1928? It can not be denied the passage of this bill would mean further entrance of the Government into business. In a few weeks you will be reiterating the doctrine as expressed in the 1924 platform. Why not follow that doctrine now?

The outstanding trouble is the surplus—overproduction, if you please. I propose to show where the farmer is in part responsible for this surplus, and a great many of his representatives in this House are likewise in part responsible. You who are advocating the enactment of this legislation took away from the farmer a market for hundreds of millions of bushels of grain annually when you supported prohibition legislation.

The farmer lost a market annually of over 40,000,000 bushels of corn. In 1927 less than 10,000,000 bushels of corn were used by distillers and brewers, while in 1917, the year previous to the enactment of prohibition, over 49,000,000 bushels were used.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield there?

Mr. COCHRAN of Missouri. Not now. I have only 10 minutes.

At the same time you deprived him of a market of nearly 80,000,000 bushels of barley and caused him to ship over 100,000,000 pounds of rice to foreign countries, while prior to prohibition it was found necessary to import this commodity in order to meet the demand. Where is the market to-day for 40,000,000 pounds of hops used in the preprohibition times? The farmer let the Anti-Saloon League sell him prohibition, and in return, instead of benefiting thereby, he lost a market for his crops. He reduced his own earning power.

What followed? Why, it was not long before he could not meet the interest payments on outstanding notes, and as a result tens of thousands lost their farms. Can the merchant drive his customers away and then sell his goods? Why certainly not; it would mean bankruptcy.

Had it not been for the war, prohibition would not have survived as long as it has. The war opened a field for hundreds of thousands of employees previously engaged in the manufacture of distilled spirits, beer, and wine, and enabled these men and women to earn a living. They took the places made vacant by the 4,000,000 engaged in battle. Thus the war served as an asset for prohibition in that for a time it took care of the unemployed. Gradually, however, as the country returned to normal, unemployment increased, until to-day more men and women are out of employment than at any time since the panic of 1907.

We should have a nation-wide survey made immediately, secure the true facts in reference to unemployment, and if it is found millions of our citizens are unemployed, forget tax reduction, and appropriate whatever surplus that might exist at the end of the fiscal year to be applied to the prosecution of public work. The farmer would benefit by such action.

A reaction has undoubtedly set in. The farmer's mistake in following the Anti-Saloon League, and your mistake in voting for prohibition, which resulted in the loss of a market for the farmer's crops, has returned to burden him, and now the appeal to place him on a sound footing is before Congress in the form of the fourth edition of the McNary-Haugen bill. Political expediency prevents many a legislator from frankly explaining the mistake to the farmer and residents of the rural communities, but they are being slowly educated.

Only a few days ago Dr. James M. Doran, United States Prohibition Administrator, was quoted as telling a Washington audience it was his belief the United States Government would never be able to stop violation of the prohibition law. What more convincing evidence would you desire on the subject? If prohibition was a success from an economic or a moral standpoint there would be no complaint, but it has failed beyond question even to promote temperance. See the official records of the police department of the city of Washington, Capital of the Nation, for the year 1927 and you find nearly 14,000 men and women arrested within the year for either being intoxicated on the streets, drinking in public places, driving an automobile while intoxicated, or for violating the Volstead law.

The farmer not only deprived himself of a market when he advocated prohibition but he also increased his expenses. The United States Government alone lost nearly a billion dollars annually in taxes. The States and local communities likewise were deprived of hundreds of millions in revenue. This has not resulted in a saving for the people but, on the contrary, it is being used for the purchase of so-called whisky and finally lands in the pockets of the bootleggers, who pay no taxes. It was necessary to find other sources of revenue when national prohibition was enacted, so the farmer was required to pay his share in various ways.

I admit many changes have been made in the pending bill since it was vetoed by the President last year, but it is easily recognized by the so-called equalization fee.

Not satisfied with providing an increase in the price of grain, this year you propose to spread "Mary Haugen's" wings, for you include even fruits and vegetables, perishable products, which can not be carried from one season to another, and in most instances must be disposed of on arrival at the market. Statistics will show the production of fresh vegetables and fruits has doubled within the last 10 years, further evidence of overproduction. The Senate very properly amended this provision, and I hope the House takes the same action. You are going to make enough of your people suffer as it is.

You have the votes to pass a farm bill, but rather than bring in a measure that can become a law you insist upon this bill, which I predict will inflict further damage to the farmer rather than improve his condition.

Let us assume this bill does become a law. What is your main objective? No one can deny it is to provide an increase in the price of farm products. Is there a Member of the House who does not really know that it would be but natural for the farmer to increase his acreage when the price of his products are advanced? This means further overproduction. In the end the bottom will fall out of your plan and the farmer will experience still harder times by a decided decrease in prices. In the face of a presidential veto you propose to pass this bill, and I admit you have the votes, but I warn you some day your action will return to plague you.

You can not justify a law assisting one class of people at the expense of the masses, and even though it should by chance receive the approval of the President it will meet its death at the hands of the Supreme Court when its constitutionality is assailed, as it will be.

As it is impossible to have a sound prosperity with one or more classes of our citizens in distress, I propose to be so bold as to offer a suggestion to my dry friends.

In the interest of the farmer, in the interest of temperance, and in the interest of the unemployed may I not suggest that it would be well to bring in a bill which will provide for the use of the surplus farm products, grains as well as fruits, to be used in the manufacture of light wines and beer up to the point of intoxication? [Laughter.] This will not in any way be a violation of the eighteenth amendment. It will simply give you a market for the farmer's surplus, in making legal the manufacture and sale of beverages, nonintoxicating, and at the same time bring relief to the farmer, which you so earnestly seem to desire. Proper provisions can be made in a separate measure for a special tax on these beverages which will bring to the United States Treasurly nearly $1,000,000,000 annually and hundreds of millions to the various States and local communities. This will not be any additional burden upon the people because they are now handing this money over to the bootleggers. Further this would enable you to repeal objectionable paragraphs in the revenue act as well as materially reduce others.

Provide more liberally for cooperative marketing if you will, forget the equalization fee, add the amendment I suggest and you will have a bill that will not only pass the House by an almost unanimous vote, if the farmer's representatives will join those in favor of light wines and beer, but a safe majority over the necessary two-thirds in the event of a veto.

To carry out my proposal would mean, first, a general improvement in the health of the millions who are indulging in "made to-day and drink to-morrow moonshine" as they would be satisfied with light wines and beer; second, respect for the laws of the country, which means more to the Nation than prohibition; third, a reduction in the unfair tax burdens now shouldered by the people and business; and fourth, prosperity for the farmer and employment for the millions now out of work in the cities.

Regulate the sale in any manner you desire but no longer deprive the people of the country of beverages to which they are entitled under the Constitution, and which they lawfully can not secure by reason of congressional action, and you will provide the farmer a market for his present surplus, which the enactment of the Volstead law has taken from him, causing the financial distress which you picture here to-day. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HAUGEN. Mr. Chairman, I yield three minutes to the gentleman from Wisconsin [Mr. SCHAFER].

The CHAIRMAN. The gentleman from Wisconsin is recognized for three minutes.

Mr. SCHAFER. Mr. Chairman, I take the floor at this time to state that I shall vote for the Haugen bill, although my district is a city district. The industrial workers and the farmers of this country realize that their interests are mutual. The prosperity of the farmers is closely interwoven with the prosperity of industrial employees, business and professional men. When the farmers are prosperous they are able to purchase the output of the industrial workers and business institutions and pay the bills of the professional men.

This Congress has enacted legislation and appropriated millions of dollars for the benefit of certain other classes, and surely should assist the American farmer, who, we all admit, is in a most precarious financial condition at this time. Representatives of great farm organizations, as well as representatives of great labor organizations, with membership of millions, are advocating the enactment of this legislation. I sincerely hope that the pending bill will become a law at this session, so that the American farmers may have something more from the Seventieth Congress than general vague promises. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Illinois [Mr. HALL].

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. HALL of Illinois. Mr. Chairman, in his remarks in the Committee of the Whole House on the state of the Union, when the rule was adopted for the consideration of this bill, the gentleman from Illinois [Mr. WILLIAMS] stated the agricultural situation in such terse and concise terms as to leave no room for doubt as to the conditions that confront us. [Applause.]

I agree with the gentleman from Georgia [Mr. CRISP] that "the die is cast and I know that the House is going to pass the McNary-Haugen bill," and that "12 hours of debate is not going to change a single vote."

I am glad the gentleman from Georgia feels that way about it and I am also glad but not surprised that he accords to each Member here absolute sincerity of purpose in the consideration of this measure.

I can not agree with Members who declare that the passage of this bill is a vain and childish thing; that the Agricultural Committee was swayed in the slightest degree in reporting this bill favorably to the House by testimony of witnesses who matriculated in and graduated from an institution for the feeble-minded. To assume this would be to admit that a majority of the House Committee on Agriculture have not the mental acumen of such a witness and that a very large majority of the Senate of the United States has not reached the mental attainments of even a sophomore in such an institution. I do not admit either of these conclusions.

Congress has by a majority vote of both Houses agreed to the principles contained in the McNary-Haugen bill. The Senate has done so a second time and the House is ready to do so.

Mr. Chairman, I can not believe and I do not believe that such a majority in Congress is either misinformed, mislead, intimidated by a lobby, or is so ignorant that it does not know what it is all about.

Rather would I conclude that the Members have given this question their careful, intelligent, and patriotic consideration and that the consensus of opinion of a majority is more likely to be right than the opinion of a few, no matter how enthusiastic, no matter how tenacious that few may be in their refusal to yield to the opinion of the majority. This House did, in the Sixty-ninth Congress and in this one, give this bill careful study.

I would not presume, therefore, to discuss it in detail. It would be like a freshman trying to explain to the dean of a university the intricacies of integral calculus.

I do say this, however, the Republican convention four years ago, at Cleveland, promised to enact legislation that would place agriculture on an equal economic basis with other basic industries.

I do know that the Democratic National Convention at New York promised the same thing. This has not been done, and now is the time to do it.

Mr. Chairman, in regard to former efforts to grant farm relief by Congress, the farmer has been forced, by circumstances, to "grin and bear it," but I assure you that another disappointment and his present frame of mind may compel him to bear it, but he has certainly ceased to grin.

I have the greatest confidence in the ability of the economists and statesmen of the United States to solve the ills that our body politic is heir to.

Other nations have by legislation helped to solve their agrarian problems, and we can solve ours.

Rice is the lifeblood of the Japanese nation, just as corn, wheat, cotton, and other staple commodities are the lifeblood of America. Nothing brings death to Japanese business and commerce so quickly or so effectively as the spasmodic rise or fall of the price of rice.

When the price of this commodity swings violently up or down the Japanese have an adage that they "can not sleep on high pillows"—that is, peacefully.

The Japanese Government has been forced to take a hand in the rice industry for no other reason than to stabilize the prices and to smooth out the friction between the demand and the supply of this their greatest food staple.

In the years of bumper crops of rice, when the price breaks so sharply as to cause the farmers great financial loss, the Government steps in and buys sufficient quantities to stem the tide of a descending market.

In lean years or at a time of great distress, like a destructive earthquake, when the price of rice begins to soar beyond the reach of the common people, the Government opens the doors of its rice warehouses and sells enough rice to chill the ardor of the aggressive speculators who dream of cornering the rice market and pillaging the people.

Denmark and Holland have a similar plan to stabilize the price of their farm products. To the same end, although not in the identical manner, it is now proposed to aid not only the farmer but the consumer in America by means of the bill under consideration.

I am in favor of the McNary-Haugen bill. I believe that it will accomplish the desired results, and I believe that it is not only constitutional legally, and sound economically, but I am thoroughly convinced that it is the one measure proposed that most nearly will approach the beneficent results so much desired.

I have lived among farms, farming, and farmers all of my life. I have watched them in and participated in their daily toil. I know their desires, their ambitions, and their patriotic loyalty to anything that is American. I and they have for many decades supported and voted for those measures in national legislation that have built up the eastern seaboard and the great centers of population and that have made our country strong and great.

These stalwart sons and daughters of the soil still believe in protection to American industries but they find themselves in the slough of despond, due to quick deflation and conditions incident to the World War. Now they are asking their Government for that protection for them that they have for years helped to give to others.

Our farm population is restless. It is dissatisfied. Its capital is depleted. Its buying power is gone. Its members feel that a depression has come upon them through no fault of their own; that governmental aid has not been forthcoming, and they feel that they have been treated unjustly in this regard. This condition has existed now for years and has increased in intensity. Certainly there is sufficient ability in the two great political parties to solve this problem. The farmer wants it solved or he proposes to know the reason why.

This is the way farmers have been brought by adversity to feel, and I am convinced that if this Congress refuses to pass legislation that shall give them relief, all the stump speakers in the world can not convince them that they have been well treated.

I favor the McNary-Haugen bill because I want to continue to see a majority of our people favorable to a protective tariff, and I fear that they may not remain so unless some such measure as this shall become a law. This plan is the only one that a majority can agree on. It should become a law.

Agriculture is one of our basic industries. We all agree to that. A fair and just analysis of the situation now existing is in this connection of interest.

A reliable survey reveals that the earnings of the average farm family is now 70 per cent as compared with like earnings in the year 1920. While the earnings of the average nonagricultural employee are 101 per cent as compared with that year, the value of farm products compares with the value of other products in like manner as does the numeral 135 to 160.

This comparison is not the most alarming one. The decline in value of all agricultural investments from the year 1920 to date has been from $79,000,000,000 to $58,000,000,000, a loss to the farmer in capital investment of the enormous sum of $21,000,000,000. The taxes with which his business is burdened have been increasing in like proportion to his steady loss of assets. This increase in taxes is mostly local and not Federal, but the increase is there and must be paid.

I venture to say that if a corresponding decrease of capital assets and increase of tax burden were in so short a time to come into existence affecting the railroads, the manufacturing industries, or the banking business, every legislature in this land would be called in extraordinary session, as would the Congress of the United States if it were not in session, to avert a national catastrophe and to rectify a condition that means disaster, bankruptcy, and despair throughout our entire land.

And yet when agriculture that feeds and clothes our bodies and without which we would die appears in such a plight, the advocates of relief measures are met with cool and disinterested gestures by statesmen who, for the good of their own people as well as for the benefit of the country at large, ought to be eager to help upon its feet the very industry the prosperity of which is the foundation stone upon which rests the success of all the others.

Two recent reports on the agricultural problem, one by the land-grant college group and one by the Business Men's Commission on Agriculture appointed by the United States Chamber of Commerce and the National Industrial Conference Board, have centered attention on the farm problem and both state the fact to be that farmers are now bearing an unfair share of the tax burden.

