

space holders on the farmers' market and who are producing the great bulk of fresh produce sold in this market? How can Congress ignore the plea of the consumers represented by the citizens' associations for a site north of Pennsylvania Avenue, and finally how can Congress ignore the disinterested recommendations of the expert agencies that it has set up for the proper planning and beautification of Washington City such as the National Capital Park and Planning Commission and the Bureau of Efficiency, which have studied the situation from the standpoint of service, convenience, and practical use to the citizens of Washington?

Finally, we, the minority of the subcommittee, regretting our non-concurrence in the majority report, respectfully recommend that the farmers' market be located on block 669, in the Eckington area, and that this recommendation be adopted by the House of Representatives in Congress now assembled.

Respectfully submitted.

FLORIAN LAMPERT.
CLARENCE J. MCLEOD.
FRANK L. BOWMAN.

Mr. GLASS. Now let me read what Mr. Brown said.

Mr. BRUCE. I will relinquish the floor at this time. I promised the Senator from Kansas [Mr. CURTIS] that I would bring my remarks to a conclusion.

Mr. GLASS. Very well. I will read it at a later time.

RECESS

Mr. CURTIS. I move that the Senate take a recess until 12 o'clock noon to-morrow.

The motion was agreed to; and the Senate (at 5 o'clock p. m.) took a recess until to-morrow, Friday, May 4, 1928, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, May 3, 1928

The House met at 12 o'clock noon.

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

O sweet is the truth, dear Father, that Thou givest us. Through shortsighted vision, the way is often uncertain; let us trust Thee. When we least expect it, Thou art near. There always comes a rift in the cloud, and faith grasps a new courage and we repossess our souls. Again we would strike eternal covenant with Thee. Reconcile our wills with Thy will and our hearts with Thy heart; then what beautiful harmony there shall be. How determined and vitalized our decisions shall be as this union regulates our thoughts. However numerous our contests, however aggressive their devices, and however vigorous they may be, O Lord, bless us with a multiplied sense of courageous faith and charity, understanding, and wisdom. Through Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate Monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925; and

H. R. 11723. An act to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

The message also 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. 12030. An act to amend Title II of an act approved February 28, 1925 (43 Stat. 1066, U. S. C., title 39), regulating postal rates, and for other purposes.

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

S. 1781. An act to establish load lines for American vessels, and for other purposes;

S. 3752. An act to amend section 3 of an act entitled "An act authorizing the use for permanent construction at military posts of the proceeds from the sale of surplus War Department real property, and authorizing the sale of certain military reservations, and for other purposes," approved March 12, 1926; and

S. 4216. An act to authorize the adjustment and settlement of claims for armory drill pay.

REFERENCE OF SENATE JOINT RESOLUTION 135

Mr. REID of Illinois. Mr. Speaker, I ask unanimous consent to rerefer Senate Joint Resolution 135, making an emergency appropriation for flood protection on White River, Ark., to the Committee on Appropriations.

The SPEAKER. The gentleman from Illinois asks unanimous consent to rerefer Senate Joint Resolution 135 from the Committee on Flood Control to the Committee on Appropriations. The Chair understands this resolution carries an appropriation.

Mr. REID of Illinois. It does.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CONQUEST OF THE NORTHWEST TERRITORY BY GEN. GEORGE ROGERS CLARK AND HIS ARMY

Mr. LUCE. Mr. Speaker, since yesterday there has been a conference in the matter of Senate Joint Resolution 23, providing for the participation of the United States in the celebration in 1929 and 1930 of the one hundred and fiftieth anniversary of the conquest of the Northwest Territory by Gen. George Rogers Clark and his army, and authorizing an appropriation for the construction of a permanent memorial of the Revolutionary War in the West, and of the accession of the old Northwest to the United States on the site of Fort Sackville, which was captured by George Rogers Clark and his men February 25, 1779, and I renew the unanimous-consent request for its immediate consideration.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to call up Senate Joint Resolution 23 and pass the same. The Clerk will report the resolution.

The Clerk read the title of the resolution.

Mr. SNELL. Mr. Speaker, what is the proposition before the House? We do not know.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to discharge the Committee of the Whole House on the state of the Union from the further consideration of the resolution just reported and consider the same in the House as in Committee of the Whole.

Mr. SNELL. What is the resolution? We could not hear the reading of it.

The SPEAKER. Without objection, the Clerk will again report the resolution.

There was no objection.

The Clerk again read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. BLACK of Texas. Mr. Speaker, I reserve the right to object. On yesterday I objected to the unanimous-consent request that the resolution be considered. The Senate resolution authorizes an appropriation of \$1,750,000; the House committee has amended that and made the amount \$1,000,000. If it can be agreed that the five members of the Committee on the Library be appointed conferees and will stand by the House figure of \$1,000,000, I shall not object to the consideration of the resolution.

Mr. LUCE. Mr. Speaker, of course the appointment of conferees is wholly in your hands; but I am quite willing to recommend that the full membership of the Committee on the Library, five in number, be appointed as conferees.

Mr. CRAMTON. And, Mr. Speaker, if the gentleman from Texas will yield, in the event the Senate should not accept the House amendment to which the gentleman refers, and the question of going to conference should come up, the gentleman from Texas would be able to prevent the resolution from going to conference.

Mr. BLACK of Texas. Yes; that is very true.

Mr. GARNER of Texas. But the gentleman from Texas wants it distinctly understood—and we should not mislead anyone—that if he gives his consent at this time that this resolution shall be passed, \$1,000,000 will be the total carried in the resolution when it becomes a law?

Mr. CRAMTON. Of course, I can not speak for the conferees—

Mr. BEEDY. Mr. Speaker, I make the point of order that the gentlemen are out of order; that they did not address the

Chair, and that they are holding a conversation between themselves, which the other Members are not able to follow.

Mr. CRAMTON. Mr. Speaker, I have not noticed that the Chair is greatly concerned about the failure to address him.

Mr. BEEDY. Well, one Member of the House is, and I make the point of order that the gentlemen are out of order.

Mr. CRAMTON. Mr. Speaker, I will ask the gentleman from Texas to yield.

Mr. BLACK of Texas. I yield to the gentleman.

Mr. CRAMTON. I only desire to suggest to the gentleman from Texas, as a matter of additional assurance, that the gentleman would have no difficulty in preventing this resolution from going to conference unless he then gets the kind of assurance he wants.

Mr. BLACK of Texas. That is true, and I will say that the assurance of the chairman [Mr. LUCE] is satisfactory to me. I feel that the House committee has been liberal in recommending \$1,000,000, and that figure should not be exceeded. If it is agreed that the five members of the Committee on the Library will be the conferees and that they will insist upon the House figure of \$1,000,000, then I shall not object to the immediate consideration of the resolution.

Mr. GILBERT. Mr. Speaker, reserving the right to object, as a member of the Committee on the Library, and being the ranking minority member, I would like to say to my Democratic colleague that the Committee on the Library has given this legislation perhaps greater consideration than any measure that has been before it in the seven years I have been a member of the committee. Other acquisitions of territory to the United States have been memorialized by much larger appropriations, for instance, the Louisiana Purchase and the Oregon Purchase, with great outlays of money. The last embarkation of this kind was the Philadelphia exposition where the money, \$2,500,000 if I remember correctly, was thrown away in an unattended exposition.

This proposal commemorates one of the outstanding achievements in all history. It may be a broad, but not an inaccurate, statement to say that in daring initiative, stoic heroism, and magnificent accomplishment Clark's campaign is without a parallel in the world's history.

We have decided on \$1,000,000, but I personally favored more than \$1,000,000 in the committee, and in answer to the gentleman from Texas, as an assurance, I, as one of the members who if the Chair accepts the suggestion of the gentleman from Massachusetts [Mr. LUCE] will be one of the conferees, would not like to bind myself that I would not agree to the bill as it passed the Senate.

Mr. BLACK of Texas. If the gentleman will not agree to stand by the committee, then he will not get the bill up by unanimous consent.

Mr. GILBERT. That may be; that is a responsibility that is the gentleman's. But I will say to the gentleman that I will agree this far, not to make any further agreement other than that which the House committee agreed upon without coming back to the House and giving the gentleman further opportunity; but I have my responsibilities and the gentleman has his. I do not like to bind myself to support a position as conferee and to insist irrevocably upon that position when it is different from that which I have always taken; but I will come back without any agreement and give the gentleman an opportunity to exercise the rights he has now.

Mr. BLACK of Texas. The gentleman is asking that the bill be brought up by unanimous consent, and his own committee has agreed upon a figure of \$1,000,000. I think it is a perfectly reasonable request to have the assurance of the gentleman that he will stand by the House figures. If we can not have that assurance, I shall object to the consideration of the bill.

Mr. GILBERT. I give the gentleman assurance that I shall not agree without further coming back to the House.

Mr. BLACK of Texas. I would not be willing to take that sort of responsibility. There might be some reason why I could not be on the floor of the House.

Mr. GARNER of Texas. In addition, I may say to the gentleman from Kentucky, the gentleman now is in a position where he can control the matter by one vote, whereas if the matter comes back from the Senate with an agreement on \$1,250,000 the House could vote it up or down in the face of the objection of the gentleman from Texas [Mr. BLACK]. The position which the gentleman takes is that if it is necessary to get his consent he wants assurance now that the amount will not be larger than \$1,000,000.

Mr. BLACK of Texas. I do not wish to be arbitrary, I will say to the gentleman from Kentucky, but I have my responsibility and now is the time to exercise it.

Mr. WOODRUFF. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LUCE]?

Mr. BLACK of Texas. Mr. Speaker, I would like to have a more explicit declaration on the part of the gentleman from Kentucky [Mr. GILBERT].

Mr. WOODRUFF. Mr. Speaker, I ask for the regular order.

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

AGRICULTURAL SURPLUS CONTROL BILL

Mr. CLARKE. Mr. Speaker, in my speech against the McNary-Haugen bill I stated I would later have information regarding the expenditures of the Federal Government and of State governments for agriculture. I now ask leave to extend my remarks by inserting in the RECORD a summary of expenditures for agriculture by the Federal Government and by the State governments, as far as we have such a record.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks heretofore made by inserting statements with regard to expenditures of the Federal and State Governments. Is there objection?

There was no objection.

Mr. CLARKE. Mr. Speaker, in my address against the McNary-Haugen bill I cited the great contributions now being made through the Federal Government and through the States, as well as individual contributions of many, in support of our farm organizations.

At the time I was working on obtaining a general statement regarding Federal and State funds appropriated for agriculture. I submit herewith as a part of the record of Federal Government the amount for last complete fiscal year in assisting agriculture and regret I can not also insert, State by State, the amount the States raised to assist.

FEDERAL FUNDS FOR AGRICULTURE

Taking the last completed fiscal year, that which ended June 30, 1927, the total of Federal funds expended for work under the supervision of the United States Department of Agriculture was approximately \$153,000,000, as indicated by the financial statement beginning on page 87 of the report of the Secretary of Agriculture for 1927. Of this total, however, about \$92,000,000 consisted of payments to State highway departments for Federal-aid road construction, as well as expenditures for the building of forest roads and trails, and nearly \$3,300,000, in the form of national-forest receipts, was used principally for road-construction purposes, making a total of over \$95,000,000 for roads. Deducting this \$95,000,000 from the total expenditure of \$153,000,000 for all purposes, there remains \$58,000,000, distributed as follows:

For the regular or ordinary work of the department (that is, its research and extension activities, eradication or control of animal and plant pests, law-enforcement work, and service activities, as set forth in the table at the top of page 89 of the annual report of the Secretary for 1927) _____	\$47,000,000
Special forestry and wild-life conservation work (includes expenditures for acquisition of forest lands; cooperation with States in protection of privately owned timberlands under Clarke-McNary Act; acquisition of lands for upper Mississippi fish and wild-life refuge, etc.) _____	2,000,000
Payments to State agricultural experiment stations for research work in agriculture and home economics under the Hatch, Adams, and Purnell Acts _____	3,000,000
Payments to State colleges of agriculture for extension work in agriculture and home economics under the Smith-Lever Act _____	6,000,000

Total Federal expenditures, 1927, exclusive of road funds _____ \$58,000,000

The \$47,000,000 shown above as expended for the regular or ordinary activities of the department was distributed approximately as follows (see p. 89 of the annual report):

Research (the scientific study or investigation of the fundamental problems of agriculture, horticulture, forestry, etc.) _____	\$10,600,000
Extension work (educational work or the dissemination of information developed by the department's experiments and discoveries through county agents, exhibits, motion pictures, etc.) _____	12,400,000
Eradication or control of plant and animal diseases, insects, and other pests through organized campaigns _____	9,000,000
Service activities, or work of a constructive character for the benefit of the public, not primarily involving research, including such activities as national-forest administration, weather service, crop estimating, market news service, market inspection service, etc. _____	15,000,000
Regulatory or law-enforcement work _____	10,000,000

Total expenditure, 1927, for ordinary work of department _____ \$47,000,000

It is impossible to state definitely just how much of the expenditures of the Department of Agriculture are specifically or exclusively in the interest of the farmer. As a matter of

¹ Special department funds, the bulk of which is applied to cooperation with State agricultural colleges in connection with extension activities under the Smith-Lever Act.

fact, many of the benefits of the department's work go to the entire public and not merely to the farmer, such, for example, as its weather service, much of its law-enforcement work relating to the inspection of meat, food products, the administration of the national forests, and so forth. (This matter of public benefits from the department's work is discussed at some length on pages 37 to 39 of the 1927 Annual Report of the Secretary of Agriculture.)

The foregoing figures include only Federal funds provided for or administered by the Department of Agriculture. Other branches of the Government have supervision over certain appropriations which may be regarded as related to the promotion of agriculture in the United States, such as the Bureau of Reclamation, Bureau of Education, and Office of Indian Affairs, in the Department of the Interior; the Federal Farm Loan Bureau and Public Health Service, in the Treasury Department; the Bureau of the Census, in the Department of Commerce; the War Finance Corporation; and the Federal Board for Vocational Education. In most of these cases no statistics relative to expenditures are available in the Department of Agriculture. However, it is understood that during the fiscal year 1927 the Board for Vocational Education expended \$2,800,000 in Federal money for agricultural education and \$500,000 for home economics education under the Smith-Hughes Vocational Act, or a total of \$3,300,000. Federal expenditures by way of endowment of the land-grant agricultural and mechanical colleges in the various States aggregated approximately \$4,000,000 during the same period, under the Morrill-Nelson and other acts.

STATE FUNDS

Although persistent efforts have been made in the past to obtain from State departments, boards, and commissions of agriculture statements of moneys expended by these institutions, we have met with indifferent success in securing dependable information, and complete data on the subject are not available. A total of \$5,000,000 annually would perhaps be a fairly approximate estimate of the amount expended by the various State departments of agriculture for carrying on their functions, which concern chiefly regulatory and pest-control work.

For the support of the State agricultural experiment stations, from funds derived from State and local sources, there was expended during the fiscal year 1927 approximately \$10,000,000; and during the same period the State colleges of agriculture expended from money appropriated by the States and counties and contributed by various independent local agencies, for demonstration and other extension work in agriculture and home economics under the terms of the Smith-Lever Act, a total of about \$13,000,000.

Figures furnished by the Federal Board for Vocational Education indicate that during the fiscal year 1927 expenditures by State boards of education from State and local sources under the Smith-Hughes Act aggregated \$4,700,000 for agricultural education and \$2,800,000 for education in home economics subjects, or a total of \$7,500,000 for both items.

According to the latest available statistics, State funds for the support of the land-grant colleges of agriculture amount to some \$10,000,000 annually. It should be mentioned, however, that the scope of these colleges is not limited to the teaching of agriculture, but comprehends as well the mechanic arts, engineering branches, medicine, dentistry, pharmacy, and other subjects. Certain indeterminate funds are also made available by the States for their secondary and intermediate agricultural schools.

The most recent figures available show that in excess of \$500,000,000 was expended from State funds during the fiscal year 1926 for the construction of State highways throughout the country, including the Federal-aid highway system.

In some States sanitary or livestock boards are maintained for the control of infectious or contagious animal diseases; others have bureaus of markets, forestry departments, and so forth. The Department of Agriculture has no comprehensive data regarding expenditures by these agencies.

SUMMARY

The foregoing information may be summarized as follows:

	Federal funds	State funds
Federal funds under Department of Agriculture:		
Work under supervision of Department of Agriculture, exclusive of road construction and Federal aid to State colleges and experiment stations	\$49,000,000	
Research work of State agricultural experiment stations (Hatch, Adams, and Purnell Act funds)	3,000,000	\$10,000,000
Extension work of State colleges of agriculture (Smith-Lever Act funds)	6,000,000	13,000,000
Road construction	95,000,000	500,000,000
Total as above	153,000,000	523,000,000

	Federal funds	State funds
Federal funds under Department of the Interior: Support of State colleges of agriculture	\$1,000,000	\$1,000,000
Federal funds under Federal Board for Vocational Education: Agricultural and home economics education (Smith-Hughes Act)	2,300,000	7,500,000
State departments, boards, and commissions of agriculture		5,000,000
Grand total	160,300,000	545,500,000
Deducting amount for road construction	95,000,000	500,000,000
Total, exclusive of roads	65,300,000	45,500,000

INDEPENDENT OFFICES APPROPRIATION BILL

MR. WOOD. Mr. Speaker, I call up the conference report on the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

THE SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) "making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 5, 12, 13, and 14.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following: "of which \$1,000,000, or so much thereof as may be necessary, may be used for reconditioning and operating ships for carrying coal to foreign ports"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 1, 4, 7, 8, 9, 10, and 11.

W. M. R. WOOD,
EDWARD H. WASON,
THOMAS H. CULLEN,
Managers on the part of the House.

F. E. WARREN,
REED SMOOT,
W. L. JONES,
LEE S. OVERMAN,
CARTER GLASS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1929, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and embodied in the accompanying conference report, as to each of such amendments, namely:

On No. 2: Inserts the language proposed by the Senate, including in the appropriation for the National Advisory Committee for Aeronautics the sum of \$5,000 for procurement and development of a design for a wind tunnel suitable for research on full-sized airplanes.

On No. 3: Strikes out the appropriation of \$14,347, inserted by the Senate, for a utility building and the lighting of the grounds of the Perfy Victory Memorial.

On No. 5: Restores the language, stricken out by the Senate, providing for the location of a bathing pool on the site of the McKinley High School.

On No. 6: Inserts the language proposed by the Senate, relative to the use of the appropriation for the Merchant Fleet Corporation for reconditioning and operating ships for carrying

coal to foreign ports, modified so as to reduce the amount to be so available from \$1,400,000 to \$1,000,000, to strike out reference to the number of ships to be so used, and to make the authority permissive instead of mandatory.

On No. 12: Strikes out the appropriation of \$65,000, inserted by the Senate, for an additional amount for the Water Boundary Commission, United States and Mexico.

On No. 13: Corrects a section number in the bill to conform to the action of the conferees.

On No. 14: Inserts the total of the bill in the amount as passed by the House instead of the amount as passed by the Senate.

The committee on conference have not agreed to the following amendments:

On No. 1: Extending the duties of the Bureau of Efficiency to include investigations in connection with the municipal government of the District of Columbia.

On No. 4: Providing pay at per diem rates for certain classes of employees under the Office of Public Buildings and Public Parks of the National Capital.

On Nos. 7 and 8: Relating to compensation of attorneys for the Shipping Board.

On No. 9: Relating to the discontinuance of the sea-service bureau of the Merchant Fleet Corporation.

On No. 10: Relative to the use of not to exceed \$10,000,000 from the construction and loan fund of the Shipping Board in reconditioning the steamships *Mount Vernon* and *Monticello*.

On No. 11: Relating to the amount to be expended for attorneys' fees by the Shipping Board.

WILL R. WOOD,
EDWARD H. WASON,
THOMAS H. CULLEN,
Managers on the part of the House.

Mr. WOOD. Mr. Speaker, I move the adoption of the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 1: On page 9 of the printed bill, after line 18, insert: "That the duties of the Bureau of Efficiency prescribed by law with reference to investigations in the executive departments and independent establishments of the Federal Government are hereby extended to include the municipal government of the District of Columbia."

Mr. WOOD. Mr. Speaker, I offer an amendment, which I send to the desk.