Mr. Chairman, when I began to be interested in agriculture the taxes on farm lands was about 50 cents per acre, whereas it is now about $2 per acre. The gross returns per acre then and now are approximately the same in terms of dollars. It has been for years my custom to market my corn soon after it is husked and under cover, selecting a time when the roads are frozen so that I can get to the elevator. In the year 1927 I was kept from doing this because the roads were soft so that instead or selling for 56 cents, the price in January, I was forced to keep it until June, when I received 92 cents for it. In December of the same year it went back to 68 cents. In the meantime the price was $1.01 per bushel. This showed a fluctuation of nearly 100 per cent in a little over one crop season upon a staple commodity which ought to be worth about the same price in January, in June, and in December. The price of our basic agricultural products should be stabilized. It can be done.

Some of the opponents of this bill seem to think that the farmer wants something soft handed to him; that he wants some sort of governmental certificate of freedom from work. Such a position is so untenable that it falls of its own weight.

The farmer is a hard-working man. He works long hours under adverse weather conditions. He not only has to fight the weather but innumerable insect pests. He does not want anything soft. All he wants is a fair place in the sun of prosperity such as his city brother has. He does not want to be furnished a Rolls Royce, a Buick, or a Ford. All he wants is a crutch to help him on his way to win back some of that $21,000,000,000 that he has lost by the general deflation after the Great War and to start paying his mortgage debts. And he proposes to get that help if he has to fight for it.

He wants no subsidy nor charity. He wants his Government to help him by legislation and he will pay the bill. The McNary-Haugen bill will give him the relief he asks and is entitled to and every Member of this House who believes in protection ought to in fairness and good conscience vote for this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HOWARD].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 10 minutes.

Mr. HOWARD of Oklahoma. Mr. Chairman and gentlemen. I listened with great interest to the appeal made for the West, South, and Southwest by the gentleman from Massachusetts [Mr. LUCE]. As I did I wondered why he has not before this been urging reduction of freight rates, tariffs, and so forth, for these farmers. But, Mr. Chairman, I do not think the appeal he made was for the benefit of the farmers of the West, South, and Southwest, but was in the interest of those of his section of the country who have profited at the expense of these farmers and have protested every time that suggestion is made to help them. His solution is a unique one, as I gathered from his remarks that he favors letting enough of them starve and lose their home to reduce production and reduce surpluses.

If the flood control bill, which passed the House a few days ago with an overwhelming majority, and the McNary-Haugen agricultural relief bill which is now before us for consideration, are enacted into law this session of Congress will go down in history as one of the most important sessions that ever convened. It is conceded by all who have given any consideration to the subject that there is an agricultural problem and that a solution should be found. The most deplorable conditions in agriculture exist now and the depression has been greater during the past eight years than at any other time in the Nation's history. These conditions are familiar to every Member of Congress from an agricultural district and to all others who have paid any attention to the subject.

Agriculture is the leading industry in this country and the one upon which all other business depends. There is, and can be, no general prosperity in this country unless agriculture shares in such prosperity. The merchants in the towns and cities and other business men who consider the subject know that their financial success depends upon the success of our farmers. I am not so much interested that the fortunes of the rich continue to increase, as I am that a reasonable degree of prosperity should exist among all our citizens. For the past six years the farmers of the United States, through their representatives, have been asking and petitioning Congress to do something to save their business. So far, their appeals have not sounded a responsive chord from this administration now in power. The influential and powerful industries of New England always find a quick ear turned to their demands. The farmers continue to toil from daylight to dark, as do their wives and children, and are unable to pay their interest, taxes, and other expenses and do not enjoy in full even the necessaries of life.

I wish some one who opposes this bill for the benefit of our farmers would rise now and tell me why our farmers should not receive the same consideration from this administration that is given organized business. You never read a county-seat paper but what you see page after page of farms advertised for sale for delinquent taxes and mortgage foreclosures. Something should be done to put a stop to such a condition, and the bill that we now have before us, in my judgment, will do the work. For the past several years our farmers have been producing their crops at a loss and they can not continue in that way any longer. There is no other business in the land that can survive under such conditions.

The farmer can not control his surplus, as can organized manufacturers who are protected under the Fordney-McCumber tariff law—the highest protective law ever enacted by any Congress. This law enables the manufacturer to fix his price upon the products of his factory. He also fixes the price that he pays the farmer for the raw material and when the farmer purchases the manufactured article he is compelled to pay the price asked, however high and unreasonable it may be. The Republican Party, in your platforms of 1920 and 1924, promised the farmers of America that you would remedy the conditions that now exist among them; and that they had faith in your promises was evidenced by the fact that your President in the election of 1920 received the largest vote ever given a presidential candidate, and this majority was exceeded by your presidential candidate of 1924. The farmers and agricultural interests have waited patiently for the fulfillment of your platform pledges. You have had the President, the House and Senate, and full control of all branches of Government since the 4th day of March, 1921, and no farm-relief legislation has been enacted. In 1921 you passed the emergency tariff law and told the farmers that you were going to raise the price of their products by that measure. Nearly all articles provided for in that bill declined in price soon after its enactment. The farmers know that where a large percentage of their crop, such as wheat and cotton, is exported that no tariff law can afford them any protection.

Reports from the Department of Agriculture show that the average cost of producing cotton in 1926 was from 15 cents to 16 cents per pound, and these reports show that, when the various yields are considered, the price of production ranged from 9 cents to 47 cents per pound, and other reliable reports go much higher. These reports also show that the average farm price of corn in this country in 1926 was 64 cents per bushel and in 1927, 72 cents per bushel; that the average price of farm wheat was 19 cents per bushel in 1926 and $1.11 per bushel in 1927; that the average price of cotton was 11 cents per pound in 1926 and 19½ cents per pound in 1927. No one on this floor yet has given any reason why the cotton production of 1924, with 4,000,000 bales less than the production of 1926, should exceed in value the crop of 1926 by more than $500,000,000. Neither has any member given any reason why the wheat crop for 1924 was worth $120,000,000 more than the 1926 crop, when the production for these two years was about the same.

In order to have a world market for farm products it is necessary that we have trade established with these countries. According to the reports from the Department of Agriculture, we exported from the United States agricultural products in 1920 to the extent of more than $3,400,000,000. Since the Fordney-McCumber tariff law has been in effect these exportations have been reduced to $1,800,000,000 for the year 1927. In 1920, before this law was enacted, the total exports of the United States amounted to over $8,000,000,000, which was reduced under this tariff law to $4,800,000,000 in 1927. That is what this high-protective tariff has done for American agriculture in the markets of the world. When this law was considered in Congress in 1922, it contained a schedule providing for a 35-cent tariff duty per barrel on oil imported into the United States from foreign countries. At that time we were suffering from large importations from Mexico, which oil was under the control of the Standard Oil Co. Just before the vote was taken a letter was sent to the House from the President of the United States, and this was read from the Speaker's desk, asking that the provision for tariff on oil be stricken from the bill.

I am glad to say, however, that all the Democratic Members from Oklahoma in the House at that time voted against the elimination of this provision from the bill and tried to have it retained therein. The oil industry in Oklahoma, and especially the independent operators, were suffering greatly at that time from these importations. Proper protection, it seems, can be given the big fellows under this administration, but, with this administration, it is a different question when something is asked for the farmers and independent oil producers.

The depression in agriculture is reflected by the number of bank failures, as shown in the report on this bill by the chairman of the committee [Mr. HAUGEN]. This report shows that the number of bank failures in 1924 was 42 per cent larger than the number of failures in 1893, and that the number of failures for the period of 1920 to 1925 was greater than the number of bank failures for the 26 years preceding 1920. Most of these failures in recent years have been in agricultural centers, and that is why the bankers are joining with others for agricultural relief.

Mr. Chairman, I am glad to appear before the committee at this time in behalf of the agricultural bill that is before us for consideration. There are amendments that I would like to see added to the bill and, if I were writing the measure, it would not be in precisely its present form, but in a body of 435 members, as we have in the House, it is impossible to have any bill incorporate the exact ideas of each Member.

This bill creates a Federal farm board consisting of the Secretary of Agriculture and 12 members, one from each of the 12 Federal land bank districts. These members are appointed by the President, by and with the advice and consent of the Senate. The regular term of office for members of the board is six years and the salary $10,000 per year. The general ideas in this bill and the McNary-Haugen bill, which passed both branches of Congress in the last session and which the President vetoed, are the same. The board created in this bill is authorized and directed to create an advisory council for each agricultural commodity which requires stabilization.

Under the terms of the bill each advisory council shall consist of seven members fairly representative of the producers of such commodity, and the members shall be selected by the board from lists of names submitted by cooperative associations or other organizations representative of the producers of the commodity. This bill also applies to all agricultural commodities which the board thinks can be handled. This bill authorizes the board to make loans from the revolving fund to cooperative associations or corporations created and controlled by one or more cooperative associations for the purpose of assisting in controlling a crop surplus. The bill also provides that if the board finds that its advice as to planting programs has been substantially disregarded by the producers, or if the planting of any commodity is substantially greater than the normal increase for the preceding five-year average, the board may then refuse to make loans for the purchase of these commodities.

Under the provisions of this bill the board is authorized to lend assistance to cooperatives in the establishment of terminal market associations to be maintained in distribution centers. This will be of great assistance in bringing the producers and the consumers closer together. Some of those who are now objecting to the passage of this bill are favoring a bill that provides for loans to agricultural organizations for the purpose of stabilizing the market, and some of these same people object to this bill because it contains an equalization fee. Let me call your attention to this fact: That if the farmer situation can be remedied and the prices established by the loaning of money to these cooperatives and other farm organizations, the board must proceed in that manner under this bill and can not enter into marketing agreements provided in the bill for handling agricultural commodities, which are to be financed by an equalization fee. In other words, no equalization fee on any commodity can be levied by the board if the loan features of the bill prove to be effective. A board of honest, competent, men, experienced in the production and marketing of cotton, wheat, and other agricultural products, will make a success of this bill for the benefit of our farmers and all other business.

Cotton, as we all know, is easily stored and economically warehoused and, in my judgment, there will never be an occa-

sion to levy an equalization fee on cotton, for the reason that the board will more likely make a profit on cotton than a loss, and that if a profit is made there would be no reason for the collection of an equalization fee for the payment of loss or other charges. There is no reason why the same can not be true of wheat and other products. If an equalization fee is collected, it will be collected by the board at the most convenient and logical place, and is nothing more than a commission. If a farmer ships cattle or hogs to the stockyards for market, he ships them to a commission man, who charges a small commission for selling this stock for the farmer, and the same principle applies in the levying and collecting of the equalization fee.

This bill authorizes an appropriation for carrying the provisions of the measure into effect of $400,000,000. Under the terms of the bill, the board is also authorized to make insurance contracts for the insurance of cooperative associations against price decline. Such agreements insure such cooperatives against loss to such association or its members, due to decline in the average market price of the product during the time of sale by the association from the average market price during the time of delivery of the product to the association.

There is great need of organization among our farmers, and if they were organized like our great business enterprises they would have no trouble in receiving due consideration at the hands of this administration. This insurance provision will greatly stimulate cooperation among farmers and will bring them into organizations for their mutual welfare and for the benefit of all legitimate business. The bill also provides that if the board finds that such insurance contracts for any commodity will stabilize the price in the interest of the producers, whether they are members of any cooperative association or not, then the board is empowered to enter into nonpremium insurance agreements with cooperative associations dealing in such commodity. Nonpremium insurance agreements are paid for from the stabilization fund, if there is a loss.

This is the fourth time that the McNary-Haugen agricultural bill has been before Congress for its consideration. The Committee on Agriculture has given long and patient consideration to this bill and it comes to us now as reported by a majority of the members of the committee. I believe the enactment of this bill into law will greatly relieve the agricultural situation, and no business and no people are more entitled to helpful consideration and assistance at this time than the farmers who produce all of the real necessaries of life. Let us pass this bill as quickly as possible and submit the same to the President for his consideration. All but one of the objections in the bill, which was vetoed by the President in the last Congress, have been eliminated from this bill and that one is the equalization fee and, as I stated before, this fee is never levied and can not become operative under the terms of the bill if the loan features of the bill will do the work. The Secretary of Agriculture, the President, and the administration leaders in the last Congress said that a bill to loan funds to the farmers to stabilize their prices, which bill was almost identical with the loan features of this bill, would provide the necessary assistance for agriculture. Then, let me ask why the administration can not support this bill? I do not believe that the President will veto this bill, as has been stated upon this floor and without any authority for such statement from the President. To those who are opposed to this bill, let me ask you what you propose? What do you offer as a substitute that will be of any assistance to remedy the present conditions in agriculture?

I am supporting this bill because I want to see the farmers of the United States placed upon the same plane with other business and given fair and equal protection of all laws. All the great farm organizations, with one exception, have indorsed this McNary-Haugen bill. Hon. Edgar Wallace, now deceased, several times appeared before the Agriculture Committee and urged the passage of this bill in the interest of American agriculture. He said that it would help stop the drift of our rural population to the cities and industrial centers, and he said when the farmers were assisted all other working people would benefit. I wish to state here that when Mr. Wallace died the farmers and other working people in this country lost one of their most trusted and valued friends.

I ask that this bill be passed, and believe it will pass by a large majority of our membership; and I also trust that it will receive the approval of the President, become a law, and our farmers be given a square deal. [Applause.]

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from Oklahoma yields back four minutes.

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HILL].

The CHAIRMAN. The gentleman from Washington is recognized.

Mr. HILL of Washington. Mr. Chairman, it is claimed that the McNary-Haugen bill would put the Government in business. To this charge a demurrer might be entered which would raise the question "What of it?" The Government has been in business from the time it was organized, but not for the farmer. It is in business now for the manufacturer, the railroads, and the banker. When this Government came into being 98 per cent of the people of America were farmers. They constituted the soldiery that won the victory for independence. They furnished the man power and the provisions for the Army and the credit for the victory belonged to them, but no recognition of such credit has ever been accorded them. If it had not been for the farmer soldiery, there would not be a United States of America to-day. When they created conditions that brought the Government into being they had no thought that anyone would use the Government as an aid to private enterprise. But no sooner had the Government been instituted than so-called business men made politics a business, secured control of the Government and put it into business for their own advantage and profit. Politics is and has always been a business with those who would use the Government as an instrumentality for securing business advantages that do not arise naturally out of the business itself.