The SPEAKER. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. Wood to amendment No. 1: Mr. Wood moves that the House recede from its disagreement to the amendment of the Senate No. 1 and agree to the same with an amendment as follows: In line 1 of the matter inserted by said amendment, after the word "duties," insert the words "and powers."

Mr. BYRNS. Will the gentleman yield for a question?

Mr. WOOD. I yield.

Mr. BYRNS. I want to ask the gentleman whether or not it is contemplated that this amendment, if adopted, will result in an increase in appropriations?

Mr. WOOD. I will state that this will give the Bureau of Efficiency the same power and duties that they have now to apply to the Federal Government.

Mr. BYRNS. I understand that, but my inquiry is on a different line. Is it contemplated that the adoption of the amendment will result in any increase of appropriation for the Bureau of Efficiency for the next fiscal year?

Mr. WOOD. It will not; the appropriation has already been made.

Mr. BYRNS. May I say to the gentleman, if he will permit in his time, that I am not particularly opposed to the motion proposed by the gentleman from Indiana. I am well aware under all the circumstances that the Bureau of Efficiency has rendered a distinct service in the District of Columbia. I have been wondering by what authority that was done during the past year.

Mr. WOOD. I will state that our good friend who has gone on was of the opinion that they had the right to do this thing under the law. We had the same provision in the House bill, but took it out. There are some who have expressed some doubt about it, and the Senate, for the sake of clarifying the thing and in order that there might not be any doubt about it, put this in.

Mr. BYRNS. Does the gentleman know what the position of the Comptroller General is as to the right and authority of the Bureau of Efficiency to make the past investigation?

Mr. WOOD. From the fact that no objection has been made from time to time, I think the Comptroller General is confident that what they have done is all right. No question has been raised by him or anyone else.

Mr. BYRNS. I will say frankly that I think the Bureau of Efficiency has rendered a greater service for the District of Columbia than it has for many of the Departments of the Government. I have always felt that the duties now being performed by the Bureau of Efficiency in some departments of the Government are in a sense a duplication—that they were duties that could and should be performed under the Budget law by either the Director of the Budget or the Comptroller General. For this reason I have felt that there was a duplication. I do think that the Bureau of Efficiency has rendered a distinct service in the District of Columbia. I was told by a Member of the House, who is a member of the Committee on the District of Columbia, that it cost the Bureau of Efficiency something like \$105,000 out of its present appropriation to perform the service for the District of Columbia. I have an idea that after this amendment is adopted you are going to find that the bureau will come here next year and ask for three or four hundred thousand dollars instead of \$210,000, the present appropriation.

Mr. WOOD. We will take care of that when it comes up. We have the assurance that it will not cost any more. They have been doing it under the present appropriation.

Mr. BYRNS. Having the idea that I do with reference to the Bureau of Efficiency's duplication of work in many departments, I should hate to see any great increase in the present appropriation by reason of this amendment.

Mr. WOOD. They will not do it as long as I have anything to do about it, and I think, with the assistance of the gentleman's watchful eye, we can prevent it.

Mr. CULLEN. Mr. Speaker, in reference to the Bureau of Efficiency, in so far as it relates to the appropriation for the next fiscal year, we will take care of that when it comes before the committee. They are not going to get away so easy with an increased appropriation.

The SPEAKER. The question is on agreeing to the motion of the gentleman from Indiana.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 4: Page 27, line 24, beginning at page 28, insert "at rates of pay approved by the director, not exceeding current rates for similar employment in the District of Columbia;"

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 7: Page 36, line 22, strike out the word "three" and insert in lieu thereof the word "two."

Mr. WOOD. Mr. Speaker, I ask unanimous consent that amendments numbered 7 and 8 be considered together.

The SPEAKER. The gentleman from Indiana asks unanimous consent that amendments numbered 7 and 8 be considered together. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report amendment No. 8.

The Clerk read as follows:

Amendment No. 8: Line 23, after the figures "\$12,000," insert "Provided, That no attorney shall be paid more than \$10,000 per year."

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to these two amendments.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 9: Page 37, after line 5, insert "No part of the funds of the United States Shipping Board or the United States Shipping Board Merchant Fleet Corporation shall be available for the maintenance of a sea service bureau."

Mr. WOOD. Mr. Speaker, I move that the House further insist upon its disagreement to amendment number 9.

Mr. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LAGUARDIA. Is not a motion to recede and concur in the Senate amendment preferential?

THE SPEAKER. It would be.

MR. LAGUARDIA. I so moved.

THE SPEAKER. The question is on the motion of the gentleman from New York to recede and concur in the Senate amendment numbered 9.

The motion was rejected.

THE SPEAKER. The question now is on the motion of the gentleman from Indiana to further insist upon the disagreement to the Senate amendment number 9.

The motion was agreed to.

THE SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 10: Page 37, strike out lines 10 and 11 and insert:

"For the reconditioning of the steamships *Mount Vernon* and *Monticello* at a total cost not in excess of \$12,000,000, not to exceed \$10,000,000 is made available from the construction loan fund and shall be reimbursed to such fund with interest at such rate and within such period as the board may determine, but not exceeding 10 years after the date of commission of such reconditioned vessels: *Provided*, That neither of said steamships shall be sold for less than the cost of reconditioning, less a deduction of 5 per cent per annum for depreciation from the date of completion of such reconditioning to the date of sale."

MR. WOOD. Mr. Speaker, I offer the following motion, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. Wood moves that the House recede from its disagreement to the amendment of the Senate No. 10, and agree to the same with an amendment as follows: In line 8 of the matter inserted by such amendment, after the word "That," insert the following: "after such reconditioning."

MR. LAGUARDIA. Mr. Speaker, a parliamentary inquiry.

THE SPEAKER. The gentleman will state it.

MR. LAGUARDIA. Is that amendment now open to amendment?

THE SPEAKER. The Chair thinks it would be necessary first that the gentleman from Indiana yield for that purpose.

MR. LAGUARDIA. Will the gentleman from Indiana yield for the purpose of my offering an amendment to this amendment?

MR. WOOD. I do not think so. I do not know what the amendment is.

MR. LAGUARDIA. If the gentleman would yield for that purpose, I would offer an amendment, at the end of the Senate amendment, to strike out the period and to add the following:

Provided, That such reconditioning of said ships shall be done in a Government navy yard.

MR. WOOD. Mr. Speaker, I would not agree to that. In all probability, that is where the work will be carried on, but I can not agree to an amendment of that kind.

MR. LAGUARDIA. The gentleman is within his rights.

THE SPEAKER. The question is on the motion of the gentleman from Indiana to recede and concur with an amendment.

The motion was agreed to.

THE SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 11: Page 37, after the words "Shipping Board," line 23, strike out the figures "\$13,688,750" and insert "\$13,538,750: *Provided*, That no more than \$113,200 be paid out of this appropriation for lawyer fees for the 12 months next following the passage of this act."

MR. OLIVER of Alabama rose.

THE SPEAKER. Does the gentleman from Indiana yield to the gentleman from Alabama?

MR. WOOD. I yield to the gentleman from Alabama.

MR. OLIVER of Alabama. Mr. Speaker, I have sent to the desk a preferential motion which I ask the Clerk to read.

The Clerk read as follows:

Amendment by Mr. OLIVER of Alabama to amendment No. 11: In lieu of the matter inserted by said amendment, insert the following: "\$13,688,750: *Provided*, That of the sums herein made available under the United States Shipping Board, not to exceed an aggregate of \$350,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis and for fees and expenses of attorneys employed in special cases."

THE SPEAKER. The question is on the motion of the gentleman from Alabama to recede and concur with an amendment.

MR. OLIVER of Alabama. Mr. Speaker, I understand the gentleman from Indiana consents to that amendment.

MR. WHITE of Maine. Mr. Speaker, will the gentleman yield?

MR. OLIVER of Alabama. Yes.

MR. WHITE of Maine. I am not sure what is meant by the language either in the original draft or in the amendment which the gentleman has offered. When the gentleman speaks of "attorneys' fees," does he have reference to those employed regularly in the legal staff of the Shipping Board and the Fleet Corporation, or does this refer to outside legal talent which may be employed for particular cases from time to time?

MR. OLIVER of Alabama. This amendment is so drawn as to apply to all, both on the legal staff here as well as those on the outside. It is a matter on which the chairman and I have reached an agreement.

THE SPEAKER. The question is on the motion of the gentleman from Alabama to recede and concur with an amendment.

The motion was agreed to.

SHOSHONE INDIANS

MR. LEAVITT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 710) conferring jurisdiction upon the Court of Claims to hear, adjudicate, and render judgment in claims which the Northwestern Bands of Shoshone Indians may have against the United States, with House amendments thereto, insist on the House amendments, and agree to the conference.

THE SPEAKER. The gentleman from Montana asks unanimous consent to take from the Speaker's table the bill S. 710, with House amendments thereto, insist on the House amendments, and agree to the conference.

Is there objection?

There was no objection.

The Chair appointed the following conferees: **MR. LEAVITT**, **MR. SPROUL** of Kansas, **MR. EVANS** of Montana.

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 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.

THE CHAIRMAN. When the committee rose yesterday it was considering a point of order which had been raised by the gentleman from Missouri [MR. CANNON]. The gentleman from Missouri withdrew his point of order, but the gentleman from New York [MR. LAGUARDIA] renewed it.

The point of order, as stated by the gentleman from Missouri, was that it is not in order to proceed with the reading of the sections for amendment for the reason that a substitute had been adopted, striking out and substituting the identical language. The committee will recall the situation. The gentleman from Louisiana [MR. ASWELL], after the reading of the first section of the Agricultural Committee substitute, which is being considered under the rule as a separate bill, moved to strike out the section and to insert in lieu thereof the language of the bill which he introduced, and he served notice that if that amendment was adopted, upon the reading of the subsequent sections of the Haugen bill he would move as each was read to strike it out. The amendment of the gentleman from Louisiana was subsequently adopted, and the Clerk proceeded to read the other sections of the committee bill, the so-called Haugen bill, when the gentleman from Missouri made his point of order.

The discussion of the point of order took a somewhat broader field than the exact point raised by the gentleman from Missouri, and the Chair will endeavor to touch upon the different points raised in the discussion of the point of order.

There are two well-defined methods of moving a substitute to a bill. We speak of the motion made by the gentleman from Louisiana [MR. ASWELL] as a substitute to the bill. While that perhaps is not technically correct, it answers the purpose and conveys the general idea of what is sought to be accomplished. As a matter of fact, the motion of the gentleman from Louisiana was, as the usual motion is, after the reading of the first section, to strike out the section and insert an amendment in the nature of a substitute. That, I think, is the correct technical statement of the situation.

The two methods of offering a substitute are to make such a motion as the gentleman from Louisiana made after the completion of the reading of the first section, and the practice is to serve notice upon its introduction that if such amendment is adopted, the mover will move to strike out the subsequent sections of the original bill as they are read. The gentleman from Louisiana [Mr. ASWELL] made that announcement in the case here.

The other method is that on the completion of the reading of the bill, after it is perfected by amendment, to move to strike out all after the enacting clause and substitute the amending bill. As the Chair understands it, these are the two methods that may be adopted or used to offer a substitute. The practice, as it seems to the Chair, is well established; and it is in the discretion of the Members to follow whichever method they think desirable under the circumstances. There is no particular rule of governing the matter in the Manual, but the Chair thinks the practice is well established.

Now, it seems to the Chair that the only purpose to be gained by the method adopted here is in the announcement which the mover of the motion made: That if his amendment is adopted he will move to strike out the subsequent sections as they are read, for the purpose, if the committee sees fit to adopt his substitute or amendment, of avoiding the work and delay and controversy which naturally arise in perfecting the subsequent sections of the bill, if the committee sees fit to strike them out without perfecting amendments. That, in the judgment of the Chair, is a matter for the committee. In fact, the Chair is inclined to think that the main reason for the emphasis laid upon this point of order at this time is the interest which is taken in the question before the committee and the rather close division which exist on the controversial point in this farm-relief legislation.

The Chair is inclined to believe that if there was any great preponderance of sentiment in the House on one side or the other of this question that this point of order probably would not be raised, or at least would not be emphasized as much as it is now. But it does not seem to the Chair that that is any reason for changing the parliamentary situation or that it should affect the parliamentary question. The Chair does not think that he should take that into consideration in passing upon this point of order. That is a matter for the House and the committee itself to work out as it thinks best. The Chair has no right to assume that the committee will do a vain or idle or foolish thing, but must assume that it will work in a reasonable and sensible sort of way.

The argument of the gentleman from Georgia [Mr. CRISP] appealed, I think, to all of us. The gentleman from Georgia said that the Committee of the Whole must act upon the motion to strike out the subsequent sections and was bound to strike them out. While the Chair is inclined to agree with him that it is the logical and sensible and proper thing to do to strike them out, the mere fact that the committee has to vote on the motion to strike them out is an indication that it may not, as a matter of fact, vote to strike them out. The Chair can not tell whether the partisans on the one side or the other on this controversial question will predominate here at any particular time. If the committee votes on the motion it may not vote to strike them out, or it may; and the Chair can not be put in the attitude of saying that the sections are stricken from the bill unless the committee decides so to do.

The gentleman from Missouri [Mr. CANNON] makes the point of order, as I understand it, that the Aswell amendment having been adopted and containing, as it does, several sections identical in language with some of the sections of the Haugen bill, that to read the subsequent sections of the Haugen bill, which are identical in language with the Aswell bill, under the five-minute rule and permit the adoption of perfecting amendments, would, in effect, be amending the Aswell amendment after that amendment has been adopted; that the Aswell amendment can not be amended and it is upon that basis that, therefore, the gentleman from Missouri [Mr. CANNON] makes his point of order. The Chair does not think that is quite the situation. The Aswell amendment is adopted, to be sure, and can not be amended now. It was subject to amendment before the final vote and adoption of it, but it can not be amended now. The Aswell amendment having been adopted by the committee, of course, the logical thing would be to reject all subsequent sections of the Haugen bill, but a situation might arise in the House after the committee rises and makes its report, where the Aswell amendment would be voted down by the House, and then, with the previous question ordered, the Chair thinks the vote would come upon the Haugen bill. It would then be desirable to have the Haugen bill perfected by desirable amendments, and amendments to the subsequent sections of the Haugen bill have no reference at all to the amendments to the Aswell bill and

do not affect it in any way, as the Chair thinks. The Chair believes the sections in the Haugen bill can be perfected and amended even though they are the same, some of them, as in the Aswell substitute.

The Chair has had an opportunity to examine some of the precedents since the committee rose, and he thinks the precedent referred to yesterday, and cited in Hinds' is on all fours with the situation before us now. However much we may disagree with the logic of the thing, the Chair believes it is his duty to follow the practice and the precedents which, the Chair thinks, are well established.

Back in the Fifty-seventh Congress, in considering the Philippine bill, which was referred to yesterday, the gentleman from Virginia, Mr. Jones, offered, in the first instance to strike out everything after the enacting clause—

And to substitute the bill I have offered as an amendment, with the modification offered by the gentleman from Connecticut.

The Chairman of the committee at the time was the gentleman from Illinois, Mr. Mann, and he stated:

The gentleman from Virginia will understand that his motion is not in order at the present time. He can offer it and have it pending.

That is, the motion to strike out all after the enacting clause and to substitute his bill. Subsequently the gentleman from Virginia, Mr. Jones, stated:

If it be permissible to move to strike out all after the enacting clause, or to strike out the first section and substitute therefor the minority bill—

That is the situation we have here—

with the understanding that if this motion prevails I shall subsequently move to strike out the other sections of the majority bill, then I make that motion, if the Chair recognizes me to make it.

The Chairman, Mr. Mann, said:

The gentleman from Virginia moves to substitute the amendment which he has sent to the Clerk's desk in place of section 1 of the pending bill, giving notice that if this motion be adopted he will move to strike out the other sections of the pending bill.

The same as the gentleman from Louisiana did here.

The Chairman continues:

Of course, the gentleman understands that if this motion should be submitted at this time, it will still require the reading of the rest of the bill for amendment.

Subsequently in the proceedings the gentleman from Indiana, Mr. Crumpacker, raised a parliamentary inquiry:

I rise to inquire whether the amendment proposed by the gentleman from Virginia is to be voted upon before the balance of the bill has been read. I desire to submit a few suggestions upon that proposition if the Chair has not clearly satisfied himself in regard to the matter.

The Chairman said:

The Chair will state to the gentleman that on the point of order the Chair has already held that the substitute offered by the gentleman from Virginia may be offered as a substitute to section 1 of the pending bill. That is the question now before the House.

Then the motion was made, and the amendment offered by the gentleman from Virginia was adopted. Then this colloquy took place.

THE CHAIRMAN. Debate being closed, the question is now on agreeing to the motion of the gentleman from Virginia to strike out all after the enacting clause, in section 1, and substitute in place thereof the amendment offered by him.

Then Mr. Tawney raised this question—Mr. Tawney appears to have presided during a part of the time, but during these proceedings the gentleman from Illinois, Mr. Mann, was in the chair.

MR. TAWNEY. I rise to a parliamentary inquiry. Was the motion of the gentleman from Virginia to strike out all after the enacting clause of the bill and substitute that which he has offered?

THE CHAIRMAN. The motion of the gentleman from Virginia is to strike out, in section 1, all after the enacting clause and insert in place of it the substitute which he has offered, he having given notice that he will move to strike out the other sections of the bill.

Then the motion was put and adopted and the second section of the bill was read, when the following colloquy took place:

MR. JONES of Virginia. I move to strike out the section just read.

MR. RICHARDSON of Tennessee. I ask for order, so that we may hear what is going on.

THE CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. Jones).

MR. JONES of Virginia. Mr. Chairman, I ask unanimous consent that a vote may be taken upon striking out all of the succeeding sections together.

THE CHAIRMAN. The gentleman from Virginia asks unanimous consent that the Committee of the Whole vote upon striking out all of the sections of the pending bill after section 1.

Mr. Grosvenor and Mr. Payne objected.

Mr. JONES of Virginia. I move, then, to strike out this section.

Mr. PAYNE. Mr. Chairman, that question is debatable, of course. The CHAIRMAN. It is debatable.

Then, subsequently, there was an attempt to secure an agreement for voting upon all the subsequent sections en bloc. An objection was made to that. As was indicated here yesterday, there were several committee amendments pending, but the gentleman from Indiana, Mr. Crumpacker, objected to the unanimous-consent request to vote upon all the remaining sections en bloc because he had a personal amendment to one of the sections, section 6, I believe, which he desired to offer, so that unanimous consent was not granted. Subsequently, Mr. Crumpacker offered his amendment from the floor, it was adopted, and upon motion of the gentleman from Virginia, Mr. Jones, the section, after it was perfected, was stricken from the bill, as all the others were.

That, in short, was the procedure followed at that time and, as the Chair understands, that has been the constant practice from that day to this.

When the committee rose and went into the House the situation was gone over again under proper parliamentary procedure, and the Speaker differentiated between the Jones amendment and a substitute and said it was before the House the same as any other amendment; that it was an amendment to section 1 and should be voted upon separately as an amendment.

The Chair thinks this is the exact situation here. It is for the committee to decide whether it wants to go ahead and perfect the subsequent sections of the Haugen bill or to strike them out, either before or after they are perfected.

The Chair therefore overrules the point of order, and the question is—

Mr. KETCHAM, Mr. BURTNES, and Mr. JONES rose.

Mr. KETCHAM. Mr. Chairman, I offer a preferential motion.

The CHAIRMAN. The gentleman from Michigan offers a motion which the clerk will report.

Mr. KETCHAM. I move, Mr. Chairman, to strike out section 2 of the McNary-Haugen bill and insert section 2 of the Aswell bill, and I propose if this amendment shall prevail to move that succeeding sections likewise be stricken out and the corresponding sections of the Aswell bill be inserted until section 13 shall have been reached, when I propose to offer the export debenture plan as an additional amendment.

Mr. DOWELL. Against which I make a point of order, Mr. Chairman.

Mr. JONES. Why does not the gentleman simply offer the debenture plan? The Aswell bill is already in.

Mr. KETCHAM. As I understand the Chair, we are now about to engage in the perfecting of the McNary-Haugen bill.

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that section 2 of the Aswell bill has already been adopted.

Mr. DOWELL. I make the further point of order, Mr. Chairman, it is not germane.

Mr. KETCHAM. Mr. Chairman, I ask that the amendment be reported.

Mr. ASWELL. Mr. Chairman, I would like to submit a parliamentary inquiry.

The CHAIRMAN. The clerk will report the amendment of the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. KETCHAM: Strike out section 2 of the bill and insert section 2 of the Aswell bill.

Mr. DOWELL. Mr. Chairman, I make the point of order that that is not germane.

Mr. BLACK of Texas. Mr. Chairman, I make the further point of order that section 2 of the Aswell bill having already been adopted, the motion is not in order.

Mr. BURTNES. Mr. Chairman, I wish to make the additional point of order that the amendment proposed is not an amendment at all, because there is not the change of one single word, a comma, or any other punctuation mark of any sort, and the amendment therefore is simply to strike out one thing and reinsert identical language, with similar punctuation marks and everything of that sort, and therefore plainly can not be considered as an amendment.

Mr. RAMSEYER. Mr. Chairman, I wish to submit a further point of order.

The CHAIRMAN. The Chair would like to hear the gentleman from Michigan on what would be the difference in effect between the gentleman's motion and to vote down the motion of the gentleman from Louisiana to strike out the section.

Mr. KETCHAM. So far as the material effect there would be none, except under the decision of the Chair I understood this is the only way in which the debenture proposition may be brought to the consideration of the committee, and that is what I desire to do.

The CHAIRMAN. The Chair does not understand how that would affect the debenture plan at all.

Mr. KETCHAM. By the giving of notice that if this motion is agreed to the subsequent sections will be offered.

I ask unanimous consent, Mr. Chairman, to withdraw my motion and to submit another preferential motion.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his motion. Is there objection?

There was no objection.

Mr. KETCHAM. Now, Mr. Chairman, I submit a preferential motion. I move to strike out section 2 of the McNary-Haugen bill and substitute therefor the bill (H. R. 12892) known as the export debenture plan.

Mr. RAMSEYER. Mr. Chairman, I make the point of order that this is not the place in the bill where a substitute can be offered. The Chair made that very clear in his ruling and I do not care to argue the matter. The Chair stated that one place is after the reading of the first section and the other place is after the bill is completed.

Mr. JONES. Mr. Chairman, I desire to be heard on the point of order.

Mr. BURTNES. Mr. Chairman, I desire to make the additional point of order that the amendment proposed is not germane to the section that is now under consideration.

Mr. JONES. Mr. Chairman, the motion, as I understand it, which the gentleman intends to offer is to strike out section 2 of the McNary-Haugen bill and insert the debenture plan beginning with section 5 on page 10. In other words, the Aswell bill up to that point carries the features of both bills. This has already been inserted. The motion of the gentleman is to strike out section 2 and thus follow the Aswell bill with the debenture feature of the other plan; is not that what the gentleman wants to do?

Mr. KETCHAM. That is correct.

Mr. ASWELL. Mr. Chairman, it will be recalled by the RECORD that yesterday before the parliamentary discussion opened, I had already moved to strike out the second section of the Haugen bill.

Mr. JONES. And this is a preferential motion to strike out and insert. It takes the place of the Aswell motion and would be voted upon first. It would simply mean that the Aswell bill would be followed with the debenture feature of this bill. That is what the gentleman is offering, as I understand, and I would like to be heard on the point of order.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. KETCHAM moves to strike out section 2 and insert H. R. 12892 and gives notice that if this motion prevails he will move to strike out the succeeding sections and insert the corresponding sections of the Aswell bill until section 13 is reached and then he will propose the export debenture plan as an additional amendment.

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that the Aswell substitute has been adopted, and is a substitute for the entire bill; that any amendment of the Aswell substitute should have been proposed at the time that substitute was before the House, and it is now too late at any time, at any point, to offer an amendment to the Aswell substitute.

Mr. JONES. This is not an amendment to the Aswell substitute. It is to section 2 of the McNary-Haugen bill and follows the Aswell substitute.

Mr. CHINDBLOM. But the substitute has been adopted to the entire bill.

Mr. KETCHAM. Mr. Chairman, in the motion I offered I was endeavoring to act in the brief time I had to think of the application of the Chair's ruling to the situation, but I have been advised that this is not the best procedure and I therefore ask unanimous consent to withdraw again my amendment and will offer another in its place.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. KETCHAM. Now, Mr. Chairman, I move to strike out section 2 of the McNary-Haugen bill and insert in lieu thereof the export debenture plan.

Mr. BURTNES. And to that, Mr. Chairman, I make the same point of order that I made to the last amendment proposed, that the provisions thereof are not germane to the section and therefore not germane at this point in the bill.

Section 2 relates only generally to the establishment of a farm board.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Mr. KETCHAM moves to strike out section 2 and insert in lieu thereof the export-debenture plan, as follows:

Mr. DOWELL and Mr. LAGUARDIA reserved points of order.

Mr. JONES. Mr. Chairman, I think the membership is familiar with the provisions of the export-debenture plan, and I ask that it be considered as read.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the motion of the gentleman from Michigan be considered as read.

Mr. BURTNES. Reserving the right to object.

Mr. RAMSEYER. A point of order. Does the Chair consider that all points of order that have been made against the amendment are now pending against the amendment read?

The CHAIRMAN. No; because the other amendments were withdrawn. After this amendment is reported opportunity will be given for anybody to make a point of order.

Mr. BURTNES. Reserving the right to object to the request of the gentleman from Texas, I want to call attention to the fact that the Aswell amendment was not included in the RECORD yesterday, and those who wanted to find out what it was could not do so. I want this debenture-plan amendment printed in the RECORD, in which event I shall not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the motion of the gentleman from Michigan be considered as read and printed in the RECORD at this point?

Mr. CANNON. Reserving the right to object, this is one of the most indefinite motions. It is to strike out a section and insert the debenture plan. We do not know whether it includes sections 5, 7, or all the rest of the bill.

Mr. JONES. I will say that it carries the rest of the Ketcham bill without the corporation feature.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the motion be considered as read and printed in the RECORD at this point?

There was no objection.

The motion of Mr. KETCHAM is as follows:

Strike out section 2 and insert in lieu thereof the following:

“EXPORT DEBENTURES

“SEC. — (a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to affirmative findings under subdivisions 1 and 2 of paragraph (j) of section 3, issue an export debenture to any farmer, cooperative association, and other person, in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by such farmer, cooperative association, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation.

“(b) In order to procure the issuance of an export debenture such farmer, cooperative association, or other person shall, within a reasonable time prior to the exportation, to be prescribed under regulations of the board, make application for such debenture and submit proofs satisfactory to the board either (1) that the quantity of the debenturable agricultural commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the agricultural commodity used in making the quantity of the debenturable product to be exported was produced in the United States and the agricultural commodity and the debenturable product have not previously been exported therefrom.

“(c) Any export debenture, when presented by the bearer thereof within one year from the date of issuance of the debenture, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by such bearer.

“(d) Title to any export debenture shall be transferable by delivery.

“DEBENTURABLE COMMODITIES AND PRODUCTS

“SEC. — For the purposes of this act, wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodity which is designated by the board under section — (b), shall be known and are herein referred to as debenturable agricultural commodities. Any food product of wheat, corn, rice, swine, or cattle, or any manufactured product of cotton or tobacco, or of any other agricultural commodity designated by the board under section — (b), shall be known and is herein

referred to as a debenturable product if a debenture rate is prescribed for such product either specifically in section — (a) or by the board under section — (c).

“EXPORT DEBENTURE RATES

“SEC. — (a) The following export debenture rates are hereby prescribed:

“(1) Swine, one-quarter of 1 cent per pound; fresh pork, three-eighths of 1 cent per pound; bacon, hams, shoulders, and other pork, prepared or preserved, 1 cent per pound; lard, one-half of 1 cent per pound.

“(2) Cattle weighing less than 1,050 pounds, three-fourths of 1 cent per pound; cattle weighing 1,050 pounds or more, 1 cent per pound; fresh beef and veal, 1½ cents per pound.

“(3) Corn or maize, including cracked corn, 7½ cents per bushel of 56 pounds; corn grits, meal, and flour, and similar products, 15 cents per 100 pounds.

“(4) Paddy or rough rice, one-half of 1 cent per pound; brown rice (hulls removed), five-eighths of 1 cent per pound; milled rice (bran removed), 1 cent per pound; broken rice and rice meal, flour, polish, and bran, one-quarter of 1 cent per pound.

“(5) Wheat, 21 cents per bushel of 60 pounds; wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 52 cents per 100 pounds.

“(6) Cotton, 2 cents per pound.

“(7) Tobacco, 2 cents per pound.

“(b) If the board finds (1) that the cost of producing in the United States any agricultural commodity (other than wheat, corn, rice, swine, cattle, cotton, and tobacco) of which a surplus above domestic requirements is produced in this country is greater than the cost of producing such commodity in competing foreign countries, and (2) that the domestic prices for such commodity are unduly depressed by world prices for such commodity, then the board, after publicly declaring its findings, may designate such commodity as a debenturable agricultural commodity and may prescribe such export debenture rate for the commodity as it finds sufficient to equalize the difference between the cost of producing such commodity in the United States and the cost of producing such commodity in competing foreign countries. Such export debenture rate shall not exceed any rate of tariff duty that may be in effect in respect of such commodity.

“(c) In order to promote the effectiveness of export debentures in respect of any debenturable agricultural commodity, the board may prescribe an export debenture rate upon products of the commodity as follows:

“(1) If the debenturable agricultural commodity is wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any food product made wholly or in part thereof.

“(2) If the debenturable agricultural commodity is a commodity other than wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any manufactured product made wholly or in part thereof. Any export debenture rate under this subdivision shall be sufficient to produce an export debenture in an amount equal to the debenture that would be issuable upon exportation of the quantity of the debenturable commodity consumed in the manufacture of the unit of the product upon which the export debenture is issued.

“FLEXIBLE RATE PROVISIONS

“SEC. — (a) Whenever the board finds—

“(1) That because of a change in the rate of tariff duty upon any debenturable agricultural commodity or debenturable product an increase or reduction in the existing export debenture rate for such commodity or product is necessary in order effectively to carry out the policy declared in section 1; or

“(2) That an increase or reduction in the existing export debenture rate for any debenturable agricultural commodity or debenturable product is necessary in order to equalize the difference between the cost of producing the commodity or product in the United States and the cost of producing the commodity or product in competing foreign countries—then the board, after publicly declaring its finding, shall, subject to the limitations hereinafter provided, prescribe such increase or reduction in the existing export debenture rate for the commodity or the product as the board finds necessary, respectively, to carry out the policy declared in section 1 or to equalize the difference between the cost of producing the commodity or product in the United States and the cost of producing the commodity or product in competing foreign countries, respectively. Such increase or reduction shall become effective upon a date fixed in the proclamation, which shall not be less than 60 days from the date of the issuance of the proclamation. The aggregate increase or reduction, under this subdivision, in the export debenture for any commodity or product shall not exceed 50 per cent of the amount of the export debenture rate prescribed for the commodity or product either specifically in section — (a) or by the board under section — (b) or section — (c), and the export debenture rate for any commodity or product shall not be increased under this subdivision so as to exceed at any time the rate of tariff duty that may be in effect in respect of the commodity or the product at such time.

"(b) In order to prevent undue stimulation of the production of any debenturable agricultural commodity, whenever the board finds that the average annual production of any debenturable livestock commodity or the average annual acreage of any other debenturable agricultural commodity for the last two preceding years has exceeded the average annual production or acreage, respectively, of such commodity for the period from the seventh to the third preceding year—then the board, after publicly declaring its finding, shall prescribe that the export debenture rates for the commodity and the debenturable products thereof shall be reduced or that the issuance of debentures therefor shall be suspended, as hereinafter prescribed for the amount of increase in production or acreage which the board finds has occurred. Any such reduction or suspension shall become effective at the commencement of the next calendar year and shall continue throughout such calendar year. No such reduction or suspension shall be made unless notice thereof is published at least 30 days before the commencement of such calendar year. At the end of such calendar year the export debenture rates which were in effect immediately prior to the commencement thereof shall again become effective unless the board under the provisions of this act prescribes a change in such rates. Reductions of debenture rates or suspensions of the issuance of debentures, under this subdivision, shall be in accordance with the following limitations:

"(1) For a computed increase in production or acreage of less than 5 per cent, there shall be no reduction.

"(2) For a computed increase in production or acreage of 5 per cent but less than 10 per cent, there shall be a reduction of 25 per cent.

"(3) For a computed increase in production or acreage of 10 per cent but less than 15 per cent, there shall be a reduction of 50 per cent.

"(4) For a computed increase in production or acreage of 15 per cent or more, the issuance of debentures shall be suspended for a period of one year.

"(c) In computing reductions in export debenture rates fractions of a cent less than one-eighth shall not be used.

"(d) The power of the board under this section in respect of any agricultural commodity shall be exercised in such manner as will in its judgment carry out the policy declared in section 1.

"EXPORT CORPORATIONS

"SEC. —. (a) Whenever the board finds that, in order to afford the maximum benefits under this act to the producers of debenturable agricultural commodities, it is necessary to have an agency under the control of the board to purchase, store, sell, export, and deal in or market in an orderly way any one or more debenturable agricultural commodities or debenturable products, the board may organize under the law of any State or the District of Columbia one or more export corporations for such purposes.

"(b) The incorporators and directors of any such corporation shall be selected by the board.

"(c) Any such corporation shall have such capital stock as the board may determine. All of such capital stock is hereby subscribed by the United States. Upon payment of any part of the amount subscribed, shares fully paid up shall be issued to the United States and delivered to the board in the amount so paid. Shares shall be non-assessable and nontransferable. The United States shall not be liable, directly or indirectly, in respect of any share or bond, note, or other evidence of indebtedness issued by any corporation organized by the board under this section, and all such bonds, notes, and other evidences of indebtedness shall so state on their face.

"(d) Any such corporation is authorized, subject to such restrictions as the board may by regulation prescribe—

"(1) To purchase, store, export, and sell or market in an orderly way any or all of the debenturable agricultural commodities and debenturable products.

"(2) To lease and operate storage warehouses for such commodities and products purchased by the corporation, and facilities for transportation (otherwise than as a common carrier) in connection with the storage of such commodities and products.

"(3) To receive, use, and dispose of export debentures and to use any proceeds therefrom for the purpose of conducting the business of the corporation authorized by this act.

"(e) The board may make expenditures, not in excess of \$50,000,000 in the aggregate, from the revolving fund, for the purpose of paying subscriptions for the capital stock of all such corporations as the board may organize under this section.

"(f) Any profits derived by any export corporation organized under this section from operations in respect of any debenturable agricultural commodity or debenturable product shall be used only for further operations in respect of such commodity or product, or for such other purposes as the Congress may hereafter prescribe.

"INSURANCE

"SEC. —. (a) Upon request of any cooperative association or associations, the board is authorized to loan, from time to time out of the revolving fund, to such association or associations, funds requisite for subscription to and payment of the capital stock of a corporation to be organized under the laws of any State, for the purpose of entering into

contracts of price insurance. If there is more than one such subscribing association, such loans shall be in such proportions as the associations may agree, or on failure of such agreement, then in such proportions as the board may determine. Such loans shall be made upon such terms and conditions as the board may prescribe except that no such loan may be made unless the cooperative association or associations receiving the loan have entered into an agreement with the board that the corporation to be formed will, in its charter or by-laws, be subject to the following requirements:

"(1) That the corporation will insure the price only of those agricultural commodities which, in the judgment of the board, are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodities, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

"(2) That subsequent to the organization of the corporation any cooperative association handling a commodity insured by the corporation may become a stockholder in such corporation upon such terms and conditions as the board may prescribe, and that all stock in the corporation will be subject to such restrictions upon its alienation as will insure the retention of both such stock and all beneficial interests therein by cooperative associations.

"(3) That the corporation will insure any cooperative association, a stockholder in the corporation, for any 12 months' period commencing with the delivery season for the commodity, against loss to such association or its members due to decline in the average market price of the agricultural commodity handled by the association during the period of sales by the association, from the average market price for the commodity during the period of delivery to the association. The duration of such periods shall be specified in the policy of insurance. In computing such average market prices the policy shall provide for the use of daily average cash prices paid for a basic grade of the commodity in an exchange designated in the policy.

"(4) That the corporation will insure only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the policy.

"(5) That the corporation will issue policies of insurance only at rates of premium fixed by the corporation and approved by the board as being adequate to cover the risk assumed under the policies issued.

"(6) That the corporation will keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

"(7) That the corporation will permit the board, on its own initiative or upon written request of any cooperative association, a stockholder in the corporation, to investigate the financial condition and business methods of the corporation.

"(8) That whenever the board finds that private insurance agencies are able to provide the insurance offered by the corporation upon terms which the board deems satisfactory, then the corporation will thereupon repay to the board the amount of all outstanding loans under this section and interest thereon.

"(b) No more than one corporation shall be maintained at any one time under this section.

"(c) The cooperative association or associations to which loans are made under this section shall pledge with the board their stock in the corporation as security for the loans. Loans under this section shall bear interest at the rate of 4 per cent per annum on the unpaid principal. Dividends upon the stock pledged with the board shall be applied, first, to interest due upon the loans, and then to the principal of the loans. No distribution shall be made by the corporation otherwise than by cash dividends upon its stock until such time as such loans and the interest thereon have been paid in full. No cooperative association or its members shall be liable for any such loans or interest thereon.

"(d) Whenever under the terms and conditions of any loan under this section a default occurs in the repayment of the amount of the principal or interest thereof, the board, upon 10 days' notice to the corporation, shall be held to have title to the stock held by it as security for the loan. The board may sell or otherwise dispose of the stock to any cooperative association or may exercise all voting rights of such stock for the purpose of liquidating the affairs of the corporation. Upon any such sale or other disposition or upon any such liquidation the board shall, after deducting from the proceeds thereof the amount of principal and interest in default upon the loan secured by the stock, pay the remainder of such proceeds to the cooperative association from which the stock was acquired.

"EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

"SEC. —. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Any action of the board in issuing export debentures and vouchers so made for expenditures from the revolving fund shall be final and conclusive upon all officers of the Government; except

that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office, at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund shall be for the sole purpose of making a report to the Congress and to the board of action in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

"ADMINISTRATIVE AND PENALTY PROVISIONS

"SEC. — (a) Regulations requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation may be prescribed by the board. Every person who violates any such regulation of the board shall be liable to a civil penalty of \$100 for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

"(b) The board shall prepare and issue, or cause to be prepared and issued, all export debentures, and shall prescribe the terms and conditions in respect of export debentures. The Secretary of the Treasury, upon request of the board, is authorized to have such debentures prepared at the Bureau of Engraving and Printing.

"(c) Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled 'An act to codify, revise, and amend the penal laws of the United States,' approved March 4, 1909, as amended.

"(d) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than \$2,000 or imprisoned not more than one year, or both.

"COOPERATION WITH EXECUTIVE DEPARTMENTS

"SEC. — (a) It shall be the duty of any establishment in the executive branch of the Government, upon request by the board or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such establishment, avail itself of the services and facilities of such establishment in order to avoid preventable expense or duplication of effort.

"(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any establishment in the executive branch of the Government, irrespective of his length of service in such establishment, to the service of the board, and (2) may direct any establishment in the executive branch of the Government to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to such establishment, in pursuance of any provision of law or any agreement with such establishment.

"DEFINITIONS

"SEC. — As used in this act—

"(a) The term 'person' means individual, partnership, corporation, or association.

"(b) The term 'United States,' when used in the geographical sense, means continental United States and the Territory of Hawaii.

"(c) The term 'tobacco' means leaf tobacco, stemmed or unstemmed.

"(d) The term 'cotton' means cotton of any tenderable grade under the United States cotton futures act.

"(e) The term 'wheat' means wheat not below grade No. 3 as prescribed by the Secretary of Agriculture under the United States grain standards act.

"SEPARABILITY

"SEC. — If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability thereof to other persons or circumstances shall not be affected thereby.

"REVOLVING FUND

"SEC. — There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

"ADMINISTRATIVE APPROPRIATIONS

"SEC. — For expenses in the administration of the functions vested in the board by this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000, to be available to the board for necessary expenses incurred prior to July 1, 1929."

Mr. DOWELL. I make the point of order that the amendment is not germane; it is indefinite and can not be considered at this time. It contains extraneous matter.