But when the farming industry seeks the aid of Government to place it in a similar place of advantage with that of other Government-aided industries and commercial enterprises the cry goes up that the Government must not be used to aid agriculture. How often have you heard the statement that the farmer should stay out of politics and devote his thoughts and energies to his farm? How often have you heard it said that you can not help agriculture by legislation? These statements were so often repeated that they were taken up parrotlike by the great masses of the people and believed to be truisms. Who is responsible for the propaganda that it would not be constitutional or sound to extend Government aid to the farming industry? It is the business interests that are already receiving and profitably enjoying governmental aid.

This Government is the common heritage of all the people, but if there is one class of our people that has a stronger claim to recognition under it than any or all other classes it is the farmers. They made it and they are relied upon to preserve it. Why is it the farmer has never secured the consideration he deserves and that the farming industry deserves under the economic policies of the Government? Let us look into this question to some extent.

It is admitted that farming is the vital and basic industry of the country. We can not survive as a nation without it. It would appear, then, to be the part of wisdom to properly protect this industry, upon which the life of the Nation rests and the security of the Government depends. But conclusions reached on the basis of cold reason do not take into consideration the human equation—ideals do not always square with practice. The line of human conduct diverges from the true pole of justice. We have not reached the plane of human development upon which every man recognizes a responsibility as his brother's keeper. Figuratively, if not literally, all nature is cannibalistic. It is a realm of tooth and claw. The progress of man up the ascent of time has been marked all the way by struggles against oppression and revolts against peonage. Governments have been established and overthrown. People revolt only under unjust oppression. To paraphrase a famous saying of Abraham Lincoln, you can not oppress all the people all the time, but you can oppress part of the people all of the time. There has never been a time in the history of man when government rested with like burden or like protection on all of the people. Government has always been used as an agency for pecuniary or economic advantage by those in control of it. Government has always been an instrumentality of privilege, but it has never been used to confer privilege on the farming class of people. Why have the farmers not been given governmental aid along with those engaged in other industries? The reason is the same as a wolf would advance against the protection of sheep in a fold. It does no good to curse the wolf, for he is merely responding to the instincts of his nature, but the sheep need protection.

The wolves of commerce want the farmer kept out in the open where he will be an easy prey. So far they have been able to keep him there. They are fighting desperately to keep him there now. Through long practice a belief has become fixed that the commercial dealer is entitled to the profits on agriculture. This is the belief of the dealer, and the farmer has acquiesced in it. A coyote would feel aggrieved if all of the chickens were shut up in a pen.

The industrial interests now enjoying governmental aid do not want the Government to extend a similar privilege to agriculture. They think it would minimize the benefits of their own special privilege. They do not hate the farmers, but they hate the prospect of having a dollar less in their own pockets. They hate the prospect of the farmer enjoying the prosperity which his production should bring. They love the farmer as a plodding, producing peasant. They say he should stay out of politics and not ask the Government to do anything to improve his business opportunities or to make more profitable to him his production. They want the farmer to sweat and toil and exhaust the fertility of his soil that they may reap the profits of his production.

This is the whole issue in this fight for farm relief legislation. It is not concern for the Government that prompts opposition to this bill. It is no new governmental principle that is sought to be established. The Government is already in business for certain interests and this bill seeks only to extend the principle to include agriculture. The opposition is prompted solely by private business interests and they are simulating concern for the Government only to divert attention from their real purpose.

The Constitution has never been an obstacle to powerful interests in securing such beneficial legislation as they desired. They can and have secured special advantage in an economic way under the Government without any concern as to constitutional authority.

It is only when legislation is sought in the interest of the great mass of the people that the special interests set up the cry that there is no power under the Constitution for such governmental aid.

The cry of unconstitutionality as to the McNary-Haugen bill is not a new cry. The voice uttering it is a familiar one. It is the same voice and the same cry that has been employed since the beginning of our Government to withhold from the masses the economic advantages that would lift them out of servitude to special privilege.

It is not necessary for me to discuss the provisions of this bill. The farmers are familiar with the principle which it embodies—they want it enacted. They want the principle adopted. If it should not work as successfully as the farmers hope it will it can be improved by amendment from time to time as its deficiencies may develop through operation.

Of course the commercial dealers in agricultural products are opposed to the bill because it would take the farmer out of their clutches. It would make him free. Likewise the money powers and the industrial powers are opposed to the bill because they do not want the great basic industry of agriculture to be on a basis of independence from their economic control. It would extend to 30,000,000 people a new freedom. For them it would be a new declaration of independence; not political independence, but economic independence.

The issue presents a cold business proposition. Shall the farmer have the profits of his industry or shall they continue to go to the commercial dealer and the market manipulator? A question of far deeper significance than that of mere dollars and cents is involved in the principle of this proposed legislation. It is a social question. Material prosperity is necessary to development and progress. Aspirations of mind and heart find no impetus in hopeless poverty. Respect for law and love of Government fail when the powers of Government are used for oppression and not for freedom.

The farms and rural communities of this country constitute the great reservoir from which flows the best citizenry of our Nation. Our ideals will perish and our grandeur fade when the soul of rural life is dead. Agriculture must be preserved for men and not for peasants. Thirty million farmers are determined to make the business of Government their business. They are in politics. Their interest compels it, their hearts are in it, and their courage rests in desperation. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Georgia [Mr. TARVER].

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. TARVER. Mr. Chairman, I do not claim to be an agricultural economist, nor possessed of that wisdom necessary to the solution of our agricultural problem. In view of the recognized difficulty and intricacies of the question it presents, and the inability of many of the best intellects of the Nation to arrive at a conclusion on the subject satisfactory even to themselves, I have listened with great interest during the few months that I have been privileged to sit in this Hall with you to some of the solutions which have been offered from time to time; and have tried to find reasons for the assurance with which some of them have been urged. There are a number of Members of this body who have devised their own individual plans for farm relief, which have appealed to them with greater force than the plan which, after years of study, has received the approval of the Senate and, in major principle, of the House Committee on Agriculture. There are some of these who, having failed to secure sufficient support for their own plans, are now willing to yield to the judgment of the majority and support the principle of the McNary-Haugen bill, knowing that unless they do so they will have neglected their only chance at this session of the Congress to do anything for the American farmer; there are others who, wedded to their own ideas, are unable or unwilling to see any chance of benefit to agriculture through other channels, and will by their votes say that in preference to the legislation advocated by the majority they prefer no legislation at all.

The McNary-Haugen bill is not perfect; there are some provisions of it, and especially the House version of it, which impress me as unwise, but it compares favorably to my mind with the plans which have been offered as substitutes. I have studied some of those substitutes with all of the care of which I was capable, and have listened to the explanations of their authors with intense and sympathetic interest. These have been, in the main, to my mind explanations that did not explain; most of them appear to have been drawn with a view to carrying to the agricultural population some sort of donation from the Federal Treasury instead of a plan of business organization capable of operation in perpetuity and by which the farmer may protect himself against those who reap fortunes by speculating in his products and manipulating the markets where he must dispose of the fruit of his toil. They have proposed remedies temporary in character and palliative in effect. All of them proclaim their belief in the necessity for farm relief legislation, and at the same time there is evidence of a fear that if they support something carrying with it a plan by which the farmer may permanently organize his forces in a business way, so as to take care of himself like the independent citizen that he is, there may be some mistake in that plan, it may not operate as intended, and if it does not, it may cause the farmer to destroy politically its supporters. And so some may prefer to do nothing rather than to do something which might possibly not work out well in practice.

Mr. Sydney Anderson, president of the Millers' National Association, representing millers manufacturing 65 per cent of the total national production of flour, appeared before the committee in opposition to the McNary-Haugen bill; nevertheless, he made in the course of his testimony one statement which makes a deep impression on me. He said:

> Sound solution of commercial problems can only be developed as a matter of experience and through trial and error.

I agree with him; and so long as Congress timorously refuses to adopt any remedy for the unfortunate condition of agriculture in this country, for fear that it may adopt one which has defects, it is apparent that no experience testing the practicability of such remedies can be had, no trial of anything can be made, no progress can be effected. I have faith in the fairness of the people of my congressional district; in the campaign which resulted in my election to Congress, I laid my views on farm relief before them and advised with them upon that subject in which they were so vitally interested. I can not say that, with anything like unanimity, they would agree that the vote which I shall cast on this bill is a correct one, but I believe it will meet the views of the majority of them, which views it is my duty to express as nearly as I can. In voting for that bill I have faith that the people of my district will approve my having made a conscientious effort in the interests of justice toward our farming population by so doing. But if it should be otherwise, Mr. Chairman, permit me to say that the question of my political fortunes is of small concern beside the issue here involved; and if, by offering my political welfare as a sacrifice upon the altar of the farmer's need, I can contribute toward hastening the day when agriculture shall come into its own, and the farmer shall receive an adequate return for his toil and be enabled by his labor to support his family in comfort and to properly educate his children, I shall always be glad that I was privileged to make the sacrifice. I do not come from a State which, as a whole, is suffering from economic depression, or an applicant for national sympathy. Aside from her agricultural interests, the business skies were never brighter over Georgia than they are to-day, and she is striding gloriously forward to that era of wonderful development which is her just due, and will place her eventually in the forefront of the Nation. From 1912 to 1922, the increase in her per capita wealth was 63 per cent, as against a 50 per cent increase for the Nation as a whole, a 23 per cent increase for the State of Iowa from which one of the authors of this bill

[Mr. HAUGEN] comes, and a 48 per cent increase for the State of Oregon, home of Senator MCNARY. But, on the other hand, her agricultural depression since 1920 has far exceeded that of the Nation as a whole and of the States mentioned, as well as many others.

In the United States as a whole the value of farm lands in 1925 was 73 per cent of 1920 values; in Iowa, 66 per cent; and in Oregon, 87 per cent; whereas, in Georgia, it was only 50 per cent. The per capita valuation of such land during the same period decreased 33 per cent in the whole country, 35 per cent in Iowa, 21 per cent in Oregon, but 53 per cent in the State of Georgia. I insert as a part of my remarks certain statistics published by the Bureau of the Census which demonstrate the truth of these assertions; and in connection therewith certain statistics relating to my own congressional district in Georgia:

Total wealth and per capita wealth farm values

	1910			1920			1925		
	Total	Population	Per capita	Total	Population	Per capita	Total	Population	Per capita
United States	$40,991,449,090	91,972,266	$446	$77,924,100,338	105,710,620	$737	$57,017,740,040	115,378,094	$494
Iowa	3,745,860,544	2,224,771	1,684	8,524,870,956	2,404,021	3,546	5,602,077,895	2,419,927	2,315
Oregon	528,243,782	672,765	785	818,559,751	783,389	1,045	714,410,119	863,064	828
Georgia	580,546,381	2,609,121	223	1,356,685,196	2,895,832	468	686,673,248	3,101,523	221
Seventh congressional district	47,448,798	223,453	212	110,961,050	236,027	470	63,054,055	244,205	258
Bartow	5,669,474	25,388	223	11,309,540	24,527	461	6,869,818	24,527	280
Catoosa	1,834,389	7,184	255	5,224,836	6,677	783	3,028,975	6,677	454
Chattooga	3,117,634	13,608	229	8,054,627	14,312	563	4,340,605	14,709	395
Cobb	6,400,440	28,397	225	17,684,704	30,437	581	8,179,299	31,593	259
Dade	828,593	4,139	200	1,875,187	3,918	479	1,119,687	3,918	286
Floyd	5,905,265	36,736	161	14,221,407	39,841	357	7,382,255	41,600	177
Gordon	4,326,161	15,861	273	10,466,796	17,736	590	4,677,402	18,799	249
Haralson	2,604,151	13,514	193	6,161,403	14,440	427	4,309,470	14,963	288
Murray	2,009,133	9,673	208	4,689,819	9,490	494	3,629,924	9,490	382
Paulding	3,198,663	14,124	226	6,977,434	14,025	497	2,962,048	14,025	211
Polk	3,653,041	20,203	181	7,275,668	20,357	357	4,847,220	20,443	237
Walker	5,089,374	18,692	272	10,532,338	23,370	451	7,688,695	26,019	296
Whitfield	2,812,480	15,934	177	6,487,291	16,897	384	4,018,657	17,442	230

Per capita estimated value of all property

	1912	1922	Per cent increase
United States	1,950	2,918	50
Iowa	3,465	4,274	23
Oregon	2,816	4,182	48
Georgia	802	1,302	63

If these figures are any criterion as to existing conditions, Members of Congress from Georgia should be far more concerned in correcting existing agricultural troubles than even the Representative from Iowa [Mr. HAUGEN] and the Senator from Oregon [Mr. MCNARY], who have led this fight. With the per capita value of farm lands in my State depreciating 53 per cent in five years, I have no excuses to offer for lending such support as I can to an effort to stop the demoralization of the agricultural industry by legislation which will give it a fair chance to reach a level with labor and capital otherwise invested, rather than standing idly by to trust the issue to the operation of those economic laws which it is said can not be influenced by statute law, but which have been so tremendously influenced by legislation in the interest of American manufactories, notably the tariffs acts. The South is becoming more and more a manufacturing section. It is interesting to note that in the last census report upon the cotton milling industry it is stated that of the total active spindle hours for March, 1928, 5,508,055,878 out of a total of 8,312,305,109 are credited to mills in the cotton-growing States. There is no reason that I can conceive why a southern Representative should be opposed to reasonable tariff provisions for the protection of American industries and American labor; but at the same time agriculture has furnished the basis for our civilization, provided a class of citizens who have staunchly upheld our moral and political ideals, furnished a large part of those who now operate our other industries and carry on our businesses; and no question can be of more vital importance to the people of the South than that of placing farming on a prosperous basis.

It is said that the McNary-Haugen bill will not accomplish this result; that may be true. But of those who have given study to the economic problems involved, whose sincerity can not be questioned, of the farmers themselves who have studied their own difficulties—and many of whom are better able to comprehend them than some of our statesmen—an overwhelming majority have approved the McNary-Haugen plan.

Personally, I have approached with some concern the consideration of the equalization-fee proposition, which is a part of the plan. I have not failed to realize the capital that can be made by adroit politicians against those who vote in favor of the equalization fee, denominated as a tax on the already overburdened farmer, and attacked as unconstitutional. But the only question in my mind aside from that of constitutionality is whether it will benefit in the long run the people whom I represent and is fair to the Nation as a whole. If I am satisfied about these features, then I am willing to subject myself to the criticism which I know voting for it will entail in some quarters.