Mr. RAMSEYER. A point of order, Mr. Chairman. There was so much confusion I could not tell whether the gentleman from Iowa made a point of order or not. I make the point that this is not the place to offer a substitute; that a substitute can only be offered as the Chair indicated this morning in his able ruling—at the conclusion of the reading of the first paragraph or at the close of the reading of the bill.

Mr. LAGUARDIA. A point of order, Mr. Chairman. The amendment is in the nature of a substitute, and it offers several sections in lieu of section 2. Section 2 has been adopted by the House as a substitute.

Mr. JONES. Mr. Chairman, I want to address myself to the point of order. If section 1 as originally in the Haugen bill were all that was in the bill as amended this might not be germane to such section; but as it has now been acted on by the committee, all the features of both the McNary-Haugen and the Aswell bills in identical form are in it up to the method of raising the money.

In the declaration of policy in section 1 there is set out the purpose of the bill, and that is to give equality by putting agriculture into a price parity with industry and to eliminate waste. Other purposes are also named in that provision. That is the declaration. That is followed with three distinct features—one, a provision for a board; two, a provision for a loan feature; and, three, a provision for insurance. If just one substantive proposition were contained in the bill, it might not be all right to offer a distinct substantive proposal, but there are three distinct substantive propositions, all following in line with the declaration of policy set out in section 1. Since that declaration of policy is set out and you have three distinct substantive methods of operation, according to all of the precedents it is permissible to offer another substantive program.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield? Mr. JONES. Yes.

Mr. CRAMTON. Is the gentleman arguing that because there were three substantive propositions in the Aswell amendment, it is now permissible to add a fourth one as a substitute for section 2 of the Haugen bill? Is that the position of the gentleman?

Mr. JONES. If it is germane to the bill and to the paragraph before it or just following.

Mr. CRAMTON. In other words, if it is germane to the Aswell amendment, it can be offered as a substitute for section 2 of the Haugen bill?

Mr. JONES. I have not yet come to that proposition. I was covering one matter at a time. That itself would not make it germane, but if it is germane to the Aswell bill on its merits, which it will follow, I think that would answer the contention of the gentleman. I was just showing in the first part of my statement to the Chair that there is already more than one distinctive proposition inserted in the bill prior to the place at which this is offered. Under the declaration of policy several things are named. In order to carry out that declaration of policy, they have a board, they have loan features, they have insurance features. The tariff is written into not only section 1, if not in name, then in fact, but the tariff is written all through the Aswell bill and all through the McNary-Haugen bill. The main purpose of the whole bill, not only of the McNary-Haugen bill, but of the Ketcham bill, is to remove the surplus and thus cause the domestic price of a commodity to be automatically lifted up. It is to do that behind the tariff wall. The debenture plan undertakes to assist, to effect the exact main purpose, namely, to help by removing the surplus, by assisting in removing the surplus and effect the same purpose that the insurance feature is to effect, the same purpose that the loan feature is to effect, which is to remove the surplus, though it is done by just a little different method of assisting in doing that. The loan feature is not primarily a loan feature for the purpose of making a loan, but it says it is to make a loan so that the surplus may be removed and thus the price brought up.

The same is true of the insurance feature. It is not to put this board into the insurance business, but it is to adopt insurance as an incident to the main purpose, which is to remove the surplus. The removal of the surplus is the main feature and the main purpose of the bill. These others are incidental. In removing that surplus we have two or three different plans. This will aid in doing that very thing in other ways, all of which are incidental to the main purpose. The tariff is effective on all of the commodities specifically named in this bill with one exception.

THE CHAIRMAN. Will the gentleman permit the Chair to suggest a point which the Chair thinks is material?

MR. JONES. Certainly.

THE CHAIRMAN. Of course, the amendment which the gentleman offers must be germane to the section under consideration.

MR. JONES. Yes.

THE CHAIRMAN. And if the amendment contains any matter which is not germane to that section the whole amendment must go out. This section 2 relates to the creation of the Federal Farm Board and nothing else.

MR. JONES. But the point I make is that the other feature of the Aswell bill being in, it being complete up to that point, this follows the provisions that are already set out, and already inserted, and, therefore, it is in the same status as if it came at the end of the section named in the Aswell bill; and if it follows as the only place where it can be offered, it does not have to be germane as a whole to section 2, because there is a complete bill before it. When you come to the last paragraph of the bill an amendment is in order the effect of which is germane to any part of the bill going on before.

MR. BURTNES. Mr. Chairman, will the gentleman yield?

MR. JONES. I will.

MR. BURTNES. Does the gentleman claim that this is offered as a new section when it is actually offered by way of amendment to section 2 which has just been read?

MR. JONES. It is offered as any amendment may be offered at the end of the bill. The amendment of the gentleman from Louisiana [Mr. ASWELL] having been adopted by the committee, it is in order, it seems to me, to offer an amendment to immediately follow which is germane to the previous section as a whole.

MR. DOWELL. Mr. Chairman, will the gentleman yield?

MR. JONES. Yes.

MR. DOWELL. The gentleman now is suggesting, or rather stating, that he desires to amend the Aswell bill. That is what he is trying to do. That is your amendment.

MR. JONES. I can offer any amendment which logically follows the amendment, and this is as germane to the Aswell amendment as the Aswell amendment was to the other amendment.

MR. DOWELL. It is not germane to this section.

MR. JONES. It does not make any difference whether this stays in or goes out. Section 2 is standing there in a shape where it would not mean anything except in connection with other parts of the bill. This amendment that we are offering is in the same position as any amendment that might be offered at the end of the bill, and it being germane to the previous feature or section, we think it can be offered as a new section immediately following the previous section. It is always in order to offer a new section following the previous section, offering it as a new section.

It is true that the gentleman from Louisiana, by virtue of a preferential recognition, offered a motion, but a preferential motion has been offered which stands in the same status as a new section, following the amendment just adopted. A new section is offered immediately following. An amendment has been adopted. A new section is always germane if it is germane to what has gone on before, and it is offered as a new section, and if the new section is germane to the section which precedes it, it is in order.

This is the first chance I have had, the first opportunity, to offer it. The gentleman from Louisiana secured the floor, and that is the way his proposal was offered. I think it is on an entirely different status from what it would be if it were merely to strike out and insert. That is the plan that would have been followed if the bill had been considered in an orderly way.

THE CHAIRMAN. The Chair is ready to rule.

MR. CANNON. Just one word, Mr. Chairman.

THE CHAIRMAN. The Chair will hear the gentleman from Missouri.

MR. CANNON. Mr. Chairman, the pending motion is a motion to strike out the section.

Now, how was the gentleman able to secure recognition? By offering a preferential motion to amend. His amendment is to perfect the text proposed to be stricken out. Otherwise he could not have secured the floor. It follows then that his amendment must be germane to the pending section.

But the gentleman's entire argument has been devoted to proving that his amendment is germane to the bill as a whole. That is not sufficient. Under the rules the amendment must be germane not only to the bill but it must also be germane to the pending section.

That fact he has failed to establish for the simple reason that these numerous provisions which he has enumerated can have no possible relation to the section under consideration.

The amendment is not germane to the section and is therefore not in order.

MR. RAINY. Mr. Chairman, may I be heard on the point of order?

THE CHAIRMAN. The Chair will hear the gentleman from Illinois.

MR. RAINY. Mr. Chairman, there is nothing new in this question. It was passed on in the Sixty-eighth Congress, as I remember it, by the present Chairman. At the first session of the Sixty-eighth Congress this identical question came up, and I myself presented the question to this present Chairman. He will find the matter discussed and settled on May 24, 1924, on page 9444 of the CONGRESSIONAL RECORD of the Sixty-eighth Congress, first session. I prepared the very first debenture bill, and I sought to substitute it for the McNary-Haugen bill of that year. It was a complete plan. It was not different in the method by which it sought to apply relief.

This is what the Chairman said with reference to my effort to get that debenture plan substituted for the McNary-Haugen bill, when a point of order was made against it by the gentleman from Missouri [Mr. CANNON]. This is what the Chairman said:

THE CHAIRMAN. The Chair is ready to rule. The amendment offered by the gentleman from Illinois [Mr. RAINY] as a substitute for the entire bill is more nearly germane than the former amendment, but the Chair is of opinion that it does not come within the rule of germaneness. The object sought, of course, is farm relief, but that does not necessarily make the bill germane. The method is so entirely different in the bill offered by the gentleman from Illinois from the method of the bill under consideration that it seems to the Chair that it is not germane. Both bills recognize that the question of price is determined somewhat upon the exportable surplus, but the bill which the Chair has rather hastily read, offered by the gentleman from Illinois by way of substitute, proposes to deal with this question of exportable surplus by giving a bounty to the exporter, evidently with the view that if the export brings a fair price, a fair price would result in the domestic market; but that is such a departure from the plan of the bill which creates a Government corporation, giving it power and authority to export, that it would not come within the rules of the House to hold it germane. The Chair therefore sustains the point of order.

THE CHAIRMAN. The Chair is ready to rule. The gentleman from Illinois does the present occupant of the chair too much honor. The decision which he has just read is the decision of 1924 by Chairman Sanders, of Indiana, not the present occupant of the chair.

The Chair does not think that it is necessary to go into the question as to whether the present motion is a perfect or full substitute motion or not. It is made as an amendment to section 2.

The Chair thinks that the gentleman from Texas [Mr. JONES] was not quite accurate when he said this is the first opportunity he has had to offer this amendment. We have passed section 1, and section 2 has been read, and the gentleman from Louisiana [Mr. ASWELL] has made a motion to strike out section 2.

I think it is a well-settled rule that amendments must be germane to the subject under consideration and to the section under consideration; and the section which is under consideration at present is section 2, which relates to the creation of a Federal farm board.

Without going into the general question of germaneness, there certainly are items in the amendment offered by the gentleman from Michigan which are not germane to section 2 of the Haugen bill and, therefore, the Chair sustains the point of order.

MR. JONES. Mr. Chairman, I offer another amendment. I move to strike out section 2 and to insert the bill which I send to the Clerk's desk, beginning with section 2, which, I will state, takes up the board feature of the Ketcham bill and follows it with the remaining part of the bill.

MR. LA GUARDIA. Do you offer the whole bill?

MR. JONES. And I give notice that if this is adopted I will move to strike out the remaining sections of the bill.

MR. BURTNES. Mr. Chairman, I desire to interpose the same point of order I made before, that this is not germane to section 2.

THE CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Strike out all of section 2 and insert in lieu thereof H. R. 12893, beginning with section 2 on page 2, line 7.

MR. DOWELL. Mr. Chairman, I make the same point of order, that it is not germane.

MR. JONES. Mr. Chairman, I ask unanimous consent that my amendment may be considered read and printed in the RECORD as if read.

Mr. LAGUARDIA. Mr. Chairman, under the ruling just made by the Chair it is not in order.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that his amendment may be considered read. Is there objection?

Mr. CRAMTON. Mr. Chairman, reserving the right to object, that means printing again just what was printed a few minutes ago, with the exception of the first section of the bill; is not that correct?

Mr. JONES. Yes.

Mr. CRAMTON. I will not object, but I think it is a waste of good paper.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The amendment referred to is as follows:

FEDERAL FARM BOARD

SEC. 2. (a) A Federal farm board is hereby created which shall consist of the Secretary of Agriculture, who shall be a member ex officio, and four members, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

(b) The terms of office of the appointed members of the board first taking office after the approval of this act shall expire, as designated by the President at the time of nomination, one at the end of the first year, one at the end of the second year, one at the end of the third year, and one at the end of the fourth year, after the date of the approval of this act. A successor to an appointed member of the board shall be appointed in the same manner as the original appointed members, and shall have a term of office expiring four years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any person appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Any member of the board in office at the expiration of the term for which he was appointed may continue in office until his successor takes office.

(e) Vacancies in the board shall not impair the powers of the remaining members to execute the functions of the board, and a majority of the appointed members in office shall constitute a quorum for the transaction of the business of the board.

(f) Each of the appointed members of the board shall be a citizen of the United States, shall not actively engage in any other business, vocation, or employment than that of serving as a member of the board, and shall receive a salary of \$10,000 a year, together with necessary traveling expenses and expenses incurred for subsistence or per diem allowance in lieu thereof, within the limitations prescribed by law, while away from the principal office of the board on business required by this act, or if assigned to any other office established by the board, then while away from such office on business required by this act.

GENERAL POWERS

SEC. 3. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

(g) Shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(h) Shall keep advised, from any available sources, of crop prices, prospects, supply and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products, and it may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity, in order that they may secure the maximum benefits under this act.

(i) Shall advise 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 that they may secure such benefits.

(j) May, upon request by any cooperative association handling the agricultural commodity or upon its own motion, investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

(1) Whether a surplus of such commodity exists or threatens to exist;

(2) Whether the existence or threatened existence of such surplus depresses or threatens to depress the price for such commodity below the average cost of the actual production of such commodity in the United States during the preceding five years; and

(3) Whether the conditions of durability, preparation, processing, preserving, and marketing of such commodity, or the products therefrom, are such that the commodity or products are adapted to storage and future disposal.

LOANS

SEC. 4. (a) The board is authorized to make loans, out of the revolving fund hereinafter created, to any cooperative association or corporation created and controlled by one or more cooperative associations, upon such terms and conditions as, in the judgment of the board, will afford adequate assurance of repayment and carry out the policy declared in section 1, and upon such other terms and conditions as the board deems necessary. Any such loan shall be for one of the following purposes:

(1) For the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or 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.

(2) For the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing services, if the proceeds of the loan are to be used either (A) for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or (B) 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 and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or (C) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended, or (D) for furnishing funds to the cooperative association 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.

(b) In case of a loan to a cooperative association under paragraph (2) of subdivision (a), the notes or other obligations representing the loan (1) may be secured by marketing contracts of members of the cooperative association, and be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered under the members' marketing contracts, or (2) may be secured in such other manner as the board deems adequate.

(c) Any corporation created and controlled by one or more cooperative associations shall be eligible to receive loans under this section if the corporation is organized under the laws of any State, has the minimum capital required by the laws of the State of its organization, and agrees with the board:

(1) To adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(2) To keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

(3) To permit the board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(4) To set aside a reasonable per cent of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(5) Distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

(d) If the board finds that its advice as to a program of planting or breeding of any agricultural commodity, as provided in section 3 (i), has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity

for the preceding five years, the board may refuse to make loans under paragraph (1) of subdivision (a).

(e) Any loan under this section shall bear interest at the rate of 4 per cent per annum. The aggregate amount of loans under this section outstanding and unpaid at any one time shall not exceed \$150,000,000 but—

(1) The aggregate amount of loans for all purposes under paragraph (2) of subdivision (a), outstanding and unpaid at any one time, shall not exceed \$25,000,000; and

(2) The aggregate amount of loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, outstanding and unpaid at any one time, shall not exceed \$2,000,000.

EXPORT DEBENTURES

SEC. 5. (a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to the limitations of this act, issue an export debenture to any farmer, cooperative association, and other person (including any export corporation organized by the board under section 9), in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by such farmer, cooperative association, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation.

(b) In order to procure the issuance of an export debenture, such farmer, cooperative association, or other person shall, within a reasonable time prior to the exportation, to be prescribed under regulations of the board, make application for such debenture and submit proofs satisfactory to the board either (1) that the quantity of the debenturable agricultural commodity to be exported was produced in the United States and has not previously been exported therefrom, or (2) that the agricultural commodity used in making the quantity of the debenturable product to be exported was produced in the United States and the agricultural commodity and the debenturable product have not previously been exported therefrom.

(c) Any export debenture, when presented by the bearer thereof within one year from the date of issuance of the debenture, shall be receivable at its face value by any collector of customs, or deputy collector of customs, or other person authorized by law or by regulation of the Secretary of the Treasury to perform the duties of collector of customs, in payment of duties collectible against articles imported by such bearer.

(d) Title to any export debenture shall be transferable by delivery.

DEBENTURABLE COMMODITIES AND PRODUCTS

SEC. 6. For the purposes of this act, wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodity which is designated by the board under section 7 (b), shall be known and are herein referred to as debenturable agricultural commodities. Any food product of wheat, corn, rice, swine, or cattle, or any manufactured product of cotton or tobacco, or of any other agricultural commodity designated by the board under section 7 (b), shall be known and is herein referred to as a debenturable product if a debenture rate is prescribed for such product either specifically in section 7 (a) or by the board under section 7 (c).

EXPORT DEBENTURE RATES

SEC. 7. (a) The following export debenture rates are hereby prescribed:

(1) Swine, one-quarter of 1 cent per pound; fresh pork, three-eighths of 1 cent per pound; bacon, hams, shoulders, and other pork, prepared or preserved, 1 cent per pound; lard, one-half of 1 cent per pound.

(2) Cattle weighing less than 1,050 pounds, three-fourths of 1 cent per pound; cattle weighing 1,050 pounds or more, 1 cent per pound; fresh beef and veal, 1½ cents per pound.

(3) Corn or maize, including cracked corn, 7½ cents per bushel of 56 pounds; corn grits, meal, and flour, and similar products, 15 cents per 100 pounds.

(4) Paddy or rough rice, one-half of 1 cent per pound; brown rice (hulls removed), five-eighths of 1 cent per pound; milled rice (bran removed), 1 cent per pound; broken rice, and rice meal, flour, polish, and bran, one-quarter of 1 cent per pound.

(5) Wheat, 21 cents per bushel of 60 pounds; wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for, 52 cents per 100 pounds.

(6) Cotton, 2 cents per pound.

(7) Tobacco, 2 cents per pound.

(b) If the board finds (1) that the cost of producing in the United States any agricultural commodity (other than wheat, corn, rice, swine, cattle, cotton, and tobacco) of which a surplus above domestic requirements is produced in this country is greater than the cost of producing such commodity in competing foreign countries, and (2) that

the domestic prices for such commodity are unduly depressed by world prices for such commodity—then the board, after publicly declaring its findings, may designate such commodity as a debenturable agricultural commodity and may prescribe such export debenture rate for the commodity as it finds sufficient to equalize the difference between the cost of producing such commodity in the United States and the cost of producing such commodity in competing foreign countries. Such export debenture rate shall not exceed any rate of tariff duty that may be in effect in respect of such commodity.

(c) In order to promote the effectiveness of export debentures in respect of any debenturable agricultural commodity, the board may prescribe an export debenture rate upon products of the commodity as follows:

(1) If the debenturable agricultural commodity is wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any food product made wholly or in part thereof.

(2) If the debenturable agricultural commodity is a commodity other than wheat, corn, rice, swine, or cattle, an export debenture rate may be prescribed for any manufactured product made wholly or in part thereof. Any export debenture rate under this subdivision shall be sufficient to produce an export debenture in an amount equal to the debenture that would be issuable upon exportation of the quantity of the debenturable commodity consumed in the manufacture of the unit of the product upon which the export debenture is issued.

FLEXIBLE RATE PROVISIONS

SEC. 8. (a) In order to prevent undue stimulation of the production of any debenturable agricultural commodity, whenever the board finds that the average annual production of any debenturable livestock commodity or the average annual acreage of any other debenturable agricultural commodity for the last two preceding years has exceeded the average annual production or acreage, respectively, of such commodity for the period from the seventh to the third preceding year, then the board, after publicly declaring its finding, shall prescribe that the export debenture rates for the commodity and the debenturable products thereof shall be reduced or that the issuance of debentures therefor shall be suspended, as hereinafter prescribed in subdivision (b) for the amount of increase in production or acreage which the board finds has occurred. Any such reduction or suspension shall become effective at the commencement of the next calendar year and shall continue throughout such calendar year. No such reduction or suspension shall be made unless notice thereof is published at least 30 days before the commencement of such calendar year. At the end of such calendar year the export debenture rates which were in effect immediately prior to the commencement thereof shall again become effective unless the board under the provisions of this act prescribes a change in such rates.

(b) Reductions of debenture rates or suspensions of the issuance of debentures, subdivision (a), shall be in accordance with the following limitations:

(1) For a computed increase in production or acreage of less than 5 per cent there shall be no reduction.

(2) For a computed increase in production or acreage of 5 per cent but less than 10 per cent there shall be a reduction of 25 per cent.

(3) For a computed increase in production or acreage of 10 per cent but less than 15 per cent there shall be a reduction of 50 per cent.