If it is unconstitutional, of course, it will be neither a benefit nor a burden; its operation will be restrained by the courts long before it can be made use of. Yet, with able legal authorities supporting both sides of that question, and with at least considerable doubt with regard to it in the minds of most of us, there is no way to have that question determined except by enacting this law, in order that a test case may be made. If it were clearly unconstitutional, I would not vote for it; but with its constitutionality supported by the action of eminent lawyers in the Senate in giving it their vote and by the opinions of the two great Committees on Agriculture of the House and Senate, I feel constrained to so vote as to give an opportunity for it to be submitted to the courts for decision, when convinced that the effect of it, if it is constitutional, will be beneficial.

When we approach that phase of the matter, there is a disposition on the part of some of our southern representatives to insist that, whatever its effect upon other agricultural products, it can not be beneficial to cotton. I entertain the contrary opinion.

This bill, as passed by the Senate—and it is the Senate bill that I hope will be enacted into law—provides, first, for a revolving fund, the amount of which is fixed at $400,000,000, to be administered through a Federal farm board, composed of the Secretary of Agriculture and one man each from the 12 Federal land-bank districts, each of whom must be interested in agricultural productions. It is therefore to be a board friendly to agriculture. This board is authorized to make loans on agricultural products at the rate of 4 per cent, and to this extent the legislation meets the ideas of those who insist that this is as far as the Government should go. If the equalization fee is held unconstitutional, this part of the legislation will not be affected, and will accomplish a similar benefit to that proposed in other legislation before the Congress from which the equalization fee is eliminated.

If the equalization fee is enacted, its purpose, as we know, is to further provide stabilization funds for various agricultural products, which funds may be started by advances from the revolving fund, but must be maintained by profits arising from marketing agreements and from equalization fees. It is never to be used if the $400,000,000 loan fund provides a remedy. It is sought by this means to maintain a permanent organization by which orderly marketing of agricultural products may be brought about and the farmer relieved of the necessity of dumping his product on the market within a few weeks of the year at gathering time, by which procedure he lowers the price at the time he has to sell below the average for the year and sees others obtain profits which justly belong to him. The purchasing or otherwise withholding from the market under the direction of the farm board of seasonal or yearly crop surpluses, and the marketing of such surpluses in an orderly way at such times as will best maintain a stable market, is to be accomplished through the stabilization funds. In addition, the bill provides for a system of insurance by which associations with-

holding cotton from the market under the direction of the farm board may be guaranteed that the average price during what is denominated the delivery season will not be higher than the average price during the sale season for a small insurance fee estimated at $1 per bale and based upon statistics as to price fluctuations for the 20 preceding years or upon a nonpremium basis financed from the stabilization fund.

Under this system of insurance it will be possible for associations withholding cotton from the market to advance farmers depositing their cotton with them practically the existing market price at the time of delivery, with a chance—and a very good chance—to those farmers that their products will increase in value to their benefit, but without a risk that the market will decline—to their loss and damage. The insurance fund by which this is done under the nonpremium plan and the entire system of withholding cotton under marketing agreements is made possible through the equalization fee, by which every unit of a commodity contributes ratably to the expense. If it is a plan which works well in practice, why should any man object to contributing a reasonable part of the expense? If benefits are to be derived from withholding a crop surplus from the market by all producers of that commodity, and loans as authorized in the bill should prove insufficient to handle the situation, why should not all producers contribute to the necessary expense rather than that, under the present system, only a small percentage of the producers should attempt to do such withholding as is done, bearing all the expense, running all the risk, and being unable to perfect a sufficiently strong organization? I am informed by the president of the Georgia Cotton Growers' Cooperative Association that each member of that association had to pay last year, besides his dues, $5.70 for expense incurred in warehousing, insuring, and finally selling each bale of cotton. That was an "equalization fee" larger in amount than would ever be levied under this act and which produced infinitely less beneficial results than would probably follow the enactment of this law, which would effectually bring about the organized cooperation not of a few farmers but all of them.

Let those who fear the equalization fee remember that under the Senate bill it can not be levied unless loans from the revolving fund do not stabilize prices nor without the joint action both of the farm board and of an advisory council of seven representing the particular agricultural commodity upon which it is to be levied and named by the farmers themselves through their associations; and it is inconceivable that such a council would ever permit the levying of an equalization fee burdensome in proportion, or, if upon trial it did not prove satisfactory, would ever permit it to be relevied under any circumstances.

This law is to be administered by the friends of agriculture. It does not require the levying of an equalization fee, but leaves that in the joint discretion of the farm board and the advisory council. Is it revolutionary to be willing to try this plan, which carries with it such promise of benefit to the farmers of the country, when we know that if its success is not demonstrated, it will be abandoned, and can be even without a repeal of the law? In the name of common sense, are we not willing to trust the representatives of the farmers themselves to be honest and reasonable? Do we assume to be ourselves the only friends of agriculture and the only ones worthy of trust, unwilling to even invest discretion in others who will be equally conscientious? The man who is not willing to go to some extent into the field of experiment in trying to save the agricultural situation in this country is not willing to do anything; for their is no proven plan by which success is assured.

I am familiar with the arguments of those who claim that this is a price-fixing scheme, that the effect would be temporarily to raise prices, but that such increase in prices would be met with increase in production, again demoralizing the situation. There is no element of price fixing in this bill. The retirement of such a proportion of the cotton crop, for instance, from the market, as to bring about a temporary price out of proportion to the world's supply would be foolhardy and would not be attempted by men of the caliber of those who would be placed at the head of this organization. The law of supply and demand must function. Neither would it be possible to create a price for cotton in this country above the world price, since there is no tariff on cotton.

But to have a board provided with a sufficient organization and sufficient funds to counteract depressions of the market entirely unrelated to the law of supply and demand, by feeding the farmer's products to the market as they are needed by the consumers instead of as they are desired by the speculators, and to assure the farmer that he himself will receive what is paid by those who use his raw material and to protect him against violent fluctuations of prices brought about by "dumping" at market seasons and by speculation—that is not price fixing, but seems to me to be good business. It is not likely that any tremendous increase in the price average of cotton, for instance, will result from the passage of this law, but that an improvement of prices will result is fairly to be hoped. If such increase in production as might thereby be brought about should bring about an unwieldy surplus, the farm board is expressly directed by the proposed law to refrain from attempting to withhold the surplus from the market. It is presumed the board will have and will exercise good judgment, and it is not to be presumed that merely aiding the farmer to get a just price, based on supply and demand, instead of speculation, for his products will cause him to run wild on acreage and to overproduce.

I have discussed this bill at greater length than I had intended. It relates to a subject upon which I feel very deeply. In the northwest Georgia country, in which I live, hundreds and thousands of farm houses are vacant this year, and one of them is the house in which I spent the years of my childhood and which never before in over 40 years has been without a tenant. Desperate as the condition of many of our farmers is, there is no proposal here to make any donation from the Treasury; there is not anything in this bill that even squints at such a thing. The American farmer is not and never has been an applicant for charity; he has that independence of character native to the soil, but he has that sense of fairness which demands a square deal. I believe the Senate bill now before us will help to give it to him, and I am going to support it for that reason. (When we have practically donated billions of dollars to stabilize the industries and agriculture of Europe, it is hard to feel there are men unwilling to even loan the amount named in this bill to the American farmer to enable him to live, to educate his children, and to discharge well his duties as a citizen.)

The American people should not forget, however, that this bill does not outline the only legislative way by which Congress may be of benefit to the farmer. The effort to secure action in this House with regard to a Senate resolution demanding tariff revision, which the Democratic Members almost solidly supported, was a blow for farm relief. There are many tariff rates upon necessaries that the farmer uses, as well as upon goods necessary to the people as a whole, that are far in excess of what would be essential for the protection of American industry. This sort of relief—not for farmers alone, but for the people of the entire country—can only be looked for in the event of the election of a Democratic Congress.

Let not the farmer of the South forget that in the disposition of Muscle Shoals is bound up a vital question of relief for him. If it shall be determined that the manufacture of fertilizer there is practicable and will result in lowering the price to the southern farmer of this agricultural necessity, it will be of wonderful benefit to the farming industry in the South. Whether this problem, which has been before the Congress for nine years, will be disposed of during the present session is very doubtful; but the people will not forget that those who are in control of the calendar and are strangling all Muscle Shoals legislation are effectively denying another attempt at farm relief.

Nor is the matter of relief in the raising and sale of farm products the only sort of relief that the farming population of this country needs. They need schools in the rural districts capable of affording to their children educational opportunities equal to those given to the children of the cities. We are all one people, city and country alike, and to my mind every American child has a God-given right to an educational opportunity, without discriminating between those who live in thickly congested areas where great wealth abounds and those who live in the more sparsely settled sections where local taxation can not, without being extremely burdensome, sufficiently supplement State appropriations to afford proper schools.

The most practicable aid for rural sections in school matters lies in the adoption of measures like that of Senator GEORGE, already passed the Senate, to extend additional Federal aid to vocational agricultural education, and in school consolidation; but school consolidation can not be had until farmers have good roads; and the building of only great interstate thoroughfares and intercounty thoroughfares does not furnish a large percentage of our population with good roads. It is my earnest hope that the Committee on Roads will see fit to give approval to my bill which proposes to spend $25,000,000 annually on rural and star-route roads, not now included in Federal or State highway systems. To do that will help toward another kind of farm relief, but none the less beneficial for that reason; for, as you add to the farmer's convenience in the matter of roads, you likewise enable him to consolidate school districts and build and maintain better schools, make the country more

attractive for him and his family, and render it less probable that he will pull up stakes and go to the cities where he can properly educate his children.

There are many other ways in which aid could be afforded our farming population, and benefit thereby extended to our entire country, since we can not separate our country and its welfare from the welfare and prosperity of the farmer. A bill does not have to be labeled "farm relief" in order to be a measure tending to bring justice to agriculture; and I call upon all true friends of the farmer to support, not alone this measure, but all others which shall tend to fairly give the farmer a better opportunity to live and prosper.

It is a matter of vital interest to the southern farmer and laboring man as well, that a bar shall be fixed against the present tremendous influx of Mexican peons into this country, where they enter into competition with American labor, and, in addition, enable some sections of the West which were never able to produce cotton with American labor at a profit, to enter with the aid of cheap Mexican labor into competition with the cotton farmer of the South. Far too many propositions of this kind which directly affect the prosperity of our people are neglected, and Congress prevented, through the Republican organization in this House, from even having an opportunity to vote thereon.

I mention these matters which some may consider not material to this bill, for the purpose of calling attention to the fact that it need not be expected that Congress shall, at one fell stroke, bring about by legislative action agricultural prosperity in this country, but that the matter of remedying here and there various handicaps under which agriculture labors is one of many angles, requiring faithful and persistent effort along many lines by those who stand for justice to our farming population. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Missouri [Mr. FULBRIGHT].

Mr. FULBRIGHT. Mr. Chairman, ladies and gentlemen of the committee, if there had been any doubt in my mind as to how I should vote on this bill, my good friend from Massachusetts has presented an argument that has satisfied me, and I am ready to vote for the bill. [Applause.] I have listened with a great deal of interest to the various arguments that have been presented, but none of them, so far as I have heard, has been more convincing, to my mind, of the real merits of this bill than the argument presented by the gentleman from Massachusetts. His argument against the bill has satisfied me that it will do for the farmer what the tariff has done for industry. When he said that it would bring better prices to the farmers of this country he was sincere, and that is what we want. [Applause.]

Mr. Chairman, for several months past the metropolitan press has told us of the marvelous prosperity that exists in this country and we have frequently heard it mentioned on the floor of the House. Even the President advises us that the country is very prosperous.

Agriculture is not only the basic but the greatest industry of the country. It is the foundation upon which permanent prosperity of all business, commercial, and industrial activities must rest. Therefore to determine the soundness of the claim that the country is experiencing a period of genuine prosperity an inquiry into the agricultural situation is very pertinent.

In November, 1927, the business men's commission on agriculture, created jointly by the Industrial Conference Board and the Chamber of Commerce of the United States, published its report, in which the extent and gravity of the agricultural problem is, in part, summarized as follows:

> Any serious and careful consideration of the situation and trend of American agriculture makes it clear that in relation to it the United States is confronted with a question of fundamental national concern and of permanent importance to the American people. The specific problems which face individual farmers, the different branches of the industry, and the several agricultural sections of the country are numerous, varied, and constantly shifting; but beneath all these there lies the fundamental question of the maintenance, improvement, and wise utilization of the irreplaceable land resources of the Nation, which must remain the basis of the prosperity and even of the very existence of our people.
>
> The evidence is clear that American agriculture has undergone a prolonged and trying readjustment to postwar conditions, in the course of which those engaged in it have suffered seriously in their relative economic prosperity in comparison with those engaged in other fields. On the human side it has been deprived of the energy, experience, and knowledge of many thousands of farmers who have lost their resources and have been persuaded or compelled to leave the farm for other occupations, while the land resources of the Nation have been impaired by neglect and by wasteful exploitation under the pressure to which those who have remained in the business have been subjected.

This commission was headed by Charles Nagel, from my own State, as chairman, a very able and prominent Republican.

During the past seven years more than 4,000,000 people left the farm. Approximately 650,000 farmers quit their calling in 1926.

In the past seven years approximately 4,000 bank failures occurred, over 90 per cent of which were in agricultural communities.

From 1920 to 1925 farm values decreased $30,000,000,000, while mortgage indebtedness of farmers increased from $7,860,000,000 to $8,500,000,000. The Secretary of Agriculture has estimated the farm-mortgage debt of the farmer for 1926 at $9,500,000,000. This does not include other indebtedness of the farmer.

In the year 1926 approximately 200,000 farms changed hands, many of them as a result of foreclosures, tax sales, and bankruptcy proceedings, and the net income from capital invested in agriculture decreased 21 per cent.

By reference to the Agricultural Yearbook published by Mr. Jardine, page 1204, we find the value of 22 leading farm crops dropped from $12,442,977,000 in 1919 to $7,036,786,000 in 1926, a shrinkage of $5,406,000,000 in seven years. The shrinkage in value of all crops for the same period was $6,340,000,000.

From page 1208 we find the average value of wheat per acre in the United States for the year 1925 was $17.65, while the cost of production, based on 1925 cost data, as shown on page 1209, was $22.41, a loss to the farmer of $4.76 per acre.

The value of corn per acre for the same year was $17.21, page 1208; against a cost of production of $24.97, page 1213; a loss to the farmer of $7.85 per acre.

Taking my own State and those immediately adjoining, the following estimate is found:

> Average value of wheat per acre in the State of Missouri, $18.98; against a production cost of $19.36; loss to the farmer, 38 cents per acre.
>
> Average value of corn per acre, $18.50; against a production cost of $20.40; loss to the farmer, $1.90 per acre.
>
> Iowa: Average value of wheat per acre, $25.08; against a production cost of $22.55; gain to the farmer of $2.53 per acre.
>
> Average value of corn per acre, $20.72; against a production cost of $26.14; loss to the farmer, $5.42 per acre.
>
> Illinois: Average value of wheat per acre, $21.93, against a cost of production of $20.80; gain to the farmer, $1.13 per acre.
>
> Average value of corn per acre, $19.04, against a production cost of $23.29; loss to the farmer, $4.25 per acre.
>
> Arkansas: Average value of wheat per acre, $17.27, against a production cost of $18.37; loss to the farmer, $1.10 per acre.
>
> Average value of corn per acre, $16.40, against a production cost of $20.89; loss to the farmer, $4.49 per acre.
>
> Kansas: Average value of wheat per acre, $17.60, against a production cost of $15.37; gain to the farmer, $2.23 per acre.
>
> Average value of corn per acre, $7.21, against a production cost of $13.68; loss to the farmer, $6.47 per acre.

The price level of cotton on the 15th day of December, 1926, was 19.4 per cent lower than the price level before the war.

On page 527, Commerce Year Book for 1926, we find No. 1 calfskin for the years 1912 to 1916 was 21.3 cents per pound; the price at the close of 1926 was 17 cents a pound, a drop of 4.3 cents per pound. On the other hand, men's shoes made from these hides, as will appear on page 538, advanced in price from $3.11 in 1913 to $6.40 in 1926. In other words, calfskin produced by the farmer in 1926 was selling approximately 20 per cent lower in 1926 than the same article was selling for in 1912 to 1916, while shoes made from those hides were selling 100 per cent higher in 1926 than in 1913.

The following comparison of the purchasing price of a bushel of wheat in 1913 and 1927 is very significant:

	1913	1927
	Bushels	*Bushels*
Wagon	70	130
Double harness	30	60
Pair of shoes	5	9

Wagons that sold for $60 in 1913 sold for $125 in 1927; self-binders that sold for $125 in 1913 sold for $235 and more in 1927; plows that sold for $14 in 1913, sold for $28 and up in 1927; shoes that sold for $4 in 1913, sold for $8 in 1927.

The farmer is compelled to sell the products of the farm at a price fixed by the middleman and buy his supplies at a price fixed by the manufacturer and distributor—he has no voice in either. He pays the freight both ways. The freight is added to the price of everything he buys and deducted from the price he receives for everything he sells. Freight rates to-day from outlying shipping points to primary markets are something near

45 per cent above pre-war rates and from primary markets to the seaboard about 73 per cent above pre-war rates, while in Canada freight rates are almost down to pre-war levels. To-day the Alberta, Canada, farmer can ship his wheat 1,243 miles for 26 cents per hundredweight, while the Denver-Galveston rate for 1,113 miles is 56½ cents. The rate from Chicago to Baltimore, 802 miles, is 21 cents; while the rate from Denver to Missouri River points, a distance of 538 miles, is 33 cents.

The Secretary of Agriculture, in speaking of freight rates as applied to wheat, says:

> These freight rates are large relatively as well as absolutely. They place the American wheat farmer at a disadvantage of from 4 to 10 cents per bushel in comparison with freight rates of his competitors in Canada and Argentina.

The farmer is unfairly discriminated against in the matter of taxation. Farm lands and urban real estate at the present time are taxed entirely out of proportion to other property and for benefits which are enjoyed by and should be paid by others.

The total value of tangible and intangible property for 1922 was $476,712,487,000; the value of real property and improvements, according to the Census Bureau, being $176,414,444,000.

The total assessed value of all tangible and intangible property for that year was $124,616,675,000. The total assessed value of real property and improvements was $92,369,378,000. Deducting this amount from the assessed value of both tangible and intangible property we find the total assessed value of property other than real property and improvements to be only $32,247,297,000. From these figures we find that the farmer is paying on a valuation of approximately 55 per cent of his farm values while the owner of other property is paying only on a valuation of approximately 10 per cent of its value.

It has been estimated by the Secretary of Commerce, Mr. Hoover, that the wealth of the United States had increased about $85,000,000,000 since 1920. Yet, in spite of this fact, the farmers of the country have lost approximately $30,000,000,000. It is at once apparent that the farmer has not participated in the increased wealth of the country; on the other hand, the mortgaged indebtedness has increased to more than $12,000,000,000 with an average interest rate of approximately 7 per cent. In addition to the freight rates, interest, and tax burdens borne by the farmer, he is being plundered by the iniquitious schedules of the present tariff law.

I favor a fair and equitable tariff law, but it is estimated that the present tariff act costs the American people approximately $4,000,000,000 annually, about three and one-half billions of which goes into the pockets of the manufacturers and one-half billion into the Treasury. The per capita cost of the tariff is approximately $35 per year; to the farmer with a family of five, $175 per year.

An article in the American Farm Bureau Federation Weekly in its news letter of January 11, 1923, after an exhaustive discussion of the present tariff act in relation to the farmer, summarizes the situation as follows:

> Cost to the farmer of the tariff, $426,000,000; gain to farmers as producers, $125,000,000; net cost to agriculture of the tariff $301,000,000.

Paragraph 1504, schedule 15, under title 2 of the present tariff act, placing agricultural implements on the free list, was inserted to deceive the farmer. The paragraph closes with the very significant provision:

> *Provided*, That no article specified by name in title 1 shall be free of duty under this paragraph.

By reference to title 1 we find that everything of any particular value that is used in the manufacture of agricultural implements is subject to a high and excessive tariff, and it is estimated that it costs the farmer $75,000,000 annually on the purchase of agricultural implements alone.

Substantially everything that the farmer uses, eats, or wears bears the burden of a tariff; and if he is to get any substantial relief from Federal taxation, it must come from a revision of the tariff.

The farmers have long since learned that a tariff on farm products is of little or no benefit to him from the fact that he is compelled to sell his products upon an open world market. Regardless of politics they are to-day demanding a revision of the tariff act or such legislation as will make the tariff effective upon farm products. They want a tariff for all or a tariff for none.

The average annual price paid by the consumer for the products of the farm is in the neighborhood of $22,500,000,000; the amount received by the farmer approximately $7,000,000,000. In other words, out of every $3 paid for the products of the farmer by the consumer the farmer receives $1, while the middleman, the manufacturer, and the transportation companies get the other $2. The spread between the farmer and the consumer is unquestionably too great and absorbs the profits of the farm. Not only does the farmer suffer from high taxes, high interest rates, high freight rates, and the unwarranted spread between the farmer and the consumer, but he must contend with the elements and the forces of nature. He gambles with drought and with flood; with sunshine and with storm; with heat and with cold; and if he, perchance, is the winner, he faces an unequal battle with other groups to preserve the profit he makes.

In the development of the economic and legislative policies of this country we have entirely lost sight of the farmer. We need a positive, well-defined agricultural policy—we have none. Although agriculture is the basic industry of the Nation, and every other business depends upon it, the farmers, as a class, receive less benefit from legislation than any other group. We created the Interstate Commerce Commission, a Government agency that fixes the price of transportation, and enacted the Esch-Cummins law for the benefit of the railroad companies, thus enabling them to keep the rates high enough to give them a reasonable return. We created a Federal Reserve Board that fixes the price of credits, and the Federal reserve banks that protect the banking interests in times of distress. Labor has its immigration law that protects it from outside competition, and the Adamson Act that regulates its hours, while the great industries of the country have the Fordney-McCumber Tariff Act, which enables them to increase the price of their products above the world level.

For six years the farmer has appealed to the Government for economic justice, but his appeal has been in vain; he has petitioned, but his petitions have been ignored. In a country that boasts of its wealth and power, its liberality and progress, its philanthropy and love for humanity, the gross injustice to the American farmer during the past seven years is a national shame.

Diversification of crops has been suggested; this would not solve the problem. Cooperative marketing has been offered; this would not give the necessary relief. Eliminating the surplus has been advised; this would be dangerous. A shortage in manufactured products would be an inconvenience and actual shortage in food supplies would be a tragedy. A reasonable surplus in farm products is our insurance against hunger and famine.

Extension of credit has been proposed. Any measure proposing relief that provides for further involvement without a corresponding correction in the general price level equal to the cost of production is both economically unsound and morally wrong. The farmer wants credit to the extent that it may be necessary in the successful operation of his business; but what he needs most of all is a price for his product sufficient to give him a reasonable return on his labor and his investment, thereby enabling him to pay the debts he already owes.

There should be a redistribution of the tax burden that rests with undue severity upon the farmer; a readjustment of freight rates on farm products, lessening the cost of transportation; a sane revision of the tariff downward and the enactment of such legislation as will place the farmer on an equality with industry and labor.

The proponents of the so-called McNary-Haugen bill claim that it will have this effect. I think it is a step in the right direction; it is the only legislation that we will have an opportunity to vote upon that proposes to give relief to the farmer, and I believe that every Member who is interested in the welfare of the farmer should support it. We all know that we can not make matters any worse. I was born and reared on a farm; my heart beats in sympathy with the man who toils. There is no group of people more honorable, more patriotic, or more deserving than the American farmer, and he should no longer be ignored.

Objection has been made that this bill represents the work of farmers and farm organizations and not the intelligence of the committee that reported the bill.

For that very reason, if no other, we should support the legislation. Industry and big business had a voice in writing the tariff legislation; labor and labor organizations had a voice in writing legislation for their protection; banks and bankers had a voice in writing legislation for their protection; railroads and transportation companies had a voice in writing legislation for their protection. Why should not the farmers and farm organizations have a voice in writing legislation in the interest of agriculture?

If the farmer is given a voice in writing legislation in his behalf and it proves a failure, he will assume the responsibility and not hold it against us. We all recognize the fact that this piece of legislation is not perfect. The farmer understands that. We understand that it is an experiment in a great

measure. The farmer recognizes that fact. We all understand that any great piece of legislation is brought about more or less in a spirit of compromise. The farmer knows that.

If we pass this bill and it fails to function in the interest of the farmer, it can be and will be repealed. If it proves a success, the farmer will profit thereby.

The Republican Party in convention assembled at Cleveland, Ohio, declared:

> We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back the balanced conditions between agriculture, industry, and labor.

The Democratic Party in New York expressed itself in the following language:

> Stimulate by every proper Government activity the progress of the cooperative-marketing movement and to the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

If we are to retain the confidence of the farmers in this country, such platform declarations must not be meaningless platitudes but should represent a sincere desire to relieve a great economic group that has long been neglected. As a result of agricultural depression small business concerns and small banks have failed by thousands. Unless relief to agriculture comes this condition will continue.

I want to see this bill passed because I am sincerely interested in relief for the farmer. I want to see it passed because the farmer is appealing for legislation that will place him upon an equality with other groups. I want to see it passed because the farmer is justly entitled to legislation that will enable him to rise above the position to which he has fallen as a result of economic injustice and discrimination. I want to see it passed because I believe it will rescue the farmer and help save the small business man and the small banker. This is the only farm-relief legislation that has a chance to pass at this session of Congress. Why not pass it and quit trifling with the farmer? If it does not work, repeal it and try something else.

If the President vetoes it, then his is the responsibility.

When Thomas Jefferson became President of the United States, formal receptions were abandoned and no distinction of persons was recognized at the White House. On certain days each week any one who wanted to see the President was admitted, whether clothed in buckskin breeches or as an aristocrat. Each received the same respectful hearing. This was distasteful to diplomats representing the royalties of Europe. Sir August Foster, secretary of the British legation at the time, sneeringly referred to Jefferson as being a tall man with a very red, freckled face and gray, neglected hair, and said that he "looked very much like a tall raw-boned farmer."

We need a Jefferson, a Lincoln, or a Jackson in the White House—a man that will hearken to the voice of the common people, a man interested in the West as well as the East, a man as respectful to the farmer as to the plutocrat—a red-headed freckled-faced Jeffersonian, "a tall raw-boned farmer"—that would be a mighty good description for a President to-day. That kind of a President would have saved the farmer from the tragedies of the past seven years.

The safety of American civilization—the future of this Government depends upon a happy, prosperous, contented, and virile farmer citizenship. The shadows of former nations and former civilizations cross the stage like the ghosts of Macbeth—Egypt, Assyria, India, Greece, Rome. Shall America and American civilization join the weird procession? God forbid. Corruption will be curbed, discrimination will cease, all wrongs will be righted, the American farmer will come into his own, and American civilization and American statesmanship will blaze out the path and make clear the way up which all the nations of the earth must come in God's appointed time. [Applause.]

Mr. KINCHELOE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. MAJOR].

Mr. MAJOR of Illinois. Mr. Chairman, I ask unanimous consent to include in my remarks resolution passed by the Illinois Agricultural Association and a letter addressed to me from Mr. Earl Smith, president of the Illinois Agricultural Association, and to also include a short editorial from the Prairie Farmer.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. MAJOR of Illinois. Mr. Chairman and Members of the House, no more pleasant task has been mine during this session of Congress than the opportunity to raise my voice and register my vote in favor of this proposed farm-relief legislation. For more than eight years this great basic industry of the Nation has been and yet is in a deplorable condition. It seems almost useless at this time to recount even briefly the history of this period. It is one of hardship and suffering, mortgage foreclosures, bankruptcies, and bank failures such as has never before been visited upon so large and important portion of our citizenship in the entire history of this country.

The saddest thing I know of is to see a man who has passed the meridian of life lose the earnings of a lifetime, without any fault of his own, and be forced to commence life's work over again to provide a home for his declining years. Yet that is just what has happened to a million farmers in America, and a million more farmers in America are holding their homes to-day through the leniency of their creditors, and unless some legislation is passed that will be beneficial to agriculture they, too, sooner or later must lose their homes.

Since the crisis came to agriculture in 1920 the farmers have suffered a loss of more than $30,000,000,000. Since 1920, 2,000,000 of our farm population have left the farms each year to mill around in the great cities looking for employment. Most of them have been forced to return to the farm, but the actual net loss in our farm population since 1920 is between three and a half and four million.

In 1910 we had a farm mortgage indebtedness in this country of three and a half billion. To-day the total mortgage indebtedness of the farmer is something like twelve and a quarter billion dollars.

Since the crisis came to agriculture in 1920 more than 3,000,000 acres of land that were once fertile have been abandoned because the farmers are unable to buy fertilizer to keep up the fertility of the soil.