(4) For a computed increase in production or acreage of 15 per cent or more the issuance of debentures shall be suspended for a period of one year.

(c) In computing reductions in export debenture rates fractions of a cent less than one-eighth shall not be used.

(d) The power of the board under this section in respect of any agricultural commodity shall be exercised in such manner as will in its judgment carry out the policy declared in section 1.

INSURANCE

SEC. 10. (a) Upon request of any cooperative association or associations, the board is authorized to loan, from time to time out of the revolving fund, to such association or associations, funds requisite for subscription to and payment of the capital stock of a corporation to be organized under the laws of any State, for the purpose of entering into contracts of price insurance. If there is more than one such subscribing association, such loans shall be in such proportions as the associations may agree, or on failure of such agreement, then in such proportions as the board may determine. Such loans shall be made upon such terms and conditions as the board may prescribe, except that no such loan may be made unless the cooperative association or associations receiving the loan have entered into an agreement with the board that the corporation to be formed, will in its charter or by-laws, be subject to the following requirements:

(1) That the corporation will insure the price only of those agricultural commodities which, in the judgment of the board, are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

(2) That subsequent to the organization of the corporation any cooperative association handling a commodity insured by the corporation may become a stockholder in such corporation upon such terms and conditions as the board may prescribe, and that all stock in the corporation will be subject to such restrictions upon its alienation as will insure the retention of both such stock and all beneficial interests therein by cooperative associations.

(3) That the corporation will insure any cooperative association, a stockholder in the corporation, for any 12 months' period commencing with the delivery season for the commodity, against loss to such association or its members due to decline in the average market price of the agricultural commodity handled by the association during the period of sales by the association, from the average market price for the commodity during the period of delivery to the association. The duration of such periods shall be specified in the policy of insurance. In computing such average market prices, the policy shall provide for the use of daily average cash prices paid for a basic grade of the commodity in an exchange designated in the policy.

(4) That the corporation will insure only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the policy.

(5) That the corporation will issue policies of insurance only at rates of premium fixed by the corporation and approved by the board as being adequate to cover the risk assumed under the policies issued.

(6) That the corporation will keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition, as the board may from time to time prescribe.

(7) That the corporation will permit the board, on its own initiative or upon written request of any cooperative association, a stockholder in the corporation, to investigate the financial condition and business methods of the corporation.

(8) That whenever the board finds that private insurance agencies are able to provide the insurance offered by the corporation upon terms which the board deems satisfactory, then the corporation will thereupon repay to the board the amount of all outstanding loans under this section and interest thereon.

(b) No more than one corporation shall be maintained at any one time under this section.

(c) The cooperative association or associations to which loans are made under this section shall pledge with the board their stock in the corporation as security for the loans. Loans under this section shall bear interest at the rate of 4 per cent per annum on the unpaid principal. Dividends upon the stock pledged with the board shall be applied, first, to interest due upon the loans, and then to the principal of the loans. No distribution shall be made by the corporation otherwise than by cash dividends upon its stock until such time as such loans and the interest thereon have been paid in full. No cooperative association or its members shall be liable for any such loans or interest thereon.

(d) Whenever under the terms and conditions of any loan under this section a default occurs in the repayment of the amount of the principal or interest thereof, the board, upon 10 days' notice to the corporation, shall be held to have title to the stock held by it as security for the loan. The board may sell or otherwise dispose of the stock to any cooperative association or may exercise all voting rights of such stock for the purpose of liquidating the affairs of the corporation. Upon any such sale or other disposition or upon any such liquidation the board shall, after deducting from the proceeds thereof the amount of principal and interest in default upon the loan secured by the stock, pay the remainder of such proceeds to the cooperative association from which the stock was acquired.

EXAMINATION OF BOOKS AND ACCOUNTS OF BOARD

SEC. 11. Expenditures by the board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the chairman of the board. Any action of the board in issuing export debentures and vouchers so made for expenditures from the revolving fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund shall be for the sole purpose of making a report to the Congress and to the board of action in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

ADMINISTRATIVE AND PENALTY PROVISIONS

SEC. 12. (a) Requirements requiring that metal tags or other appropriate markings be placed on all bales of cotton produced in foreign countries and allowed transit through the United States for exportation, may be prescribed by the board. Every person who violates any such regulation of the board shall be liable to a civil penalty of \$100

for each such offense. Such penalty may be recovered in a civil suit brought by the board in the name of the United States.

(b) The board shall prepare and issue, or cause to be prepared and issued, all export debentures, and shall prescribe the terms and conditions in respect of export debentures. The Secretary of the Treasury, upon request of the board, is authorized to have such debentures prepared at the Bureau of Engraving and Printing.

(c) Export debentures issued under authority of this act shall be obligations of the United States within the definition in section 147 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended.

(d) Any person who shall make any false statement for the purpose of fraudulently procuring, or shall attempt in any manner fraudulently to procure, the issuance, or acceptance of any export debenture, whether for the benefit of such person or of any other person, shall be fined not more than \$2,000 or imprisoned not more than one year, or both.

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 13. (a) It shall be the duty of any establishment in the executive branch of the Government, upon request by the board or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such establishment, avail itself of the services and facilities of such establishment in order to avoid preventable expense or duplication of effort.

(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any establishments in the executive branch of the Government, irrespective of his length of service in such establishment, to the service of the board, and (2) may direct any establishment in the executive branch of the Government to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to such establishment, in pursuance of any provision of law or any agreement with such establishment.

DEFINITIONS

SEC. 14. As used in this act—

(a) The term "person" means individual, partnership, corporation, or association.

(b) The term "United States," when used in the geographical sense, means continental United States and the Territory of Hawaii.

(c) The term "fiscal year of the United States" means the 12-month period ending June 30.

(d) The term "tobacco" means leaf tobacco, stemmed or unstemmed.

(e) The term "cotton" means cotton of any tenderable grade under the United States cotton futures act.

(f) The term "wheat" means wheat not below grade number 3 as prescribed by the Secretary of Agriculture under the United States grain standards act.

SEPARABILITY

SEC. 15. If any provision of this act is declared unconstitutional or the applicability thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the applicability thereof to other persons or circumstances shall not be affected thereby.

REVOLVING FUND

SEC. 16. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

ADMINISTRATIVE APPROPRIATION

SEC. 17. For expenses in the administration of the functions vested in the board by this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$200,000, to be available to the board for necessary expenses incurred prior to July 1, 1929.

MR. LAGUARDIA. Mr. Chairman, I make the point of order that it is offering an entire bill, that it is in conflict with the ruling just made by the Chair, and is not germane.

MR. BANKHEAD. Mr. Chairman, I would like to know just what was the point of order made by the gentleman from New York.

MR. RAMSEYER. Mr. Chairman, I could not hear, and I do not think anybody else heard, what points of order were interposed. I would like to know what point of order has been interposed, if any.

MR. BANKHEAD. We could not hear on this side and we would like to know.

Mr. DOWELL. Mr. Chairman, I will state my point of order. The point of order I make is that the amendment or substitute can not be offered at section 2 and that the amendment or substitute offered is not germane to section 2, nor to any part of the bill.

Mr. BANKHEAD. Mr. Chairman, I would like to be heard very briefly on that point of order.

Mr. CANNON. Mr. Chairman, we are not aware yet what has been offered. Nobody seems to know exactly what is before the committee or what sections of the Ketcham bill are included.

Mr. BANKHEAD. Mr. Chairman, as I understood the ruling of the Chair just now, or, rather, the effect of the ruling, regardless of the merits of the proposal now submitted, it was that, although the Aswell bill had been agreed to in the committee as a whole and stands now upon the RECORD as a legislative entity, that nevertheless under the precedents which the Chair cited it would be in order to continue to read the original Haugen bill for perfecting amendments. Assuming that conclusion is true, what is the parliamentary attitude of the motion just made by the gentleman from Texas? He is assuming, as I understand it, the identical attitude assumed by the gentleman from Louisiana when he offered his substitute to section 1 of the original bill.

The gentleman from Texas [Mr. JONES] offers to strike out section 2 of the McNary-Haugen bill and offers as an amendment to it or as a substitute for it section 2 of the Ketcham-Jones bill, and gives notice that if it is adopted then he will subsequently move to strike out the other sections of the pending McNary-Haugen bill.

If the Chair should decide that the substitute is germane—I am not going to argue the question of germaneness because it has already been submitted by the gentleman from Texas when he pointed out the identical structure of the two bills, when he pointed out that they were seeking to effectuate the same purpose by the same character of machinery, and that the only essential difference is the method of accomplishing this purpose, one by a fee and the other by the issuance of debentures. In my opinion it is germane as a substitute for the McNary-Haugen bill, but the parliamentary situation with which the Chair is now confronted, as I see it, is that having ruled that the McNary-Haugen bill is open to the committee for perfection or for amendment, if the reasoning of the Chair upon yesterday that the Aswell amendment is germane is correct, then by parity of reasoning I say, except on the question of germaneness which the Chair would have to decide, the motion made by the gentleman from Texas is germane regardless of the real merits of the proposition which I am not discussing. I have simply undertaken to submit the parliamentary phase of the question as it occurs to me.

Mr. ASWELL. Will the gentleman yield?

Mr. BANKHEAD. Certainly.

Mr. ASWELL. In view of the fact that the Aswell substitute has been adopted and I have already moved to strike out section 2, what would be the status if the Jones substitute was adopted? Where would the Aswell substitute be then?

Mr. BANKHEAD. I think if the Jones substitute were adopted that would eliminate the McNary-Haugen bill, and if the committee followed up the adoption of the Jones-Ketcham substitute when we went back into the House, the McNary-Haugen bill would be absolutely eliminated from the picture.

Mr. ASWELL. Where would the Aswell substitute be?

Mr. BANKHEAD. The Aswell substitute would be in the same attitude that the Chair has held it is in now. It is a perfected measure that will be reported to the House for the determination of that body.

Mr. ASWELL. Then there would be two substitutes.

Mr. BANKHEAD. No; I do not think so. I think the effect of the adoption of the Ketcham substitute would be absolutely to take the place of the McNary-Haugen bill, and then the issue would be between the Aswell substitute and the Jones-Ketcham proposition.

Mr. ASWELL. How could there be such an issue when mine is already adopted?

Mr. BANKHEAD. The Chair has already ruled upon that.

Mr. LAGUARDIA. It has not been adopted by the House.

Mr. BANKHEAD. No; it has not been adopted by the House; only in the committee.

Mr. CANNON. Mr. Chairman, the amendment is proposed just 24 hours too late. This motion might properly have been offered as a substitute for the Aswell bill when that proposition was offered yesterday and before its adoption by the Committee of the Whole. But it is now too late. They have sinned away their day of salvation.

We have presented here exactly the parliamentary proposition presented when the last amendment was offered and ruled

out of order. This amendment, like that offered by the gentleman from Michigan, is out of order for the reason cited by the Chair in his opinion just rendered on the point of order against that amendment. The amendment is not germane to the subject under consideration.

The CHAIRMAN. The Chair is ready to rule.

It seems to the Chair that the gentleman from Alabama [Mr. BANKHEAD] overlooks in his argument the fact that there are two natural places for offering substitute bills; one is at the end of the reading of the first section, and the other is at the end of the reading of the bill.

The matter under consideration now is section 2 of the Haugen bill, and amendments of section 2 of the Haugen bill must be germane to that section. The Chair thinks there are a great many items, without reference to the question of its germaneness to the bill as a whole, in the Jones motion which are not germane to section 2 of the Haugen bill, and therefore sustains the point of order.

Mr. JONES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES. If the measure is otherwise germane, would it be in order to offer it after we have finished reading the McNary-Haugen bill?

The CHAIRMAN. The Chair prefers to cross that bridge when he comes to it.

Mr. BURTNES. Mr. Chairman—

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry. What is the question before the House?

The CHAIRMAN. The question before the committee is the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out section 2 of the Haugen bill.

Mr. BURTNES. And I rise in opposition to that motion.

Mr. CHINDBLOM. Let me ask one further question, if the gentleman will permit. There is nothing left of all the Ketcham motions?

The CHAIRMAN. There is nothing else pending.

Mr. BURTNES. I oppose the amendment to strike out the section. Gentlemen, I feel we have come to a very important point in our considerations, and I hope you will bear with me for a few moments while I try to present the situation as I see it, in view of the adoption by the committee yesterday of the so-called Aswell substitute, and in view of the various motions that will be made to-day to strike out each and every section as they are read. I believe, if you will follow me, practically all of you will agree with my conclusion that the sections as they are read should not be stricken out, but should remain in the bill.

Mr. HASTINGS. And perfected.

Mr. BURTNES. And, of course, as the gentleman from Oklahoma [Mr. HASTINGS] suggests, perfected in the discretion of the committee.

Now, I doubt whether the membership of the committee generally realized exactly the result of the action that was taken yesterday when the Aswell substitute was adopted, and at the same time the Fort amendment, which would have stricken out section 9, was rejected. I submit in all seriousness and frankness to you, gentlemen, and particularly to those of you who come from the cotton States, that the elimination of sections 10 and 11, without at the same time eliminating section 9, is unfair and is not consistent with any logic or reason whatever that can be presented to any body of men upon the questions that are before us.

I call to your attention the arguments made by the gentleman from New Jersey [Mr. FORT] in that respect when he moved to strike out section 9 in connection with sections 10 and 11. If the other sections are to go out, the arguments of the gentleman are unanswerable; but what is the situation? Let me ask the men who come from the grain States, the Corn Belt, the hog-producing section of the country, or from any other section which produces any agricultural product whatever, if they realize what the real situation is?

The marketing provisions of section 9 can in all probability not be used in the case of your products at all without the equalization fee, but that is not the case with cotton. You can not raise the price of wheat or hogs, for instance, above world prices without some loss on the surplus. The equalization fee was intended for that purpose. No one contemplated that Treasury funds would be used. With cotton the situation is different. The world has to have our cotton. With plenty of funds and with domestic control the world price can probably be raised. They can still use the marketing provisions of section 9, but you growers of corn or wheat or hogs with a relatively small export surplus, you can not take care of the loss on that product and make use of the marketing arrangements set up in that section and as included in the Aswell amendment. I wish you would turn to section 9 and see what

the gentleman from Louisiana did. Section 9 is the one which gives such tremendous powers to the board—it gives them power when they find certain facts to exist to arrange to market any particular commodity and make arrangements with cooperative associations and corporations that may be established therefor, pay losses, take care of expenses, make deals, and if there are no cooperatives to make arrangements for processing of various kinds with other agencies.

Now, in the McNary-Haugen bill as originally introduced there was set up a stabilization fund to take care of the expenses. Such stabilization fund was to be made up of the equalization fee by money contributed by the producers themselves. In the Aswell bill, substituted yesterday, there were changes in this section, but they were not called to the attention of the House and you can not find it in the RECORD; but in the Aswell substitute the words "stabilization fund" were stricken out and the words "revolving fund" were inserted in lieu thereof.

What does it mean? It means, of course, that the Members of the committee, by such action, if finally approved, make it possible to spend all of the \$400,000,000 provided for in the revolving fund on one sole commodity or crop, the crop which can be practically used in connection with the marketing arrangements that are contemplated by section 9.

Let us correct this situation by voting down each amendment to strike out the remaining sections and then in the House vote to reject the Aswell substitute.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. BURTNES. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for five minutes. Is there objection?

Mr. EDWARDS. I object.

Mr. RAMSEYER. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 32, line 15, strike out the words "any person" and insert in lieu thereof the words "all persons."

Mr. NEWTON. Mr. Chairman, I will reserve a point of order on that. We have not read section 2.

Mr. RAMSEYER. We have read section 2, and the motion is to amend section 2. Now I want a few minutes' time to get before the House the parliamentary situation. I would like the attention of the gentleman from Louisiana and those who oppose the Haugen bill.

Mr. ASWELL. I am in favor of the Haugen bill if the equalization fee is left out.

Mr. RAMSEYER. I want the attention of both those in favor of the Aswell bill and those who favor the Haugen bill with the equalization fee. The chairman ruled this morning in an able opinion just what the situation is. We have the Aswell bill here as an amendment to section 1. I think it behoves the friends of the Haugen bill, which, of course, differs from the Aswell plan in that it carries the equalization fee, to vote against every motion to strike out the remaining sections as they are reached for consideration. You are going to have an opportunity to perfect the sections, you are going to have an opportunity to vote on each one of them as perfected, and if you can hold your forces here and succeed in voting down the motions to strike out when the committee rises you will have an opportunity to vote once more on the Aswell proposition, and—

Mr. ASWELL. Mr. Chairman, I make the point of order that the gentleman has not permission to speak out of order. He is not discussing any amendment. He is giving a lecture to his side of the House. [Laughter.]

Mr. RAMSEYER. My amendment has to do with "all persons" and I am addressing myself to all persons interested in this legislation, and if all persons will heed what I say and vote accordingly when the bill gets before the House, the House will then have a chance to vote on the Aswell bill and on the Haugen bill as perfected.

Mr. BURTNES. In other words, the gentleman is showing why the motion to strike out should not prevail.

Mr. RAMSEYER. Exactly.

Mr. ASWELL. Will the gentleman yield?

Mr. RAMSEYER. I will yield.

Mr. ASWELL. Does the gentleman feel so discouraged that he has to lecture his side of the House?

Mr. RAMSEYER. I want to be sure that they understand the situation. I feel that on yesterday the gentleman from Louisiana succeeded in confusing them, and I want to unconfuse them. [Laughter.]

Mr. ASWELL. I am sorry that the gentleman is so discouraged.

Mr. RAMSEYER. I am not discouraged; I never felt better or more hopeful in my life.

Mr. ASWELL. The gentleman looks all right, but he seems to have no heart in it.

Mr. RAMSEYER. I have put in as much heart as I have and if I have not as much heart as the gentleman from Louisiana it is not my fault.

Having gotten what I intended to say before the Committee of the Whole, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana to strike out the section.

The question was taken.

Mr. ASWELL. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chair appointed Mr. ASWELL and Mr. HAUGEN to act as tellers.

The committee again divided; and the tellers reported—ayes 119, noes 159.

So the motion was rejected.

The Clerk read as follows:

GENERAL POWERS

SEC. 3. The board—

(a) Shall annually designate an appointed member to act as chairman of the board.

(b) Shall maintain its principal office in the District of Columbia, and such other offices in the United States as it deems necessary.

(c) Shall have an official seal which shall be judicially noticed.

(d) Shall make an annual report to Congress.

(e) May make such regulations as are necessary to execute the functions vested in it by this act.

(f) May (1) appoint and fix the salaries of a secretary and such experts, and, in accordance with the classification act of 1923 and subject to the provisions of the civil-service laws, such other officers and employees, and (2) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the board.

(g) Shall meet at the call of the chairman, or of the Secretary of Agriculture, or of a majority of its members.

(h) Shall keep advised, from any available sources, of crop prices, prospects, supply, and demand, at home and abroad, with especial attention to the existence or the probability of the existence of a surplus of any agricultural commodity or any of its food products, and it may advise producers through their organizations or otherwise in matters connected with the adjustment of production, distribution, and marketing of any such commodity, in order that they may secure the maximum benefits under this act.

(i) Shall advise 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 that they may secure such benefits.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 33, line 14, strike out all of section 3.

Mr. JONES. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. JONES offers the following amendment: Page 34, line 25, after the word "benefits," insert a new subsection, to be known as subsection (k), as follows:

"The board shall have power to prohibit speculation and manipulation in respect to any agricultural commodity on what is commonly known as the cotton or grain exchanges and boards of trade, and forbid any person, corporation, or association of persons to sell any contract for future delivery of any cotton, grain, or other products within the United States which may enter into interstate commerce, unless such seller is actually the legitimate owner of the cotton, wheat, or other agricultural commodity so contracted for future delivery at the time such sale or contract is made; and upon the entering of such order by the board it shall be unlawful for any person, corporation, or association of persons to sell such commodity in violation of such order forbidding the same; and upon the issuance of such order it shall also be unlawful for any person to send or cause to be sent any message offering to make or enter into

a contract for the sale for future delivery of any such commodity in violation of the provisions of such order. Anyone violating the provisions of any such order or the regulation issued thereunder shall be punished as provided in subdivision (b) of section 20 of this act."

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane to the section and is not germane to the bill.