The bank failures in this country during the past few years are a sure barometer of the agricultural situation. Since 1920 more banks have failed than in all the years from the Civil War down to that time. During the period of 11 years up to 1920 we had 642 bank failures. During the past seven years we have had 4,287 bank failures. The average number of such failures from 1909 to 1920 was 61 per year. In 1921 we had 396 bank failures, in 1922 we had 394 bank failures, in 1923 we had 314 bank failures, in 1924 there were 894 bank failures, in 1925, there were 550 bank failures, in 1926 there were 573 bank failures, and in 1927 we had 831 bank failures. The figures for the year 1927 do not include State bank failures from July 1 to December 31 of that year. Eighty-seven per cent of these bank failures have occurred in agricultural sections of the country and can be attributed almost entirely to the condition of agriculture.

Here is another evidence of the unbalanced condition so far as the wealth of America is concerned: The total deposits in all the banks of the United States on the 1st day of January, 1914, was $21,359,842,316. The total deposits in the banks of this country on the 1st day of January, 1928, had reached the enormous sum of $57,820,730,000, an increase in 14 years of $36,460,895,684. In other words, while the farmers of the United States have suffered a loss of more than $30,000,000,000, the industrial States of the Union have increased their wealth, as shown by the deposits in banks, more than one and one-half times in 13 short years. So it appears that the accumulations in banks as shown by their deposits have increased more in 13 years than in the whole preceding period from the time of the formation of this Government.

Mr. Chairman, the whole world has marveled at the rapid accumulation of wealth in this country during the last few years, yet no part of that great accumulation of wealth has come to the tillers of the soil. In 1914 the estimated wealth of the United States was $200,000,000,000. The estimated wealth to-day is three hundred and fifty-five and one-half billions of dollars. In other words, since 1914 there has been an increase in our national wealth of one hundred and fifty-five and one-half billions of dollars. We have accumulated more wealth since 1914 than England accumulated in all her 1,000 years of existence. The national wealth of England is rated at $120,000,000,000; France, seventy-five billion; Russia, seventy-three billion; Germany, seventy-five billion; Belgium, ten billion; Italy, twenty-six billion; and Canada, twenty-two billion. However, with all this great accumulation of wealth, so great as to stagger the imagination, farming conditions have gone from bad to worse.

As I said before, Mr. Chairman, it is futile to offer figures to prove the deplorable condition of agriculture. Any person who has given the slightest attention to the subject knows it is one of the most important and perhaps the most important problem of this generation.

WHAT IS THE SOLUTION?

It is not an uncommon thing to hear some person say—in fact, I have heard it said in this very Chamber—if the farmer would go to work he could solve his own problems. This is an

unfair assertion. The American farmer has been at work. There is no class of people on earth whose industry compares with his. To-day, while we have only 7 per cent of the land of the world and 6 per cent of the population, we are producing 68 per cent of all the corn of the world, 65 per cent of all the cotton of the world, 46 per cent of all the tobacco of the world, 37 per cent of all the oats of the world, 24 per cent of all the wheat of the world, 18 per cent of all the flax of the world, 15 per cent of all the barley of the world, and 15 per cent of all the beans of the world. At the same time we are producing 76 per cent of all the apples that go into commercial use in the world, 37 per cent of all the oranges, and 36 per cent of all the lemons of the world. We have in this country 24 per cent of all the horses and mules of the world and 40 per cent of all the poultry of the world. We are producing between 33 and 35 per cent of the milk of the world, 30 per cent of the butter of the world, and from 12 to 15 per cent of the cheese of the world.

Another statement we often hear is that the farmers could take care of themselves if they would organize the same as other economic groups have done. That perhaps is true; but can they so organize? While they have made great strides along this line and can yet do much to improve their condition, the answer to this question must be "no." The diversified and conflicting interests of the dairy farmer of the East, the cotton farmer of the South, the stock farmer of the West and Southwest, and the grain farmer of the Central and Western sections are such that even the hope that they can ever be brought together in one great organization is a dream too good to come true. Notwithstanding the fact that the nature of their business is such as to prevent their organizing as other groups are organized, they must meet organized effort on every side.

Everything they buy comes from organized groups with the price fixed, everything they sell goes into the hands of organized groups with the price fixed not by the farmer but by the purchaser of his products. He is the one man who has nothing to say about the price he is to receive. He has to look at the morning paper to find out what the wheat exchange will give him for his wheat, what the packers will give him for his cattle and hogs, what the produce dealers will give him for his poultry and so on.

Another remedy often suggested is diversified farming. Good husbandry no doubt requires this practice and it has been practiced by successful farmers for years. In other words, farmers of my section, at any rate, have long ago learned it does not pay to put all their eggs in one basket. I doubt, however, if it can be successfully contended that any amount of diversity will solve the present problem. There are five major crops produced in this country—cotton, wheat, oats, hay, and corn—besides the many crops which may be designated as minor crops. Of the major crops it is estimated there are not less than 37,000,000 acres of land devoted to each or about 185,000,000 acres devoted to these five major crops. It is also estimated there are about 40,000,000 acres devoted to all minor crops. The same authority discloses the surplus acres in the major crops are about as follows: Cotton, 10,000,000 acres, wheat, 9,000,000 acres, hay, 8,000,000 acres, oats, 6,000,000 acres, and corn, 6,000,000 acres from which it is readily apparent that diversified farming or the substitution of minor crops for a portion of the acreage would not materially help the situation. A relatively small increase in the acreage of the minor crops would soon bring an overproduction in any one of them. With an overproduction to the extent of 39,000,000 acres in the five major crops, and with the total of 40,000,000 acres for the minor crops, it is quite apparent that diversified farming is not the remedy.

I have merely mentioned a few of the many suggested remedies, none of which seems practicable and none of which the farmers themselves approve.

THE PRESENT BILL

For more than four years the farm organizations of this country have been back of what is widely known as the McNary-Haugen bill. It passed both branches of the Sixty-ninth Congress but was vetoed by President Coolidge. The bill now before us has been substantially altered in many respects to meet the objections made by the President in his veto message of the former measure. The present bill in my opinion is a great improvement over former bills in that it is much more simple in its terms and mode of operation. Like its predecessors it is predicated on the almost universally admitted proposition that the great problem of Agriculture is that of surplus produced. Whenever there is a surplus, it is an economic adage that that surplus fixes the price for the whole commodity; and, inasmuch as it is necessary for the producers of the country to sell this surplus in foreign markets, it naturally follows that the price obtained by the American producer is the world price; and so long as we are working and living under a protective tariff, it is not fair to the farmers of the country to be compelled to sell their whole product on the foreign-price level, and buy that which they need and must have in a protected market. That is one of the cardinal principles and one of the foundation stones upon which this measure is built, as were all of its predecessors.

In this bill there are two separable remedies. The first adopts the remedy of loaning money to cooperative organizations for the purpose of promoting the orderly marketing of farm products, or to loan them money for the purpose of acquiring the surplus products and selling them or making such disposition of them as in their judgment seems best. Second, if the Federal farm board finds that the cooperative or designated agencies are unable or unwilling to take the surplus product of any commodity from the market, then it may under the method described in the bill, start an operating period on that particular commodity. An equalization fee will be collected from those who are to be the beneficiaries of this operation for the purpose of paying the cost of the same.

Mr. Chairman, in the few minutes at my disposal it is impossible to discuss what I understand to be the essential features of this bill. The declaration of policy as set forth in the bill states the general purpose in language more apt than I could use in describing it. I quote:

> In order to stabilize the current of interstate and foreign commerce in the marketing of agriculture commodities and prevent suppression of commerce with foreign nations in such commodities and unjust discrimination against such foreign commerce, it is hereby declared to be the policy of the Congress to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize the speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations.

Mr. Chairman, many arguments have been advanced against this proposed legislation, some with logic of course, but much without logic. No one, however, can deny or defend the present situation. It is a simple story, and it seems to me that anyone with an open mind who studies the legislation that has been passed in the last few years, and the increased cost of production, can understand why there is a farm problem. The farmer is not responsible for the farm problem. He is fighting for an opportunity to pass on some of his increased cost of production, and he will be able to do that if this bill shall become a law. It will give him at least a part of the protective tariff that was promised him when the Fordney-McCumber bill was passed, but which he can not get under the present conditions, when there is a surplus.

The trouble with many of our friends from New England, where their industries and products have been protected by the highest tariff ever enacted at the expense of all the people of this country, is that they think the United States of America is all located east of the Allegheny Mountains. They talk about class legislation in face of the fact that their section is the chief beneficiary of more class legislation than all the rest of the country combined.

It has also been argued that the farmers themselves are opposed to this bill. I can not speak, of course, for the farmers of America, not even for all of them in my congressional district, but without question the great majority of them are for the McNary-Haugen bill. I desire to read a portion of a letter addressed to myself from Earl C. Smith, president of the Illinois Agricultural Association, and also resolution passed by that organization at its last annual meeting, held in Rock Island, Ill., January 19 and 20 of this year:

> JANUARY 27, 1928.
>
> Hon. J. EARL MAJOR,
> *House of Representatives, Washington, D. C.*
>
> DEAR CONGRESSMAN MAJOR: We are at this time very much concerned over newspaper reports that there is some tendency on the part of some of the former supporters of the McNary-Haugen bill to weaken in their attitude toward some of its most essential features. Resolution 18 very carefully interprets the attitude of the farmers of Illinois on this question. Farmers of this State are in a worse financial condition than at any time since 1920, regardless of reports to the contrary emanating from supposedly authoritative sources. The facts are that the total value of agricultural production in Illinois is much less than in 1926. * * * We sincerely believe that any legislation yet suggested eliminating the equalization fee can not and will not operate effectively for the basic cash crops of Illinois.

We have put forth every possible effort to meet the President's criticisms as carried in his veto message of this legislation and believe careful study will reveal that of his 10 pointed criticisms 9 have been wholly met and the tenth, namely, the equalization fee, can not be further criticized on the same grounds as formerly. Senate bill 1176, carrying the equalization-fee principle, provides that it is only to be invoked if and when the administration falls down in properly controlling crop surpluses without costs and losses, which they have claimed they can do. Should there be costs and losses develop, and which we believe will be the case, then the equalization fee becomes imperative so as to spread the costs and losses in the operation of surplus control over all the producers of the commodity benefited.

We trust you will use your best effort in seeing that legislation embodying the principles as outlined in Resolution 18 is passed by the Seventieth Congress.

Sincerely,

ILLINOIS AGRICULTURAL ASSOCIATION,
EARL C. SMITH, *President.*

The resolution is as follows:

"This association has repeatedly gone on record as favoring a national agricultural policy by which farmers, at their own expense, may stabilize the prices for their farm crops by regulating their flow to market.

"To this end they have supported the various bills in Congress known as the McNary-Haugen bills.

"At the last session of Congress legislation of this character was passed by both Houses of Congress and vetoed by President Coolidge. The veto message enumerated many objections, all of which have been met in the McNary bill now before the Senate except the objection to the equalization fee, which is the heart of the bill and which must remain in any bill to accomplish the desired end, namely, an opportunity without Government subsidy for the American farmer to live according to American standards.

"The present Senate bill specifically affords an opportunity for those who contend that markets can be stabilized by loans to undertake to do so and invokes the equalization fee only when the cooperatives are unable to accomplish the desired result in this way.

"Congress and the President have repeatedly recognized cooperative marketing as the proper medium for handling surpluses and we call upon them to support this legislation, giving loans a chance, and invoking the equalization fee if and when loans fail.

"We assert that the equalization fee is essential and that to deny it to agriculture is equivalent to refusing agriculture a place in our complex protective system.

"We urge the enactment of legislation containing all the essential provisions of H. R. 7940 and S. 1176. We shall hold responsible, so far as it is within our power, any political party or any public official who contributes to the surrender of the principles of this legislation. We prefer no legislation at this time rather than to surrender these principles. We instruct our officers to make our position clear to Members of Congress and to the President."

FARMERS' LOBBY

Of all the absurd argument made against this bill, that which was designed to ridicule it because it was backed by a "farmers' lobby" is entitled to first prize. The gentleman from Louisiana [Mr. ASWELL] is one of those who seems to be greatly disturbed, and I really am surprised at his attack on this "monstrous lobby" which he claims has been operating here in Washington this winter in favor of the McNary-Haugen bill.

This "monster," of course, consists of nothing more than the legislative representatives of the farmers who are endeavoring to obtain for them economic justice. Surely this is neither a strange or novel procedure. What group is there in this country who does not have its representative here to look after its interest? It is a well-known fact when tariff bills and revenue measures are being considered the great financial and industrial interests of this country have their representatives swarming about the Capitol like buzzards around a dead carcass.

What do the railroads do when legislation is up in which they are interested? Anyone who was here will not forget the fight they made against the Howell-Barkley bill. At that time railroad lawyers and agents of various sorts were as thick about the Capitol as bees around the hive in harvest time.

Organized labor long ago learned what the farmers of this country have only recently realized—and that is in order to compete with other economic groups, and as a matter of self-preservation, they must be organized and must have their representatives on the job here. It may be a sad commentary on our system of Government and upon Congress, but it is a fact nevertheless, and everybody knows it, that to get action on a major proposition in Congress requires organized effort and without this character of effort no bill has any more chance of being enacted into law than a snowball has in Hades.

In my opinion the farmers of this country, with this "terrible monster," which is alleged to exist here, are to be complimented and congratulated, rather than condemned, on the fact that they have learned this great lesson. There is no more certain omen that I know of that the great agricultural industry of this industry is coming into its own and is prepared to wage a desperate fight to obtain its just share of that to which it is entitled. I hope the good work will go on and that this "farmers' lobby" will succeed in forcing upon this Congress and upon a reluctant administration, legislation which will materially improve the deplorable condition in which the farmers are now situated.

There is no publication more interested in the farmers of Illinois, none which circulates so widely, and none in which the farmers have more confidence than the Prairie Farmer; and I now desire to read an editorial which appeared in that publication in the issue of April 21:

THE M'NARY-HAUGEN BILL

The McNary surplus handling bill passed the Senate Thursday of last week by the substantial majority of 53 to 23. President Coolidge has indicated quite plainly that he will not sign the bill.

It is difficult to conceive of a President of the United States having an outlook so narrow and a vision of national welfare so shortsighted. During the administration of President Coolidge economic conditions—largely artificial conditions created by act of Government—have taken $20,000,000,000 away from the farmers of America and given it to the cities of the Nation. President Coolidge has not lifted a finger to stop this greatest economic crime of all history. He has shown more concern about the tariff on barium carbonate and pig iron than over the condition of agriculture.