Mr. JONES. Mr. Chairman, I do not think that the gentleman will contend that it is not in order if he will read the declaration of policy as set out in section 1. In the declaration of policy one of the purposes of the act is to minimize speculation and waste. All of the witnesses, the proponents of the bill and the different ones who have advocated it, have said that one of the effects of the provisions of this bill would be to eliminate speculation and manipulation. This is to be a farm board. That farm board is given certain powers. The bill enumerates the number of different powers which the board is given. I simply give it additional powers which are named in the declaration of purposes of the main bill, and thinking that as this is to be a farm board and as one of the things that a great many people think is wrong about the present situation is the fact that there is undue speculation in farm commodities, especially on the exchanges, I thought the board might well be given the power, if there was undue speculation or manipulation, to forbid such speculation. You will find that there is no question but that it is within the main purposes of the bill. In the general enumeration of powers there are something like seven or eight different powers given to the board. These additional powers are no more different from the other provisions than they are different among themselves. These different powers are to be found in paragraphs (a), (b), (c), (d), (e), (f), (g), (h), and (i). Those separate powers being named, any other power that comes within the purview of the bill is also in order. There is no question that it comes within the purview of the bill. It is named in the declaration of policy, and it has been discussed by practically everyone who has spoken here at any length in behalf of the bill. It was mentioned by the witnesses who assisted in the preparation of certain provisions of the bill, and shining all the way through the bill the evident purpose to take charge of the machinery of distribution, and this is a part of the machinery of distribution of farm products—the exchanges. Every avenue of commerce in the country is affected by this bill. Representatives from different concerns came and said the bill would affect their businesses, some favorably, some unfavorably, but all agreed that every channel of commerce in the country is affected by this bill. That being true, and several different powers being enumerated, it certainly is in order to enumerate another power.

Mr. DICKINSON of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. DICKINSON of Iowa. The gentleman ought to realize that because a statement of policy is made in one paragraph or in the preamble of the bill, he can not, therefore, bring in every remedy for every possible evil that may exist in the agricultural situation, and that is what the gentleman is trying to do.

Mr. JONES. Yes; but—

Mr. DOWELL. That is what the gentleman says.

Mr. JONES. This is named in the declaration of policy. All those who have argued for the bill have said that to be the effect. There is not any question, Mr. Chairman, but that every element of business machinery that is now being operated in commerce will be affected by the operation of this bill. For instance, the cotton and grain exchanges are operating on farm commodities, not only on general farm commodities but upon the surplus of those commodities; and that being true, it is directly involved in a measure that turns over to other organizations the privilege of handling the various commodities.

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. ADKINS. The gentleman from Texas is a member of the committee, is he not?

Mr. JONES. Yes.

Mr. ADKINS. No member of the committee ever thought of such a thing.

Mr. JONES. The gentleman is one who has argued all through the hearings before the committee that the immediate effect of the adoption of the McNary-Haugen bill would be to minimize and perhaps to eliminate speculation and waste.

Mr. ADKINS. Yes.

Mr. JONES. And the other day, on the floor of this House, the gentleman argued that the speculators and manipulators and those who are engaged in transactions on the exchanges

were opposing the bill because it would have the effect of putting them out of business.

Mr. ADKINS. Nobody knows if it will stop them until it has been tested.

Mr. JONES. This bill gives the farm board the power, if it finds that it is necessary to exercise it. Why should anybody object to that? I do not put it into force. I simply give them the power to enforce it. I want to make it clear that this farm board is given the power to stop gambling and speculation in farm products. That is the purpose of my amendment.

I simply want to give the board the power, not necessarily to exercise the power. I can not see why this great farm board, which it is proposed shall be created, shall have power to abolish speculation, gambling, and manipulation when the board thinks it advisable. What right has any speculator to interfere with the orderly working out of the program of the farm board? What does the speculator contribute to farm prices anyway.

Mr. CANNON. Mr. Chairman, in the consideration of this point of order it is only necessary to call attention to the rule which provides that if any portion of an amendment is not in order, no part of it is in order.

There are many provisions in the proposed amendment which subject it to the point of order. Choosing, for example, at random one of the provisions obviously repugnant to the rule, there is a paragraph proposing to inflict a penalty involving both fines and imprisonment. Nobody would seriously contend that such a provision is germane to this section; and that portion being out of order, of course the entire amendment is out of order.

The CHAIRMAN. The Chair is ready to rule. The purpose of this particular section now under consideration is to define the general powers of the farm board and to provide for its organization. It seems to the Chair that this amendment introduces an entirely new subject into the section, and therefore the Chair sustains the point of order.

Mr. JONES. Mr. Chairman, is it ruled out on the ground suggested by the gentleman from Missouri [Mr. CANNON] or on the general ground that it is not germane? If it is on the general purpose, I can modify my amendment.

Mr. CANNON. That is one of the reasons.

The CHAIRMAN. The Chair thinks it is not germane to the section.

Mr. JACOBSTEIN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JACOBSTEIN: Page 34, line 25, after the word "benefits," insert a new paragraph as follows: "The term 'agricultural commodity' used in this and all other sections of this act shall mean an agricultural commodity which is not a fruit or vegetable."

Mr. RAMSEYER. Mr. Chairman, I make a point of order that it is not germane to this section. Definitions of terms have a later place in the bill.

Mr. JACOBSTEIN. Mr. Chairman, I would like to be heard on that.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. JACOBSTEIN. Mr. Chairman, I believe my amendment is strictly in order at this point, because it is a limitation on the general power of the Federal Farm Board provided for in this section. This section sets forth the organization as well as the specific powers of the board. In paragraph (h) of this section the board has power to deal with the "surplus of any agricultural commodity." I am seeking to limit the power of the board by stating that its powers shall be confined to an agricultural commodity which is not a fruit or vegetable. It is strictly and clearly a limitation on the power of the board. If declared out of order, I serve notice that I shall introduce the amendment at another place in the bill. Fruits and vegetables should be excluded from the operation of this act. Perishable farm products can not be cared for or benefit by the operation of this farm bill. I hope the House will agree to my amendment or other similar amendment when it is in order.

The CHAIRMAN. It seems to the Chair that the argument of the gentleman from New York is quite ingenious, but his amendment goes to one of the vital sections of the bill. In the judgment of the Chair it is not germane to this section of the bill. The Chair, therefore, sustains the point of order.

The question is on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. ASWELL. A division, Mr. Chairman.

THE CHAIRMAN. The gentleman from Louisiana calls for a division.

The committee divided; and there were—ayes 47, noes 108. So the amendment was rejected.

THE CHAIRMAN. The Clerk will read the next section. The Clerk read as follows:

COMMODITY ADVISORY COUNCILS

SEC. 4. (a) For each agricultural commodity, which the board from time to time determines may thereafter require stabilization by the board through marketing agreements authorized by this act, the board is hereby authorized and directed to create an advisory council of seven members fairly representative of the producers of such commodity. Members of each commodity advisory council shall be selected annually by the board from lists submitted by cooperative associations or other organizations representative of the producers of the commodity. Members of each commodity advisory council shall serve without salary but may be paid by the board a per diem compensation not exceeding \$20 for attending meetings of the council and for time devoted to other business of the council and authorized by the board. Each council member shall be paid by the board his necessary traveling expenses to and from meetings of the council and his expenses incurred for subsistence, or per diem allowance in lieu thereof, within the limitations prescribed by law, while engaged upon the business of the council. Each commodity advisory council shall be designated by the name of the commodity it represents, as, for example, "The cotton advisory council."

(b) Each commodity advisory council shall meet as soon as practicable after its selection at a time and place designated by the board and select a chairman. The board may designate a secretary of the council, subject to the approval of the council.

(c) Each commodity advisory council shall meet thereafter at least twice in each year at a time and place designated by the board, or upon call of a majority of its members at a time and place designated in the call, notice of such call being sent by registered mail at least 10 days before the date of the meeting.

(d) Each commodity advisory council shall have power, by itself or through its officers, (1) to confer directly with the board, to call for information from it, or to make oral or written representations to it, concerning matters within the jurisdiction of the board and relating to the agricultural commodity, including the amount and method of collection of the equalization fee, and (2) 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.

MR. ASWELL rose.

THE CHAIRMAN. The gentleman from Louisiana is recognized.

MR. ASWELL. Mr. Chairman, I move to strike out section 4.

THE CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: On page 35, beginning in line 1, strike out all of section 4.

MR. KINCHELOE. Mr. Chairman, I offer a perfecting amendment.

THE CHAIRMAN. The gentleman from Kentucky offers a perfecting amendment, which the Clerk will report.

MR. KINCHELOE. Mr. Chairman, there are two amendments to the same section, and for the information of the committee I ask unanimous consent that the Clerk may be permitted to read both amendments.

THE CHAIRMAN. Without objection, the Clerk will report both amendments.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. KINCHELOE: Page 35, line 2, after "(a)," strike out down through "create," in line 6, and insert in lieu thereof the following:

"Prior to the commencement of a marketing period in respect of any agricultural commodity the board is directed to create for such commodity."

And on page 36, after line 21, insert the following:

"(e) Prior to the commencement or termination of a marketing period with respect to any agricultural commodity and prior to the publication of the amount of any equalization fee with respect to any agricultural commodity, the board shall submit to the advisory council for the commodity a statement of the respective findings or estimate which the board is required to make and of the evidence and facts considered by the board in making such findings or estimate. Within 15 days after receiving such statement the advisory council shall consider such findings or estimate and shall notify the board of its determina-

tion with respect thereto. No marketing period with respect to any agricultural commodity shall be commenced or terminated and no equalization fee with respect to the commodity shall be collected unless the advisory council for such commodity has determined (1) that the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimate."

MR. BANKHEAD. Mr. Chairman, I have an amendment to the amendment, which I would like to have read and considered as pending.

THE CHAIRMAN. Will the gentleman from Kentucky yield?

MR. KINCHELOE. If it is not taken out of my time I will yield.

THE CHAIRMAN. The gentleman from Alabama asks unanimous consent to have read a proposed amendment for information. Is there objection?

There was no objection.

The Clerk read as follows:

Proposed amendment offered by Mr. BANKHEAD: At the end of the Kinchloe amendment strike out the period, insert a comma, and add the following: "(3) That in the opinion of the council the operating period in such commodity shall commence."

MR. KINCHELOE. Mr. Chairman and gentlemen, as we all know, in the bill that passed both the House and the Senate last year there was a provision which forbade and prohibited the farm board from declaring an operating period and levying an equalization fee on any commodity without the consent of the advisory commodity council. In the Haugen bill as reported from the Committee on Agriculture of the House, and which we are now considering section by section, there is not a line which prevents the board from declaring an operating period on any commodity, notwithstanding the fact that every grower of that commodity and the advisory council for that commodity may protest, and under the present Haugen bill this board has the power to levy an equalization fee and declare an operating period whether they want it or not.

Now, the purpose in offering the first amendment to section 4 is because of the fact that there was some question as to whether this board did not levy the equalization fee before it created the advisory council, and in order to obviate that I have offered the first amendment. Under the terms of that amendment they must have a commodity council before they declare an operating period at all.

The second amendment, if it is adopted, provides in substance that they can not declare an operating period on any commodity without first procuring the consent of the advisory council for the particular commodity.

MR. NEWTON. Will the gentleman yield?

MR. KINCHELOE. Yes.

MR. NEWTON. Does the gentleman provide for the initiation, in the first instance, by the council and for the ending of the period by the council?

MR. KINCHELOE. No; it is simply a veto power. Under my amendment, if it is adopted, the board can not declare an operating period without the consent of the commodity advisory council, and it can not terminate one without its consent. The board itself determines whether in its judgment, setting out certain facts, an operating period shall be declared and an equalization fee levied, but before they can carry them into execution they have got to have the consent of this commodity advisory council.

MR. NEWTON. That is equally true of the termination of the control?

MR. KINCHELOE. Yes; this advisory council is appointed by the board, under the Haugen bill, upon the recommendation of cooperative associations and other organizations interested in the particular commodity. The members of this advisory council are appointed on the recommendations made by these organizations to the board. I can not see why anybody should object to this amendment, and I am glad that the chairman yesterday agreed to the amendment.

I do not believe that any friend of the farmer—and I am speaking as a friend of this bill—would be in favor of creating a board here in Washington and giving it plenary power to declare an operating period and to levy an equalization fee on a commodity when every grower of that commodity and the members of the advisory council who are the intermediaries between the farmers and the board would object to it. If this should happen there would absolutely be a revolution in this country and you would have more bootlegging in order to get rid of the equalization fee than anything that ever happened in the world and therefore I want to see these two amendments adopted so that the farmer can have his say and can be heard

by this board through the commodity council which he has recommended and which has been appointed by the board.

When this is done I think the bill will be a workable one.

I have not anything to say against the amendment proposed by the gentleman from Alabama [Mr. BANKHEAD] except this. The legislative drafting service is composed of as efficient men as there are in the world in their line, and they have been kind enough to help me, and this is the third draft of this amendment, because when the President vetoed the bill before, through the advice of his Attorney General, he held that the provision as it was then drawn was unconstitutional. I am told by the drafting service that this board could not declare an operating period unless the advisory council agrees to it. They inform me that that is exactly the import of this amendment and they also inform me that in their opinion it is constitutional, and as I have stated, the chairman of the committee has agreed to it.

I want to also say right here that as we proceed to-day under the ruling of the Chair this morning, it seems to me every man who wants farm legislation passed, whether he is for the McNary-Haugen bill or for the Aswell bill, the only sensible parliamentary thing to do is to keep in all the sections of the McNary-Haugen bill. We are now reading the bill, and if the various sections of the bill can be perfected or made better by amendment, then that is all right and we should agree to such amendments. This is the reason I want to amend the bill at this point, because at last, when the committee rises and we go into the House, then the Aswell bill will be voted on; and if it is defeated, I would think everybody, even those who are for the Aswell substitute, would want the Haugen bill in as good shape and as perfect as the committee can make it. So why should you murder this bill by striking out any of its sections? If in the judgment of the committee any amendments are necessary, let us then amend the bill. The gentleman from South Carolina [Mr. FULMER], for instance, has an amendment which he will offer which is one that I think ought to be adopted.

Mr. HAUGEN. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. HAUGEN. I understand the gentleman has offered the amendment which he suggested yesterday.

Mr. KINCHELOE. The same one; yes.

Mr. HAUGEN. The amendment has been drafted with great care.

Mr. KINCHELOE. Yes.

Mr. HAUGEN. My understanding is that the amendment would be held constitutional, and I understand the amendment offered by the gentleman gives the board the veto power which was believed to be unconstitutional in respect of the last bill.

Mr. BANKHEAD. Oh, no.

Mr. HAUGEN. As I stated yesterday, I have no objection to the amendment offered by the gentleman from Kentucky, but I trust the other amendment will not be agreed to.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. KINCHELOE. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. KINCHELOE. As I have said, we ought to keep this bill intact so we go into the House with the Aswell substitute intact and with the McNary-Haugen bill amended and perfected as best it can be in the judgment of a majority of the committee. Then you have a straight vote on the two propositions.

As to the amendment offered by the gentleman from Alabama [Mr. BANKHEAD] I am not saying anything about it because it is the gentleman's amendment, but I do say and repeat that in the judgment of the drafting service, after making three drafts of this proposition, these amendments are constitutional and will prevent this board from declaring an operating period or levying an equalization fee upon any commodity without the consent of the producers.

Mr. BRAND of Georgia. And it meets with their approval?

Mr. KINCHELOE. The legislative drafting service does not express any opinion as to the merit of proposed legislation.

Mr. WRIGHT. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. WRIGHT. Under the provisions of the gentleman's amendment, could the board levy an equalization fee unless the advisory council consented?

Mr. KINCHELOE. No. That is what I am trying to get at exactly.

Mr. BANKHEAD. If that is the effect of the gentleman's amendment and that is constitutional, how would it be unconstitutional to assert it in affirmative terms?

Mr. KINCHELOE. The drafting service has used phrases to evade, in their judgment, the unconstitutional feature of it and for that reason I am for the amendment.

Mr. FORT. Mr. Chairman and gentlemen of the committee, we are now reading the bill for the perfecting of its clauses. In my view this is truly a perfecting amendment in that it finally and completely perfects the unconstitutionality of the whole measure.

With this section inserted in the bill there can be no shadow of doubt in the mind of anyone who has examined the law in regard to the delegation of legislative powers but that the bill is completely and absolutely unconstitutional either with or without the amendment of the gentleman from Alabama [Mr. BANKHEAD].

The opinion of the Attorney General attached to the veto message of the President in the last session of Congress specifically rested one of his reasons for holding the bill unconstitutional upon the ground that it constituted an illegal delegation of legislative power to the board. And it recites the further fact that a delegation of power to the board could not support a further delegation to a mere debating society, unofficial in its nature, such as the advisory council.

I call to the attention of the House that the advisory council created under the act is not even composed of officers of the Government of the United States. They are a nonofficial body, and by this amendment it is proposed to leave to them the review and determination as to whether the officers of the Government of the United States have acted correctly.

If we could not leave all this to the board, we certainly can not go an additional step and leave to an unofficial group the veto power over a group of officials sworn under the law to perform their functions.

Mr. KINCHELOE. Will the gentleman yield?

Mr. FORT. I will.

Mr. KINCHELOE. If perchance my amendment was constitutional, does not the gentleman think the effect would be to give the commodity council a veto on the board's declaring an equalization fee?

Mr. FORT. Yes, if constitutional; but I want to point out another thing. Is not it a legislative absurdity for the Congress of the United States to create a great board of 12 members drawing \$10,000 a year, and then say that all of their important actions are subject to review by a group of seven men not officers of the United States—it is a perfectly absurd legislative proposal in this case, and I renew the statement I made that it would not be proposed in this part of the legislation by anyone who wanted to see the bill become operative as to any commodity produced in his district.

Mr. BRAND of Georgia. Will the gentleman yield?

Mr. FORT. Yes.

Mr. BRAND of Georgia. Will the gentleman point out in the amendment the language which he claims gives the council the veto power?

Mr. FORT (reading):

No marketing period with respect to any agricultural commodity shall be commenced or terminated—

By the way, the termination is fixed in the bill in another section and depends immediately on the decision of the board that it is no longer necessary or advisable—and no equalization fee with respect to the commodity shall be collected unless the advisory council for such commodity has determined (1) that the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board.

In other words, that the board is actually right in the facts considered.

(2) That the board has considered substantially all the material facts and evidence available for making the findings or estimates.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. BRAND of Georgia. Mr. Chairman—

The CHAIRMAN. Is the gentleman in favor of the amendment?

Mr. BRAND of Georgia. I am. I say, Mr. Chairman, that the gentleman from New Jersey, though one of the ablest logicians in this Congress, is putting the wrong construction on this amendment. There is no veto power in it. It is more or less a milk and cider proposition and not at all satisfactory to me, but it is not unconstitutional. I want to read the amendment without interruption.

I want all to understand what it is, because it does not take a lawyer to construe correctly its language:

No marketing period with respect to any agricultural commodity shall be commenced or terminated, and no equalization fee with respect to the commodity shall be collected unless the advisory council has de-

terminated (1) that the findings or estimates which the board is required to make are supported by the evidence and facts considered by the board, and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimates.

It does not say that the advisory council has to concur in this. It does not give the advisory council any power to veto it. It is just a friendly act upon the part of the board and without any mandatory authority. The board, under this amendment, simply confers with the advisory council by submitting to the latter the two propositions set forth in the amendment, and reserves to itself the power to act as it chooses. That is all there is in the amendment. If the question at issue in an action at law was presented to any judge of any court in this Union having jurisdiction as to the validity of the amendment he would not even give a hearing upon the question of its constitutionality. He would not issue a rule nisi upon the petition calling upon the defendant to show cause whether it is constitutional or not. There is not enough on its face, there is not sufficient power conferred by the board upon the advisory council to make a legal issue out of it. The gentleman from New Jersey [Mr. FORT] knows more about this bill than I do, but I think I know as much about the construction of this language as the gentleman does. You Members who are in favor of this bill and who expect us over here in the minority to help you pass the bill, ought to be in favor of this amendment. It does not hurt your constituents, and therefore I think, in all good conscience and equity, you should support the amendment, so that our people, the cotton growers, may stand on an equal footing with your corn and wheat growers.

Mr. GARBER. Mr. Chairman, will the gentleman yield?

Mr. BRAND of Georgia. Yes.

Mr. GARBER. I am in sympathy with the position of the gentleman, but is the gentleman sure that the amendment does not in effect cause the exercise of a power that is only permissible for the board to act upon?

Mr. BRAND of Georgia. I honestly do not. It simply submits this question to the advisory council and asks them if they think they, the board, have arrived at a proper conclusion.

Mr. GARBER. The law looks through the words to the substance, and it will look through this subterfuge to the effect and the substance. I only ask for information. The gentleman has carefully considered the language?

Mr. BRAND of Georgia. I have been considering it for three or four days.

Mr. GARBER. I am willing to defer to the gentleman's judgment.

Mr. BRAND of Georgia. That is very kind. There is no power conferred by the board upon this advisory council requiring them to concur in whatever action the board may finally take. It certainly gives the advisory council no authority to veto what the board does.

Mr. RAMSEYER. Mr. Chairman, this is the third time that a bill bearing the name "McNary-Haugen" has been before this House, and each time I have been called upon to answer some of the constitutional objections urged against the bill. Each time the constitutional objections were presented in minority reports and on the floor of this House in debate. One of the principal objections heretofore stressed against the bill was that the equalization fee is a tax and as a tax was unconstitutional. This objection has been so completely answered that the more thoughtful opponents of the bill no longer seriously press it.

The McNary-Haugen bill passed both Houses of Congress during the second session of the last Congress and was vetoed by the President on February 25, 1927. Accompanying the veto message of the President was the opinion of the Attorney General setting forth his constitutional objections to that bill as submitted to the President. The Attorney General in a carefully considered opinion urged as one of his objections—

that Congress delegates its constitutional power of legislation to private cooperative associations and corporations, and individuals acting collectively, and a board created by the statute.

In a speech before this body on December 7 last, reviewing the Attorney General's opinion, I said on this point:

This objection against the constitutionality of the McNary-Haugen bill as it was framed in the Senate and passed by the House without amendment during the closing days of the last Congress presents, in my opinion, the most dangerous issue that has been raised against the constitutionality of the bill in the form it was submitted to the President. * * * In drafting a new bill due weight and careful consideration should be given to this constitutional objection of the Attorney General.

For discussion of what is and what is not a delegation of legislative power, I cite you to two leading cases, to wit: *Field v. Clark* (143 U. S. 649, at 693, 694), and *J. W. Hampton*,

jr. & Co. v. U. S., decided by the Supreme Court on April 9, 1928. This case is available in pamphlet form. For the guidance of Members of this House, I insert in the Record here quotations from older decisions cited in the two cases to which I just referred:

The true distinction is between the delegation of power to make the law, which necessarily involves a discretion as to what it shall be, and conferring authority or discretion as to its execution, to be exercised under and in pursuance of the law. The first can not be done; to the latter no valid objection can be made. (Cincinnati, Wilmington, etc., Railroad *v.* Commissioners, 1 Ohio St. 88.)

Half of the statutes on our books are in the alternative, depending on the discretion of some person or persons to whom is confided the duty to determine whether the proper occasion exists for executing them. But it can not be said that the exercise of such discretion is the making of the law. (Moers *v.* City of Reading, 21 Penn. St. 188, 202.)

The legislature can not delegate its power to make a law, but it can make a law to delegate a power to determine some fact or state of things upon which the law makes, or intends to make, its own action depend. To deny this would be to stop the wheels of government. There are many things upon which wise and useful legislation must depend which can not be known to the law-making power and must, therefore, be a subject of inquiry and determination outside of the halls of legislation. (Locke's appeal, 72 Penn. St. 491, 498.)

The Congress may not delegate its purely legislative power to a commission, but, having laid down the general rules of action under which a commission shall proceed, it may require of that commission the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by the Congress. (Interstate Commerce Commission *v.* Goodrich Transit Co., 224 U. S. 194, 214.)

The bill before us is a Senate bill. The House Committee on Agriculture took this Senate bill, struck out everything after the enacting clause, and substituted its own bill. The House committee in drafting its bill addressed itself seriously and intelligently to the task of making this bill free from the Attorney General's objection against delegating legislative power. There is nothing more clearly established in constitutional law than that Congress can not delegate its power to legislate. But Congress, having laid down the general rules of action under which an official board shall proceed, it may require of such official board the application of such rules to particular situations and the investigation of facts, with a view to making orders in a particular matter within the rules laid down by Congress. That is exactly what the House Committee on Agriculture undertook to do in the bill before us. That is what Congress did in the flexible provision of the tariff act, which the Supreme Court recently held constitutional. In the latter act the power to determine the facts and to make the order was delegated to the President.

Now, we have before us the amendment of the gentleman from Kentucky [Mr. KINCHELOE] and also the amendment of the gentleman from Alabama [Mr. BANKHEAD]. The Kincheloe amendment undertakes to make the commencement or termination of a marketing period and the collection of the equalization fee contingent upon the advisory council for such commodity determining—

(1) That the findings or estimate which the board is required to make are supported by the evidence and facts considered by the board; and (2) that the board has considered substantially all the material facts and evidence available for making the findings or estimate.

The proponent of this amendment frankly states that the purpose of the amendment is to require the consent of the advisory council for the commencement and termination of a marketing period and the levying of the equalization fee, or, in other words, as he puts it, "it is simply a veto power." The Bankhead amendment in substance provides that no action of the board shall be taken in this respect unless "in the opinion of the council the operating period in such commodities shall commence."

We have here two bodies recognized in this bill—the farm board, appointed by the President with the consent of the Senate, and removable by the President; and advisory councils, with the appointment and removal of whose members the President has nothing to do. The rules laid down to determine the action of the farm board are analogous to the rules laid down in the flexible-tariff provision for the guidance of the President and the rules laid down in the interstate commerce laws for the guidance of the Interstate Commerce Commission. The rules laid down for the guidance of the farm board, an official body, follow the precedents in a number of acts of Congress heretofore held constitutional.

The duty imposed upon the farm board under specific rules laid down in the House bill to determine particular situations and the investigation of facts, the Kincheloe amendment seeks

to impose a like duty upon the advisory council. In other words, the amendment seeks to make the operation of the law depend upon two bodies concurring in the findings of particular situations and state of facts. Of course, if you can create two bodies to find the same situations and facts, and to require the two bodies to concur in their findings thereon, you can create three or four or even five such bodies, and make the operation of the law contingent upon all such bodies concurring in the same findings and conclusions.

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. My time is about gone. The council here is an unofficial body. The second provision of the Kincheloe amendment is that there shall be no marketing period, and so forth, unless the advisory council finds that the board has considered substantially all of the facts, and so forth. The advisory council can find that under the facts considered by the board an operating period should be declared, and then they can, for reason or no reason, find that the board has not considered all the facts, and thereby veto any action by the board.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. RAMSEYER. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. RAMSEYER. Heretofore, when this Congress has passed a law, the going into effect of which was dependent upon the findings of facts or of particular situations, the duty to make such findings was delegated to some official, the President, a Cabinet officer, or some official board or commission, the Interstate Commerce Commission, for example. Officers who were appointed by the President with the consent of the Senate, under the Myers case, are removable by the President. You remember the Myers case where the court held unconstitutional a law requiring the consent of the Senate before the President could remove a postmaster. The Supreme Court held that law unconstitutional for the reason that it interfered with the President's duty to see that the laws are faithfully executed. He had to appoint the postmasters with the consent of the Senate, but he had the power to remove without the consent of the Senate.

Officers upon whom the laws heretofore enacted delegated a power to determine some facts or state of things upon which the law intends to make its own action depend were officers appointed by the President, with the consent of the Senate, and under the holding in the Myers case are removable by the President. That is, the President can remove them if he thinks they are not giving him proper assistance in executing and administering the laws.

Now, here you have in this bill the farm board, an official body the members of which are appointed by the President, with the consent of the Senate, and are removable by the President. In this bill you provide for advisory councils, unofficial bodies, the members of which are not appointed by the President and not removable by him. Article II, section 3, of the Constitution provides:

He—

The President—

shall take care that the laws be faithfully executed.

The amendment before us, in determining the commencement and termination of marketing periods and the imposition of the equalization fee, undertakes to give the advisory council at least coordinate powers with the board. The question arises, can you delegate this power to an unofficial body with the appointment and removal of whose members the President has absolutely nothing to say? Would not the Attorney General find that to clothe an unofficial body with such powers as the amendment contemplates would interfere with that provision of the Constitution making it the duty of the President to see that the laws are faithfully executed?

Mr. JOHNSON of Texas. Mr. Chairman, will the gentleman yield there?

Mr. RAMSEYER. Yes; I yield first to the gentleman from Texas. He has been on his feet, I notice, for some time waiting an opportunity to ask a question.

Mr. JOHNSON of Texas. I was wondering whether in the case of an office created by Congress it would be considered technically an official office.

Mr. RAMSEYER. No. The term "officer of the United States" has a very definite meaning in law. The courts have held that unless a person in the service of the Government holds his place by virtue of an appointment by the President, or one of the courts of justice, or heads of departments authorized to make such an appointment, he is not, strictly speak-

ing, an officer of the United States. The Constitution provides that superior officers shall be appointed by the President with the consent of the Senate.

Mr. JOHNSON of Texas. But Congress could eliminate that necessity or that difficulty by having the officers appointed by the President.

Mr. RAMSEYER. If members of the advisory council were appointed by the President with the consent of the Senate that would constitute them officers of the United States and such council would become an official body.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. RAMSEYER. Yes.

Mr. KINCHELOE. I understand the gentleman voted in favor of the Haugen bill with an equalization fee in it.

Mr. RAMSEYER. Certainly I did.

Mr. KINCHELOE. The gentleman says the Attorney General will jump at that. But the gentleman from Iowa voted for the bill containing the equalization fee, which the Attorney General has stated is unconstitutional.

Mr. RAMSEYER. No. The Attorney General said that the bill in the shape it was in was unconstitutional. But the bill reported by the House committee is in an entirely different shape from that submitted to the President and vetoed by him.

Mr. KINCHELOE. So is this amendment.

Mr. RAMSEYER. If the gentleman's amendment is to confer upon the advisory council a veto power, as he has stated, then I fear it will inject into this bill the weakness that was found by the Attorney General in the bill submitted to the President last February. The gentleman from New Jersey [Mr. Fort] stated that the Kincheloe amendment, which he considers unconstitutional, would invalidate the entire bill. I do not agree with him on that point. I think the marketing agreement and equalization fee provisions which the Kincheloe amendment will affect and taint with unconstitutionality are clearly separable from the rest of the bill. If those provisions should be found unconstitutional by the Supreme Court the rest of the bill will stand with all its machinery intact, without the marketing agreements and the equalization fee. I am against the Kincheloe amendment, because I have grave doubts as to its constitutionality. If I thought that this amendment, if adopted, were not separable from the rest of the bill, I would not hesitate to vote against the entire bill. I hope that gentlemen will not vote to put this amendment in here, which will accomplish nothing except to make a veto of the entire bill more probable. The amendment offered by the gentleman from Alabama [Mr. BANKHEAD] I think is clearly unconstitutional. If you send this bill to the President as the House committee reported it out, free from the Kincheloe and Bankhead amendments, and the bill is referred to the Attorney General for his opinion as to its constitutionality, he will have confronting him quite a different situation from what he had last February. I urge that both amendments be voted down.

Mr. BANKHEAD. Mr. Chairman, I offer an amendment to the amendment.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the section and all amendments thereto close in 15 minutes. Is there objection?

Mr. KINCHELOE. I have two amendments here. Would I be entitled to recognition again? Am I precluded from speaking on the second amendment?

Mr. HAUGEN. Mr. Chairman, I modify my request and make it 20 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on the section and amendments thereto be closed in 20 minutes. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Chairman, I formally offer the amendment, which was read.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BANKHEAD to the amendment offered by Mr. KINCHELOE: At the end of the Kincheloe amendment strike out the period, insert a colon and the following: "3. That in the opinion of the council the operative period in such commodity shall commence."

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I am not offering this amendment in any obstructive or critical way at all. I voted for the McNary-Haugen bill in the last session of Congress, but I voted for it only after the bill as presented to the House gave to the commodity producers a reasonable opportunity to determine whether they thought an equalization fee should be applied to their commodity. The bill

presented by the committee leaves that question entirely to the Federal board without any restriction. I understand that on account of the objections on the part of a number of Members this compromise proposition contained in the amendment of the gentleman from Kentucky [Mr. KINCHELOE] has been proposed and accepted by the chairman of the committee in effect.

Now, what is the purpose of the Kincheloe amendment? What is the heart of it? If it means anything, gentlemen, it means that before an equalization fee shall be applied by the Federal board, the producers, through the advisory council, shall have the opportunity to say whether or not in their opinion it should be applied.

Mr. GARBER. Mr. Chairman, will the gentleman read it?

Mr. BANKHEAD. Yes; I will read it. The Kincheloe amendment says:

No classification fee with respect to a commodity shall be collected unless the advisory council for such commodity has determined that the findings or estimate which it is required to make are supported by the evidence and facts considered by the board, and that the board has considered substantially all the material facts and evidence.

Now, if the purpose and real intent and meaning of the Kincheloe amendment are to give the advisory council and the producers, through the advisory council, a voice in this matter, why should it not be affirmatively expressed in this amendment? I am not going into the constitutionality of this question, but if the Kincheloe amendment proposes anything, as its author says, it means that the advisory council shall have the veto power over the decision of the farm board.

If that is what it means, then my amendment simply further proposes that in addition to the finding of facts, as represented to the board, no fee shall be applied unless the advisory council, representing the cotton, wheat, and corn growers, shall render an opinion that an operating period in that commodity shall apply. That is all there is in this amendment. I do not know whether you want to adopt it or not, but if you are going to do what the Kincheloe amendment in spirit and in purpose, if not in essence, means to do, then it seems to me that in all fairness you ought to make it speak what you mean it should speak.

Mr. WILLIAM E. HULL. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. WILLIAM E. HULL. If the gentleman's amendment be adopted, would it not take all of the power away from the board?

Mr. BANKHEAD. I do not think so. My whole argument is predicated upon the fact that if this means anything it gives the advisory council some power and some power to do what? It gives the advisory council the power to veto the declaration of an operating period unless they recommend that an operating period be declared.

Mr. WILLIAM E. HULL. In other words, if your amendment carries, nobody has got to go into this unless they want to?

Mr. BANKHEAD. Oh, no.

Mr. WILLIAM E. HULL. I can not see it any other way.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. BANKHEAD. Yes.

Mr. COOPER of Wisconsin. Is it not a misnomer to call a body having a veto power an advisory body?

Mr. BANKHEAD. Well, I do not know as to that; it may be.

Mr. COOPER of Wisconsin. It strikes me that way, because you can not give a body much greater power than the veto power. It seems to me a misnomer to call this an advisory body.

Mr. BANKHEAD. What is the purpose of this amendment which I understand the Agricultural Committee has agreed to? What is the purpose of it? Now, gentlemen, answer that question yourselves. If the purpose is to give them power then what objection can there be in saying what the power is on the face of the bill? I have no pride of opinion at all in this proposition, but it seems to me that if you are going to say what you mean you ought to say it in the language as expressed in my amendment.

Mr. ADKINS. Mr. Chairman and gentlemen of the committee, the gentleman from Kentucky had this proposition before the committee and discussed it at great length. The reason the committee did not adopt the amendment was the fact of the constitutional objection, and with me, and I think with the majority of the committee, it was left to be presented to the House, with the understanding that if the drafting service could work this out so it would meet the constitutional objection of the Attorney General we would give it consideration.

Now, lawyers are going to disagree on these things. I think the gentleman from Kentucky has very earnestly tried to avoid the constitutional objection and is giving this advisory council

all the powers that could be given it under the Constitution. I think our drafting service is about as good an authority on constitutional law as any of you lawyers, and that is not saying anything disrespectful about you either. I am well satisfied that through Mr. KINCHELOE—and he is somewhat of a lawyer himself—and the drafting service they have worked out the proposition and given this advisory council as much power as can be given under the Constitution.

I think it would be unfortunate to adopt the amendment offered by the gentleman from Alabama [Mr. BANKHEAD], because I am satisfied, with all the discussions we have had by the legal lights on our committee, that that would make it absolutely unconstitutional.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. ADKINS. Yes.

Mr. DICKINSON of Iowa. This is the outgrowth of a principle which was started several years ago, wherein we created advisory councils for commodity organizations in the cooperative marketing bill. As I understand it, this has the approval of the drafting service, and with their approval it has been presented by the gentleman from Kentucky.

Mr. BANKHEAD. Will the gentleman yield?

Mr. DICKINSON of Iowa. I yield.

Mr. BANKHEAD. What does the gentleman understand to be the real essence of the Kincheloe amendment?

Mr. DICKINSON of Iowa. That the friends and representatives of the farmers have a right to pass upon the facts as presented to the board.

Mr. ADKINS. We are not pretending to do something that the Constitution does not allow us to do.

Mr. DICKINSON of Iowa. I hope the gentleman from Alabama will withdraw his amendment.

Mr. ADKINS. All of those matters have been thoroughly discussed, and we were all in sympathy with Mr. KINCHELOE's idea; but we did not want to go out with something that would be considered unconstitutional. We have a hard hurdle to get over in connection with the equalization fee, and I think the majority of this committee worked earnestly and hard to avoid all of the President's constitutional objections. I think the Kincheloe amendment goes as far as it is possible to go under the Constitution and have the bill stand. I hope the Bankhead amendment will be defeated and that the Kincheloe amendment will be adopted.

Mr. FULMER, Mr. KINCHELOE, and Mr. LOZIER rose.

Mr. FULMER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The Chair thinks the pending amendments ought to first be disposed of.

Mr. KINCHELOE. Then, Mr. Chairman, I ask recognition.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Chairman and gentlemen, I am only going to detain the committee a moment. I simply want to refer to the inconsistency of the position of the gentleman from Iowa [Mr. RAMSEYER]. The gentleman says he is against this amendment because he thinks it is unconstitutional. The drafting service and myself, as well as a few other lawyers around here, differ from the gentleman.

The gentleman wants the amendment defeated because he thinks it is not constitutional, and yet the President vetoed the last bill because his Attorney General said that the equalization fee is unconstitutional, although the gentleman from Iowa is going to vote for the Haugen bill and wants an equalization fee provision in the bill.

Mr. RAMSEYER. Will the gentleman yield?

Mr. KINCHELOE. Just for a question.

Mr. RAMSEYER. I think I am reasonably familiar with the Attorney General's opinion. I have reviewed it several times. The Attorney General gives his reasons why the bill is unconstitutional and does not state among his reasons that it is because of the equalization fee but because of the equalization-fee machinery.

Mr. KINCHELOE. Everybody knows that that is one of the reasons the President of the United States vetoed the bill, and the Attorney General said so.

Mr. RAMSEYER. Everybody does not know what the gentleman has just stated.

Mr. KINCHELOE. Let us see just what this amendment is. It is a limitation. You now have a limitation on this board under this very provision because this board can not appoint the members of this advisory council unless it appoints men who have been previously recommended by farm organizations and other organizations interested in the growing of that particular commodity. This limitation is upon them now. The gentleman from Iowa is for that provision. You can delegate the power of the board to farm organizations and limit the

right of the board to appoint these men, except from names submitted by these farm cooperatives and other organizations, and we say in one breath that the Congress has the power to create this board and has the power to fix its limitations, and we do fix them, and yet in accordance with the statement of the gentleman from Iowa, it can not go one step further and put a limitation on one of the powers of the board. That is all this amendment does.

You will find every enemy of agriculture on the floor of this House voting like the gentleman from Iowa against this amendment. Why? Because it is perfecting this bill, and this amendment, if it is adopted, will get more votes for the bill with the equalization fee in it than any other amendment, which is what you want so much.

If this amendment is defeated, you have a bill here; and under the terms of the bill the farmers of this Nation have not even the right of petition to this board or the right to say to them not to levy an equalization fee, because they do not think it is necessary. They have not the right to say to this board, "Our advisory council, which we recommended and you appointed, does not think this is necessary." The board can do it anyhow.

I am talking as a friend of this bill, and I am appealing to every friend of the bill to adopt this amendment which means so much in the final result on the passage of the bill.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. COOPER of Wisconsin. Does the gentleman's amendment confer the power of veto?