Some time in the future, when the problem of the Nation's food supply will be so important that all other questions will be insignificant by comparison, people will read with astonishment the record of a generation that robbed its farmers and its soils with scant regard for the welfare of either. It will be amazed at the indifference of a Chief Executive who was so blind to a problem of such vital importance.

Farmers have worked out what they believe to be a helpful and practical remedy for the situation in which they find themselves, only to have it vetoed after being passed by Congress with a second veto in prospect.

Congress should temporize no longer, but arise in its might and pass the McNary-Haugen bill over the expected veto of the President.

Mr. Chairman, I hope the President will not veto this bill. I hope he will sign it and permit it to become a law. If it solves this mighty problem, it will be a boon to mankind; if it fails, we will at least have the satisfaction of knowing we tried. Professional people, business people, and laboring people can well join hands with the farmer in his struggle to be placed on a parity with other lines of human endeavor. Their welfare is so largely dependent upon his that to do otherwise would be folly.

A lot has been said concerning the political effects of this measure. It has even been said that certain candidates for the presidency are using it as a stepping stone for that great office. I don't know whether that is true or not. I hope it is not. I wish politics could be forgotten so far as farm relief is concerned. So far as I am concerned I am glad to follow the leadership of any man, whether he be a Democrat or Republican, who has a program designed to remove the shackles which bind our farmers to industrial slavery and thus permit the men and women who feed and clothe the people of the United States to walk out into the sunshine of blue heaven, as independent as our Government, as free as the air we breathe, as joyous as the springtime.

Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay;
Princes and lords may flourish, or may fade—
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied.

Mr. KINCHELOE. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. LOWREY].

Mr. LOWREY. Mr. Chairman, the question has been raised as to whether or not the farmer really needs national legislation in his behalf. And it has been suggested that he has worked out his own salvation, or that conditions have become adjusted until the farmer is recovering from his former desperate condition without the aid of the Government.

It is true that the farmer is now farming more intelligently and more efficiently than ever before. The farmers in my part of the country are the kind of people who, through thrift and industry and intelligence, will get the most out of their opportunities that can be gotten. The fact that they have recovered somewhat from the staggering blows that have been dealt them,

or, indeed, that they have survived those blows at all, is due to their own ability to strive and in a measure succeed even against tremendous odds. The odds are still against them.

Farming still pays smaller profits on invested capital and offers less return for the effort expended than other lines of endeavor with which it deserves to be at least on an equal plane. The average annual income of the farm operator is $760, according to the report of the Department of Agriculture. And if we allow him 4½ per cent on his capital investment, this leaves him less than $520 for his year's work. Men employed in building trades, transportation service, manufacturing, and other lines of industry, performing less work, and work requiring no more knowledge and skill and experience in its performance than farming, are receiving average salaries of more than three times that amount. Yet with this the farmer's taxes have increased 150 per cent in 10 years, and by reason of high tariffs, high freight rates, high wages to labor in industry, and tremendous profits made in industry, the things which the farmer must buy have been kept at high price levels.

Is it any wonder that 750,000 families, or 3,000,000 people, have left the farms in one year's time to seek better opportunities in other lines of work in the towns and cities and to add to the numbers of unemployed in the thickly populated districts? Is it any wonder that values of farm lands have decreased steadily for 10 years and that no man with money cares to invest it in farm property? Abe Martin in a recent paper speaks of a young fellow whose father died and left him two farms, and who petitioned to have the will set aside, claiming that his father was evidently of unsound mind. This is a joke that is not all a joke. A young man who inherits a fertile farm may find that he has come into possession of a liability rather than an asset.

Thirty per cent of our people have been living on the farms. They have contributed far more than their pro rata of commodities for both interstate and foreign commerce, for local consumption, and for raw materials in manufacture and construction. They have contributed vastly more than their pro rata of brain and brawn, of good citizenship and constructive leadership. Yet this important 30 per cent of our population have been getting 10 per cent of our Nation's income, while 70 per cent of population engaged in other pursuits, productive and nonproductive, have been getting 90 per cent of the Nation's total income. This is not only unreasonable and unjust; it is bound to prove serious to our country, socially, economically, and politically. It is glaringly obvious that something is dangerously wrong and out of balance. The fact that our farmers are struggling along under this handicap, and even managing by painfully strict economy and hard work and good management to improve their situation a little is no excuse for permitting the discrimination against them to continue.

All other classes of our citizenship are enjoying the protection and benefits of national legislation. The National Government has supplied the manufacturer with the protection of the tariff wall; has put laws into effect to protect and promote the welfare of the laborer and industrial worker; has cared generously for banking and financial interests of the country with laws and governmental machinery for their benefit; has, besides providing loans and financial aid for the railroads, protected them with rates and a virtual guaranty of 6 per cent earning on their investments. And this protection has been given to other people and interests with a reckless disregard for the rights and the welfare of the farmer. The tariff wall takes $10 out of his pocket where it gives him one; the railroads derive their income more largely from him than from any other class; the protection given to labor in the trades and industries has actually cost the farmer money.

It is the duty of the Congress to pass legislation to aid the farmer; to reconstruct, revise, and in some cases repeal legislation that injures him, and, in a word, provide that he shall have the same opportunity as others to get a fair reward for his toil. The gentleman from New York [Mr. SOMERS] has suggested that the pending bill is class legislation, benefiting one group at the expense of others. But, as before said, the Congress has from time to time provided helpful legislation for the special benefit of almost every other group in business or industry. It is time for fair play with the farmer. Let us get back to the fundamental principle of equal rights to all and special privileges to none. Perhaps giving the farmer his rights is going to take away the special privileges of some one else. But justice demands it, and the safeguarding of our health and wealth and strength and security as a Nation demands it. This House during this session is passing legislation to expend more than $700,000,000 on the direct military activities of the Army and Navy. I make no argument against proper preparedness, yet while we are spending money for public defense why should we shrink from an appropriation to save to our country that sturdy rural population which is our very greatest defense and which means more to the safety of our country than any amount of military preparedness could mean? The decline of agriculture has spelled the decline of nations throughout the pages of history. The demand for national legislation in the interests of agriculture and on behalf of the agricultural people of this country is a demand that can not and must not be sidetracked or ignored or treated indifferently.

I am for the bill which is before us. I do not believe that it is a magic potion to cure all the ills of the farmer at once. Its authors and proponents claim nothing of the kind for it. It simply proposes to aid in the orderly marketing of the surplus of agricultural commodities, to prevent such surpluses from unduly depressing the market and to minimize speculation and waste in marketing, to provide that the farmer shall get a larger share than a mere $9,000,000,000 of the $29,000,000,000 which the consumer pays for his products.

I am in favor of other legislation in addition to this for the farmer. I have worked during this session especially hard for the passage of three other more or less important bills, the Morin bill for Muscle Shoals, the Reed bill for vocational agriculture, the Buchanan bill to aid in the eradication of the pink bollworm. And as I have said, I am in favor of the repeal or revision of some laws that hurt the farmer. The tariff and railroad-rate matters particularly need attention.

But the passage of the Haugen bill will not only put into operation a plan of real benefit to the farmer, but will declare to the Nation that we recognize the injustice of things as they are, and propose to correct them. Let us pass this bill, and let us who place the interests of the farmer above other considerations search every measure that is proposed to us with the question in mind, How will this affect agriculture? It is only by strict adherence to this kind of program, of guarding the farmer's interests in the same careful manner that other interests are guarded, every day and every hour, that the welfare of the rural population, on which depends the welfare of the Nation, can be properly cared for. [Applause.]

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TILSON having taken the chair as Speaker pro tempore, 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. 3558) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, had come to no resolution thereon.

Mr. KINCHELOE. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. KINCHELOE. I would like to propound a question for information. Is it the intention of the majority leader to dispense with the business of Calendar Wednesday to-morrow?

The SPEAKER pro tempore. It is the intention of the majority leader to make such request as the gentleman from Iowa and others specially interested in the conduct of this bill may wish.

Mr. KINCHELOE. I would like, then, to ask if it is the intention of the chairman of the Agricultural Committee to ask for it?

Mr. HAUGEN. I can not inform the gentleman now. We will decide that on Wednesday morning.

Mr. KINCHELOE. Very well.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 1, 1928, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, May 1, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE JUDICIARY

(10 a. m.)

To provide an additional justice of the Supreme Court of the District of Columbia (H. R. 13116).

COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

To promote the better protection and highest public use of the lands of the United States and adjacent lands and waters in northern Minnesota for the production of forest products, the

development and extension of recreational uses, the preservation of wild life, and other purposes not inconsistent therewith; and to protect more effectively the streams and lakes dedicated to public use under the terms and spirit of clause 2 of the Webster-Ashburton treaty of 1842 between Great Britain and the United States; and recreational and economic assets (H. R. 12780).

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend the act approved December 23, 1913, known as the Federal reserve act; to define certain policies toward which the powers of the Federal reserve system shall be directed; to further promote the maintenance of a stable gold standard; to promote the stability of commerce, industry, agriculture, and employment; to assist in realizing a more stable purchasing power of the dollar (H. R. 11806).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

470. A letter from the Comptroller General of the United States, transmitting report in the matter of the claim of Pvt. Ralph Rhees, United States Army, pursuant to the provisions of the act of April 10, 1928 (Public, No. 247); to the Committee on Claims.

471. A letter from the Commission for the Enlarging of the Capitol Grounds, transmitting plans for the enlargement of the Capitol Grounds and recommending legislation which will authorize the Architect of the Capitol to proceed with said plans (H. Doc. No. 252); to the Committee on Public Buildings and Grounds and ordered to be printed.

472. A letter from the Acting Secretary of War, transmitting report from the Chief of Engineers, United States Army, on preliminary examination and survey of the Great Lakes, their connecting waters, principal harbors, and river channels, authorized by the rivers and harbors act approved January 21, 1927 (H. Doc. No. 253); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

473. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Civil Service Commission for the fiscal year ending June 30, 1929, amounting to $31,600 (H. Doc. No. 254); to the Committee on Appropriations and ordered to be printed.

474. A communication from the President of the United States, transmitting paragraph of proposed legislation, the object of which is to authorize the payment from existing appropriations of two claims for damages to privately owned property, which have been considered and adjusted, in the sum of $51 (H. Doc. No. 255); to the Committee on Claims and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. CARTWRIGHT: Committee on Indian Affairs. H. R. 12574. A bill to extend certain existing leases upon the coal and asphalt deposits in the Choctaw and Chickasaw Nations to September 25, 1932, and permit extension of time to complete payments on coal purchases; with amendment (Rept. No. 1421). Referred to the House Calendar.

Mr. UNDERHILL: Committee on the District of Columbia. S. 3565. An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes; without amendment (Rept. No. 1422). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H. R. 11405. A bill to acquire an area of State land situate in Lassen Volcanic National Park, State of California, by exchange; with amendment (Rept. No. 1423). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 13342. A bill to authorize a per capita payment to the Pine Ridge Sioux Indians of South Dakota; without amendment (Rept. No. 1424). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. S. 3463. An act to recognize commissioned service in the Philippine Constabulary in determining rights of officers of the Regular Army; without amendment (Rept. No. 1425). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on the Judiciary. S. 3947. An act to provide for the times and places for holding court for the eastern district of North Carolina; without amendment (Rept. No. 1426). Referred to the House Calendar.

Mr. DOMINICK: Committee on the Judiciary. H. R. 12811. A bill to provide for the appointment of one additional district judge for the eastern and western districts of South Carolina; without amendment (Rept. No. 1427). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13032. A bill to amend the act of February 8, 1895, entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters"; without amendment (Rept. No. 1432). Referred to the House Calendar.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13037. A bill to amend section 1, rule 2, rule 3, subdivision (e), and rule 9 of an act to regulate navigation on the Great Lakes and their connecting and tributary waters, enacted February 8, 1895 (ch. 64, 28 Stat. L. sec. 645); without amendment (Rept. No. 1433). Referred to the House Calendar.

Mr. WHITE of Maine: Committee on the Merchant Marine and Fisheries. H. R. 13383. A bill to provide for a five-year construction and maintenance program for the United States Bureau of Fisheries; without amendment (Rept. No. 1434). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. S. 343. An act for the relief of Sallie Stapleford, Mrs. J. C. Stuckert, Mary E. Hildebrand, Kate Wright, Mary M. Janvier, Harry L. Gray, Frank D. Carrow, Harry V. Buckson, George H. Swain, Claude N. Jester, and Charles H. Jamison; without amendment (Rept. No. 1406). Referred to the Committee of the Whole House.

Mr. EVANS of California: Committee on Naval Affairs. S. 362. An act to provide for the advancement on the retired list of the Navy of Lloyd Lafot; without amendment (Rept. No. 1407). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 445. An act for the relief of the Florida East Coast Car Ferry Co.; without amendment (Rept. No. 1408). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Claims. S. 1217. An act for the relief of Albert Wood; without amendment (Rept. No. 1409). Referred to the Committee of the Whole House.

Mr. LEAVITT: Committee on Claims. S. 1448. An act for the relief of Omer D. Lewis; with amendment (Rept. No. 1410). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 1646. An act for the relief of James M. E. Brown; without amendment (Rept. No. 1411). Referred to the Committee of the Whole House.

Mr. HALE: Committee on Naval Affairs. S. 1852. An act to correct the naval record of John Lewis Burns; without amendment (Rept. No. 1412). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2336. An act for the relief of Nina MacDonald, Zenas V. Johnston, Margaret E. Thompson, Arthur L. Beaman, and May Fee; without amendment (Rept. No. 1413). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2438. An act for the relief of the firm of M. Levin & Sons; without amendment (Rept. No. 1414). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. S. 2788. An act for the relief of Charlie McDonald; without amendment (Rept. No. 1415). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 3722. An act for the relief of Robert C. Osborne; with amendment (Rept. No. 1416.) Referred to the Committee of the Whole House.

Mrs. LANGLEY: Committee on Claims. H. R. 8859. A bill for the relief of Edna E. Snably; without amendment (Rept. No. 1417). Referred to the Committee of the Whole House.

Mr. COCHRAN of Pennsylvania: Committee on Claims. H. R. 9659. A bill for the relief of F. R. Barthold; without amendment (Rept. No. 1418). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 12711. A bill for the relief of certain members of a trail crew employed by the Forest Service; without amendment (Rept. No. 1419) Referred to the Committee of the Whole House.

Mr. BULWINKLE: Committee on Claims. H. R. 12871. A bill for the relief of Maj. Charles F. Eddy; with amendment (Rept. No. 1420). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. R. 12867. A bill granting an honorable discharge to Pierce Dale Jackson; without amendment (Rept. No. 1428). Referred to the Committee of the Whole House.

Mr. FROTHINGHAM: Committee on Military Affairs. H. R. 13060. A bill to recognize the high public service rendered by Maj. Walter Reed and those associated with him in the discovery of the cause and means of transmission of yellow fever; with amendment (Rept. No. 1429). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. H. J. Res. 258. A joint resolution authorizing the Secretary of War to lease to the New Orleans Association of Commerce New Orleans quartermaster intermediate depot unit No. 2; without amendment (Rept. No. 1430). Referred to the Committee of the Whole House.

Mr. McSWAIN: Committee on Military Affairs. S. 3201. An act for the relief of Paul D. Carlisle; without amendment (Rept. 1431). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLAND: A bill (H. R. 13399) authorizing the Baltimore Gas Engineering Corporation, a Maryland corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Dunbar, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. FENN: A bill (H. R. 13400) authorizing conveyance to the city of Hartford, Conn., of the title to site and building of the present Federal building in that city; to the Committee on Public Buildings and Grounds.

By Mr. W. T. FITZGERALD: A bill (H. R. 13401) to authorize the erection of a monument in Hartshorn Pioneer Cemetery, Delphos, Ohio; to the Committee on the Library.

By Mr. HOFFMAN: A bill (H. R. 13402) authorizing good-conduct medal award to enlisted men of the Army; to the Committee on Military Affairs.

By Mr. MEAD: A bill (H. R. 13403) to provide for weekly pay days for postal employees; to the Committee on the Post Office and Post Roads.

By Mr. O'CONNOR of Louisiana: A bill (H. R. 13404) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Louisiana State Museum, of the city of New Orleans, La., the silver service set in use on the battleship *Louisiana;* to the Committee on Naval Affairs.

By Mr. TREADWAY: A bill (H. R. 13405) to regulate the purchase of personal property for the use of the Federal Government; to the Committee on Interstate and Foreign Commerce.

By Mr. WARE: A bill (H. R. 13406) to authorize the city of Fort Thomas, Ky., to widen, improve, reconstruct, and resurface Fort Thomas Avenue and to assess the cost thereof against the United States according to front feet of military reservation abutting thereon, and authorizing an appropriation therefor; to the Committee on Military Affairs.

By Mr. LEAVITT: A bill (H. R. 13407) relating to the tribal and individual affairs of the Osage Indians of Oklahoma; to the Committee on Indian Affairs.

By Mr. BERGER: A bill (H. R. 13408) to provide for the conservation and utilization of the natural resources of the Nation, the coordination of flood control and navigation of streams, the development of hydroelectric energy, and the distribution of the same, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: A bill (H. R. 13409) to provide that the printing and binding of the government of the District of Columbia be done at the Government Printing Office; to the Committee on Printing.

Also, a bill (H. R. 13410) for the advancement in rank of certain officers of the Army; to the Committee on Military Affairs.

By Mr. GRAHAM (by request): A bill (H. R. 13411) to revise and amend title 18, section 99, United States Code; to the Committee on the Judiciary.

Also (by request), a bill (H. R. 13412) to regulate the promulgation of regulations in certain cases with reference to alcohol and narcotics; to the Committee on the Judiciary.

Also, a bill (H. R. 13413) relating to sales and contracts to sell in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. SEGER: A bill (H. R. 13414) to amend section 1396 of the Revised Statutes of the United States relative to the appointment of chaplains in the Navy; to the Committee on Naval Affairs.

By Mr. ANDRESEN: A bill (H. R. 13415) granting the consent of Congress to the State of Minnesota to construct a bridge across the Mississippi River at or near Hastings, Minn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13416) granting the consent of Congress to the State of Minnesota to construct a bridge across the St. Croix River at or near Stillwater, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMER: A bill (H. R. 13417) to amend an act to prohibit the importation and interstate transportation of films or pictorial representation of prize fights, and for other purposes; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13418) to amend the act of July 31, 1912, prohibiting the importation and interstate transportation of films of prize fights; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBSON: A bill (H. R. 13419) for the relief of certain guests of the Government Hotels; to the Committee on Claims.

By Mr. WINTER: A bill (H. R. 13420) to provide for the storage and diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 13421) to provide for the storage for diversion of the waters of the North Platte River and construction of the Saratoga reclamation project; to the Committee on Irrigation and Reclamation.

By Mr. HOWARD of Oklahoma: Joint resolution (H. J. Res. 292) authorizing the President to invite the States of the Union and foreign countries to participate in the annual International Petroleum Exposition at Tulsa, Okla., to begin October 20, 1928; to the Committee on Foreign Affairs.

By Mr. GARRETT of Tennessee: Concurrent resolution (H. Con. Res. 33) to print and bind the proceedings in Congress together with the proceedings at the unveiling in Statuary Hall of the statue of President Andrew Jackson presented by the State of Tennessee; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 13422) for the relief of Thomas Parkins; to the Committee on Claims.

By Mr. AYRES: A bill (H. R. 13423) granting an increase of pension to Ellen Poyner; to the Committee on Invalid Pensions.

By Mr. BUCKBEE: A bill (H. R. 13424) granting an increase of pension to Annie Hanford; to the Committee on Invalid Pensions.

By Mr. CARSS: A bill (H. R. 13425) granting a pension to Robert Kelly; to the Committee on Pensions.

By Mr. COLE of Maryland: A bill (H. R. 13426) granting an increase of pension to Emma E. Price; to the Committee on Invalid Pensions.

By Mr. CRAIL: A bill (H. R. 13427) granting a pension to Mrs. Christian Meyer; to the Committee on Invalid Pensions.

By Mr. DARROW: A bill (H. R. 13428) for the relief of Mackenzie Memorial Hospital and German-American Hospital and Lau Ye Kun, all of Tientsin, China; to the Committee on Naval Affairs.

By Mr. DOYLE: A bill (H. R. 13429) granting an increase of pension to Max Drozdowitz; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 13430) for the relief of Arthur E. Rump; to the Committee on Claims.

By Mr. GREEN: A bill (H. R. 13431) granting an increase of pension to William A. Paulsen; to the Committee on Pensions.

By Mr. HOFFMAN: A bill (H. R. 13432) to compensate the Automatic Safety Davit Co., of Highlands, N. J., for the loss of a boat, *Modesty;* to the Committee on Claims.

By Mr. HOGG: A bill (H. R. 13433) granting an increase of pension to Clara A. Estry; to the Committee on Invalid Pensions.

By Mr. HUDDLESTON: A bill (H. R. 13434) granting a pension to George J. Lacey; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 13435) for the relief of Carrie M. Haney; to the Committee on Claims.

By Mr. MEAD: A bill (H. R. 13436) granting an increase of pension to Mary J. Parker; to the Committee on Invalid Pensions.

By Mr. MERRITT: A bill (H. R. 13437) granting an increase of pension to Caroline R. Raynor; to the Committee on Invalid Pensions.

By Mr. NELSON of Missouri: A bill (H. R. 13438) granting a pension to Catherine Jones; to the Committee on Invalid Pensions.

By Mr. PRALL: A bill (H. R. 13439) for the relief of Morris Binswanger; to the Committee on Naval Affairs.

By Mr. SCHAFER: A bill (H. R. 13440) for the relief of H. P. Milligan; to the Committee on Military Affairs.

By Mr. SHREVE: A bill (H. R. 13441) granting an increase of pension to Elmer Harry Martin; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 13442) granting a pension to Isabelle Eccles; to the Committee on Invalid Pensions.

By Mr. WARE: A bill (H. R. 13443) granting a pension to Joseph Rombach; to the Committee on Pensions.

By Mr. WHITE of Maine: A bill (H. R. 13444) granting an increase of pension to Arria S. Sargent; to the Committee on Pensions.

By Mr. WYANT: A bill (H. R. 13445) granting a pension to Alice Cribbs Kemp; 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:

7314. Petition of the Senior Christian Endeavor Society of the First Presbyterian Church of Export, Pa., urging the passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7315. By Mr. COCHRAN of Pennsylvania: Petition of George W. Elliott and numerous residents of Franklin, Pa., urging the passage of the Sproul bill (H. R. 11410) to amend the national prohibition act; to the Committee on the Judiciary.

7316. By Mr. COOPER of Ohio: Petition of citizens of Youngstown, Ohio, requesting increases in pension for veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7317. By Mr. DENISON: Petition of various citizens of De Soto, 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; to the Committee on Invalid Pensions.

7318. By Mr. EATON: Petition of L. C. Reading, of Somerville, N. J., and 17 other residents of Somerset County, N. J., urging immediate consideration of national flood control and adoption of such laws as will insure the impounding of unrestricted waters; to the Committee on Flood Control.

7319. By Mr. ENGLEBRIGHT: Petition of board of directors, Sacramento Chamber of Commerce, pertaining to Bureau of Internal Revenue studying depreciation and maintenance in mining industry; to the Committee on Ways and Means.

7320. Also, petition of board of directors, Sacramento Chamber of Commerce, pertaining to House bill 9282, being opposed thereto; to the Committee on Mines and Mining.

7321. By Mr. ROY G. FITZGERALD: Petition of 71 ex-service men of the wars of the United States in the Railway Mail Service, asking favorable consideration of House bill 10922, to allow credit in the Postal Service, day for day, for the time necessarily absent while in the military service of the United States; to the Committee on the Post Office and Post Roads.

7322. By Mr. GARBER: Petition of P. Harned, Jet, Okla., in support of Tyson-Fitzgerald bill for retirement of disabled emergency Army officers; to the Committee on Military Affairs.

7323. Also, petition of P. W. Henry, secretary of American Institute of Consulting Engineers (Inc.), of New York, in opposition to House bill 107; to the Committee on Interstate and Foreign Commerce.

7324. Also, petition of J. C. Reichert, secretary of the Maritime Association of the Port of New York, in support of House bill 11886 and Senate bill 3721, to establish the office of captain of the port of New York and to define his duties; to the Committee on Interstate and Foreign Commerce.

7325. By Mr. HOPE: Petition signed by the residents of Ford County, Kans., requesting more adequate legislation on the behalf of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7326. By Mr. HOWARD of Nebraska: Petition signed by Miss Cathern Lowe, of Neligh, Nebr., and nine other citizens of that city of Neligh, Nebr., praying for the passage of legislation granting more adequate pensions to Civil War veterans and the widows of Civil War veterans during the present session of the Congress; to the Committee on Invalid Pensions.

7327. By Mr. KNUTSON: Petition signed by E. P. Baron, of Pillager, Minn., and others, requesting higher rates for Civil War survivors and Civil War widows; to the Committee on Invalid Pensions.

7328. By Mr. LETTS: Petition of Mary A. Smyth and other citizens of Clinton, Iowa, urging the passage of the Civil War pension bill; to the Committee on Invalid Pensions.

7329. By Mr. MEAD: Petition of Henry Bischoff, of Buffalo, N. Y., favoring the passage of House Joint Resolution 273; to the Committee on Military Affairs.

7330. By Mr. O'CONNELL: Petition of the Merit Hosiery Co. (Inc.), Ozone Park, Long Island, N. Y., favoring a just adequate flood-control legislation; to the Committee on Flood Control.

7331. By Mr. PRATT: Petition of residents of Woodstock, Ulster County, N. Y., urging enactment of legislation to provide increased pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7332. By Mr. ROBINSON of Iowa: Petition signed by Rev. Ralph Hall Collis, pastor of the Methodist Episcopal Church of Hampton, Iowa, and about 100 citizens of Hampton, Iowa, urging the passage of the Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7333. By Mr. SHREVE: Resolution adopted by the American Legion, Department of Pennsylvania, indorsing the Tyson-Fitzgerald disabled emergency bills; to the Committee on World War Veterans' Legislation.

7334. By Mr. SINCLAIR: Letter from W. T. Wakefield, vice president Farmers' State Bank, Bentley, N. Dak., protesting against the Oddie bill; to the Committee on the Post Office and Post Roads.

7335. By Mr. SPEAKS: Petition signed by Alice E. Murphy and some 45 residents of Franklin County, Ohio, urging enactment of legislation for the relief of Civil War veterans and their dependents; to the Committee on Invalid Pensions.

7336. By Mr. THURSTON: Petition of 10 citizens of Shenandoah, Iowa, petitioning the Congress to pass pending legislation increasing the pensions to veterans of the Civil War and their dependents; to the Committee on Invalid Pensions.

7337. By Mr. WHITE of Kansas: Petition of L. Johnson and others, of Ellis, Kans., for the relief of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7338. By Mr. WYANT: Petition of Department of Pennsylvania, the American Legion, favoring passage of legislation for retirement of emergency Army officers permanently disabled; to the Committee on Military Affairs.

7339. Also, petition of members of First Presbyterian Church of Export, Westmoreland County, Pa., favoring passage of Sproul bill (H. R. 11410); to the Committee on the Judiciary.

7340. By Mr. ZIHLMAN: Petition of residents of Montgomery County, Md., urging immediate action on the Civil War pension bill in order that relief may be accorded needy and suffering veterans and widows; to the Committee on Invalid Pensions.

SENATE

TUESDAY, *May 1, 1928*

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

O God, true source of light that never fades, of life that never dies, Thou hast set us in the bonds of time, this narrow space so crowded for life's purpose that day has worn to noon ere we have planned our work. Forgive the waste of precious moments by loitering feet and faltering wills. Teach us to lengthen our brief life by intensity of living, to fill swift hours with glowing deeds, and to speak kind words with breathless haste, for we pass this way but once. Grant this for the sake of Him whose footfalls on the shores of time made life's dim meaning clear, Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

INVESTIGATION OF CAMPAIGN EXPENDITURES

The VICE PRESIDENT. In accordance with Senate Resolution 214, agreed to yesterday, providing that a special committee of five be appointed to investigate campaign expenditures, the Chair appoints the junior Senator from Oregon, Mr. STEIWER; the junior Senator from Vermont, Mr. DALE; the junior Senator from South Dakota, Mr. McMASTER; the senior Senator from New Mexico, Mr. BRATTON; and the junior Senator from Kentucky, Mr. BARKLEY.

PETITIONS AND MEMORIALS

Mr. WARREN presented a resolution adopted by the Lions Club, of Lyman, Wyo., favoring the passage of legislation providing for aided and directed settlement on Federal reclamation projects, which was referred to the Committee on Irrigation and Reclamation.