Mr. KINCHELOE. It is a limitation. The effect of this amendment, I am frank to say to the gentleman, is that this board will not have the power to levy an equalization fee unless the advisory council agrees with the facts and findings, and that is what I want.

Mr. LOZIER. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. LOZIER. Is it not true that, if this amendment is adopted and if it should be declared unconstitutional, that would leave in full force and effect the other sections of the bill?

Mr. KINCHELOE. Yes; just the same.

Mr. LOZIER. They are separable provisions, and the court might declare this amendment unconstitutional and yet sustain the other provisions.

Mr. KINCHELOE. Certainly; which is the same point that the gentleman from Iowa made with respect to the equalization-fee provision. There is a section in this bill which provides that if any section of the bill is declared unconstitutional it shall not impair the force and effect of the other provisions of the bill; and I appeal to every Member here who is truly in favor of the bill and who is sympathetic toward its purpose to vote this amendment in the bill. [Applause.]

The CHAIRMAN. The Chair would like to ask the gentleman from Kentucky whether the gentleman wants his two amendments voted on as one amendment or voted upon separately, and if voted upon separately, which amendment does the gentleman desire to be voted upon first?

Mr. KINCHELOE. I have no particular preference about it, but I shall ask unanimous consent that the two amendments may be voted upon as one amendment.

Mr. RAMSEYER. Mr. Chairman, I object.

Mr. BANKHEAD. I offered an amendment not to both of the gentleman's amendments, but only to one of them.

Mr. KINCHELOE. I will not prefer the request, Mr. Chairman.

The CHAIRMAN. The Clerk will report the first amendment offered by the gentleman from Kentucky [Mr. KINCHELOE].

The first amendment offered by the gentleman from Kentucky [Mr. KINCHELOE] was again reported.

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. BANKHEAD].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the second amendment offered by the gentleman from Kentucky [Mr. KINCHELOE].

The question was taken, and the amendment was agreed to.

Mr. FULMER. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from South Carolina.

The Clerk read as follows:

On page 35, line 8, strike out through the period in line 11 and insert in lieu thereof the following:

"Members of each commodity advisory council shall be selected annually by the board only from a list submitted by the cooperative asso-

ciations and other organizations representative of the producers of the commodity in question and by the governors and the heads of the agricultural departments of the several States where the commodity is produced."

Mr. FULMER. Mr. Chairman and gentlemen of the committee, the amendment that we adopted a minute ago is a very important amendment and one we agreed upon that would give some check on the board by the advisory council. I want to call the attention of my friends on this side of the aisle representing the cotton farmers that under my amendment the producers or other organizations of producers not in the cooperative association, governors, and the heads of the agricultural departments representing a commodity, district, or section will be able to say, along with the cooperatives, who will be appointed an advisory council. The cooperative associations will have full power to cooperate with these in submitting a list to the board from which to make their selection of the advisory council.

Under the present bill the cooperative associations of South Carolina, Texas, and other States represent from 3 to 5 per cent of the producers and will have full power to nominate out of the 3 per cent men of their type, representing their own ideas, to pass on this question in the action of the board in going in or out of an operating period. Under my amendment we will have a further check on the board. Instead of appointing the men out of the 3 or 5 per cent, the other 95 per cent will have some say so as to the selection of the advisory council through their governors and agricultural departments.

I want to say to my friends on this side that this amendment has been accepted by friends of the bill on the other side, and there is nothing in the amendment that can interfere with the working of the bill. It simply puts in the governors and heads of these institutions who represent the class of people that would not be represented under the cooperative associations. I hope the amendment will pass, because of the reasons I stated the other day. The amendment of the gentleman from Kentucky [Mr. KINCHELOE] has given us some protection, but without this amendment I will have to vote against the equalization fee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The question was taken; and on a division (demanded by Mr. WILLIAMS) there were 106 ayes and 32 noes.

So the amendment of Mr. FULMER was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Louisiana to strike out section 4.

The question was taken, and the motion was lost.

The Clerk proceeded with the reading of the bill, as follows:

LOANS

SEC. 5. (a) The board is authorized to make loans, out of the revolving fund hereinafter created, to any cooperative association or corporation created and controlled by one or more cooperative associations, upon such terms and conditions as, in the judgment of the board, will afford adequate assurance of repayment and carry out the policy declared in section 1, and upon such other terms and conditions as the board deems necessary. Such loans shall be for one of the following purposes:

(1) For the purpose of assisting the cooperative association or corporation created and controlled by one or more cooperative associations in controlling a seasonal or 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.

(2) For the purpose of developing continuity of cooperative services from the point of production to and including the point of terminal marketing services, if the proceeds of the loan are to be used either (A) for working capital for the cooperative association or corporation created and controlled by one or more cooperative associations, or (B) 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 and equipment, for the preparing, handling, storing, processing, or sale or other disposition of agricultural commodities, or (C) for furnishing funds to the cooperative association or corporation created and controlled by one or more cooperative associations for use as capital for any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended, or (D) for furnishing funds to the cooperative association 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.

(b) In case of a loan to a cooperative association under paragraph (2) of subdivision (a), the notes or other obligations representing the loan (1) may be secured by marketing contracts of mem-

bers of the cooperative association, and be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity delivered under the members' marketing contracts, or (2) may be secured in such other manner as the board deems adequate.

(c) Any corporation created and controlled by one or more cooperative associations shall be eligible to receive loans under this section if the corporation is organized under the laws of any State, has the minimum capital required by the laws of the State of its organization, and agrees with the board:

(1) To adopt by-laws satisfactory to the board in accordance with which any cooperative association handling the same commodity may become a stockholder in such corporation and putting such restrictions upon the alienation of stock in such corporation as will insure the retention both of such stock and of all beneficial interest therein by cooperative associations.

(2) To keep such accounts, records, and memoranda, and make such reports in respect of its transactions, business methods, and financial condition as the board may from time to time prescribe.

(3) To permit the board upon its own initiative or upon written request of any stockholder in the corporation to investigate its financial condition and business methods.

(4) To set aside a reasonable per cent of its profits each year for a reserve fund; which reserve fund may be transformed into fixed capital and certificates representing its ownership issued to the cooperative associations, stockholders in the corporation, with the assent of the board and under terms and conditions approved by the board.

(5) To distribute the balance among its cooperative association stockholders ratably, according to the amount of such commodity produced in the current year that has been marketed through such associations by the producers thereof.

(d) Any loan under this section shall bear interest at the rate of 4 per cent per annum. The aggregate amount of loans under this section, outstanding and unpaid at any one time, shall not exceed \$400,000,000, but—

(1) The aggregate amount of loans for all purposes under paragraph (2) of subdivision (a), outstanding and unpaid at any one time, shall not exceed \$25,000,000; and

(2) The aggregate amount of loans for the purpose of expenditures in federating, consolidating, merging, or extending the membership of cooperative associations or corporations created and controlled by one or more cooperative associations, outstanding and unpaid at any one time, shall not exceed \$2,000,000.

Mr. ASWELL. I move to strike out section 5.

The CHAIRMAN. The gentleman from Louisiana moves to strike out the section.

The question was taken, and the motion was lost.

Mr. KINCHELOE. Mr. Chairman, I move to strike out the last word. I want to ask the chairman of the Agricultural Committee in view of the fact that some gentlemen want to go to a funeral and others to the primaries, what is the reason we can not finish this bill to-night?

Mr. HAUGEN. I am doing the best I can to do that very thing.

Mr. KINCHELOE. Then the gentleman intends to go ahead and finish it?

Mr. HAUGEN. Yes.

Mr. KINCHELOE. Mr. Chairman, I withdraw the pro forma amendment.

Mr. BRAND of Georgia. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read. The Clerk read as follows:

Amendment offered by Mr. BRAND of Georgia: Page 37, line 1, after the word "associations" insert "or corporations created by the law of any State, members thereof to be composed of bona fide farmers who are not members of any cooperative association or any corporation created by a cooperative association, provided such corporations created by the laws of the State are given no more or other authority than the cooperative associations possess."

Mr. LAGUARDIA. Mr. Chairman, I reserve the point of order.

Mr. HAUGEN. Mr. Chairman, I reserve the point of order.

Mr. BRAND of Georgia. Mr. Chairman, on account of the confusion in the Chamber at the time the amendment was read, I will reread it, with your permission. The amendment is to that part of the bill which provides for cooperative associations creating corporations to be controlled by them. I add to it this [reading]:

or corporations created by the laws of any State, members thereof to be composed of bona fide farmers who are not members of any cooperative association or any corporation created by a cooperative association, provided such corporations created by the laws of the State

are given no more or other authority than the cooperative associations possess.

In Georgia, for instance, and it is true of almost every cotton-growing State, we have not 30 farmers out of a thousand who belong to a cooperative association. Nine hundred and seventy farmers out of a thousand will not get the benefits of this bill in so far as the loan privileges are concerned, unless you adopt an amendment like this or something similar to it, so that they can, under the laws of Georgia, form a corporation and become eligible to receive the full benefits of this bill. I provide that the State, the general assembly, or the superior courts shall give these corporations the same but no more authority or power than is possessed by the corporations created by the cooperative associations. I put them on the same level. It will bring into close touch with members of the present cooperative association 970 out of every thousand farmers in the State of Georgia who are not members of the cooperative association. Under the bill these cooperative associations and the corporations created and controlled by the cooperative associations are the only ones, so far as borrowing money by farmers is concerned, who are taken care of. All I ask of you is to let our farmers who are not members of cooperative associations or any corporation created by them cooperate and participate with them in working out this legislation, so that all could get the benefit of the provision of the bill in a corporation of their own.

Mr. DICKINSON of Iowa. Does the gentleman not think, if the benefits of this law are what we think they will be, that his farmers would organize under cooperative organizations?

Mr. BRAND of Georgia. I answer the gentleman frankly by saying that the nonmembers will never join the cooperative association in Georgia, unless they can see some favorable and definite results and actual benefits coming to them from the operation of this bill, if it becomes a law.

Mr. DICKINSON of Iowa. They would have the experience of other organizations to guide them, and, if it was necessary for them to organize a cooperative association, it would be easy for them to organize one of their own, if they did not want to join the one that now exists.

Mr. BRAND of Georgia. All I want done is to give them an opportunity to form one of their own.

Mr. WHITTINGTON. The gentleman does not ask for the formation of a cooperative association.

Mr. BRAND of Georgia. No; I want a corporation or association of farmers who are not members of the cooperative association, and who will not become members, but who are willing to organize in one of their own.

Mr. WHITTINGTON. The gentleman asks for the formation of corporations that would have to pay taxes.

Mr. BRAND of Georgia. No; I do not. I ask for an organization of farmers not members of cooperative associations, but independent of them, who may form an organization of their own, and who will become eligible to receive the benefits of this bill. So far as loans and marketing agreements are concerned, you are legislating for about 3 or 4 per cent of the farmers of Georgia, and 4 or 5 per cent of the farmers in South Carolina, North Carolina, Alabama, and Tennessee. The great body of farmers who till the soil, composed of 90 per cent or 95 per cent of the people of my State and other States, as to borrowing money and selling their cotton to the cooperative association, are excluded from the operation of this bill. They are denied all these privileges. They are outcasts, so far as this legislation is concerned. How would such an amendment as I propose hurt the cooperative associations? How would it hurt the corporations created by the cooperative association to let us form corporations of members who do not belong to it? I do not want to deprive the members of the cooperative association of any of their rights. I do not care to do or say anything to prevent them from successful operation. The object of my amendment is to give the same privileges and rights to those farmers of Georgia and other States who refuse to become members of the cooperative association, so that all farmers may get the full benefits which those of us who favor this legislation hope and believe will result in the enactment of this bill, and I think it is wholly inexcusable and indefensible on the part of any Republican or Democrat to vote to deprive them of such benefit.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LAGUARDIA. Mr. Chairman, I withdraw the point of order.

Mr. HAUGEN. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. BRAND of Georgia) there were—ayes 22, noes 72.

So the amendment was rejected.

Mr. NEWTON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. NEWTON: Page 37, beginning in line 20, strike out all of subdivision (b) ending in line 2 on page 38.

Mr. NEWTON. Mr. Chairman, this is one of the loan provisions in section 5 whereby the board is authorized to loan out of the revolving fund for certain purposes. Among those purposes set forth in paragraph (2) of the section is subdivision (B). This provision authorizes the board to make loans for the acquiring, by purchase or otherwise, terminal marketing facilities. It ought not to be in this bill unless it is safeguarded so as not to be used to put over the financing of the Grain Marketing Corporation of Chicago or anything like it.

When the 1927 Haugen bill was under consideration I called the attention of the House in Committee of the Whole to a similar provision. It was not in the House bill. It had originated over in the Senate. At that time I said:

Mr. Chairman, the amendment I have offered strikes out a provision that has never been considered in a committee of the House or in the Senate. Some two or three years ago there was formed an organization of a so-called grain marketing company in Chicago that took over the elevators and other facilities of Armour Grain Co., J. Rosenbaum & Co., and Rosenbaum Bros.

Some of the facilities were out of date, poorly located, and nonfireproof in construction. The total elevator capacity was upward of 20,000,000 bushels. The literature gotten out by this grain-marketing company described the property as being worth at a fair appraisal \$17,000,000. One of the properties was sold to Armour years ago at a knockdown price of \$325,000. My understanding is that this particular property was valued in this appraisal at between one and one-half and two million dollars. Just how far the other units were overvalued I do not know.

I do know that they did not make a success in their efforts to induce the farmers of the country to subscribe to the stock of this company. After one year of operation the properties went back to those who were trying to unload them. The then head of this Grain Marketing Corporation is still its president. He has been active at the other end of the Capitol in endeavoring to get this provision into the bill, and the only conclusion is that this fund of \$25,000,000 will be put at the disposal of this organization for the purpose of acquiring this property at an excessive price. I would like to know why the Committee on Agriculture of the House is supporting a provision of that kind.

It will be found in the debates on February 17, 1927.

The plan of financing that concern was so bad that the blue-sky commissions of at least two, and possibly three, States refused to permit the Grain Marketing Corporation to sell its stock within the jurisdiction of their respective commissions. And yet those people who were instrumental in forming that corporation were instrumental in trying to sell this stock to the unsuspecting public, including the farmers, and were the foremost in promoting the passage of this measure through the Senate one year ago.

Now, anybody who knows anything about the Armour and Rosenbaum properties knows that they were put into the Grain Marketing Corporation at figures far beyond what they were worth. However, with this provision in the bill they could go before the board and get Government money to finance them. I want to renew the protest I made a year ago against the inclusion of a provision of this kind. [Applause.]

Mr. Chairman, my time is up. I do not want to ask for additional time. Under leave to extend, I want to make these further observations on the loan features. The unwise extension of credit can not help the farmer. That was one of the causes of the inflation and deflation in farm values.

Section 5 of the bill provides that the board may make loans to cooperative associations (or corporations organized or controlled by them) for the following purposes:

First. To assist cooperatives in marketing operations to control seasonal, yearly, national, or local surpluses of any farm commodity.

Second. To provide working capital for cooperatives.

Third. To provide funds for the purchase, construction, or otherwise of facilities and equipment for marketing operations.

Fourth. To furnish cooperatives with funds for use as capital for agricultural-credit corporations.

Fifth. To provide funds for the promotion, merger, or consolidation of cooperative associations.

These loan provisions go far beyond those incorporated in the so-called Jardine plan in 1926, which was in the Fess bill. It provided for loans for the purposes specified under "First"

above. To appreciate the effect of these additional provisions it is necessary to briefly outline the legal status of cooperatives and their members.

All but two States now have laws authorizing the organization of cooperative marketing associations and fixing the relationship and responsibilities of the association and its members. In approximately 35 States these laws authorize the cooperatives to own and hold stock in corporations created for the purpose of carrying out their general objects. The association may be either a stock association or a nonstock association. By far the large majority including some of the largest are nonstock membership organizations. The capital stock of such as are stock organizations is in most cases nominal in amount. With two or three exceptions, notably in my own State of Minnesota and in Illinois, the members are not liable for the debts or obligations of the association except to the extent of the membership fees or stock subscriptions contributed by them.

The board may make loans to cooperatives for any or all of the purposes above specified. It will thus be obvious that the board may provide credit for cooperatives covering not only 100 per cent of the value of the commodities handled by them, but also working capital for the payment of services, rents, warehousing, and other expenses, and for the purchase of facilities, without security and without contribution or liability on the part of the membership or management of the cooperative except to the extent of the membership fees or nominal capital. Thus the Government might furnish all of the capital for the marketing operations, facilities, and promotional work of a cooperative association, the members participating in the profits of the operations but not contributing except nominally to the capital or participating in the losses which would fall upon the Government. In addition, the Government can and will be asked to supply to a cooperative capital fund for the organization of an agricultural credit corporation to be managed and directed without participation or control by the Government, which would use this capital as the basis of loans discountable with intermediate credit banks. Here again neither the management nor the stockholders of the credit corporation would furnish directly any capital or assume any responsibility for losses incurred.

It is obvious to anyone having to do with credits that responsibility for risk of loss is an inseparable corollary to the opportunity of making profits in every sound business or economic enterprise. The lack of financial responsibility for the funds used in any business on the part of the stockholders and management is an incentive to speculation, mismanagement and even of fraud.

It may be urged that the board will not make such loans without adequate assurance of repayment, but it is apparent that all of the loans contemplated, with the exception of those under paragraph 1, are of a character which no sound banking or business institution would make, and in view of the direct authorization of Congress for the making of these loans it would certainly be difficult for the board to refuse to make them and practically impossible for the board to adequately insure their repayment. Repayment would rest wholly upon the success of the enterprise as the cooperative would have only nominal capital assets to cover losses or expenses incurred.

The general authorizations are, in effect, directions to the board to make unsound loans. They are vague and indefinite in terms and uncertain in scope and purpose. They omit all of the restrictions, limitations, and safeguards usually imposed upon the loaning and use of public or semipublic funds.

Subdivision (b) of section 5 provides that loans under paragraph (2) of subdivision (a) of section 5 (2, 3, 4, and 5 above) may be secured by "marketing contracts" of members of the cooperative association and be repaid with interest within a period of 20 years by means of a charge to be deducted from the proceeds of the sale of the members' product by the cooperative. The validity of "marketing contracts" of the sort contemplated by this provision have been sustained by the courts. These agreements, however, have not run for longer periods than five years, and the present tendency is to make them for three years with the privilege of withdrawal. Such agreements ordinarily provide for the deduction from returns made to the member of expenses, reserves, and so forth. This provision is the only basis for assessment of the repayment of the loans and interest upon the member. However, as these contracts run only for short periods and are subject to withdrawal of the member, it is difficult to see how they can safely be taken as security for the repayment on an amortization basis over a period of 20 years of the loans secured by them.

Under subsection (c) of section 5 a corporation created and controlled by cooperatives to which a loan is made under this

section may be required by the board (1) to keep accounts, memoranda, records, and make reports as required by the board; (2) to permit audit and investigation by the board; (3) to establish reserves as required by the board; and (4) to distribute dividends ratably to the associations controlling it and their members. No such requirement is made with respect to cooperatives to whom loans may be made. In view of the fact that the corporation will probably have capital stock of more than nominal character while the cooperatives will not, this distinction scarcely seems justified. It might be contended that similar requirements could be made by the board of cooperatives as a condition upon the loan, but the inclusion of such requirements as to corporations and their exclusion as to cooperatives would seem to indicate the intent of the committee to exempt the cooperatives from these requirements. I do not see the occasion for the distinction.

In considering the scope and character of the powers given by the board and the safety of the loans which may be made by them by these provisions it must be remembered that while conditions can be made precedent to making the loans, once the loan has been made the money is beyond the control of the board and subject to the use and management of the cooperative as though it had been contributed by its members subject only to repayment in terms of the contract. The loan features of this bill are far more extensive than any the administration has ever indicated it could approve. Some are exceedingly unwise. Their inclusion only presents additional grounds for Executive disapproval.

Mr. STRONG of Kansas. Mr. Chairman, I offer a perfecting amendment.

Mr. NEWTON. Mr. Chairman, let us first have a vote on my amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

Mr. HAUGEN. Mr. Chairman, let us have the amendment again reported. This is a very important amendment. I suppose the gentleman had reference to the \$2,000,000 and suggested that we reduce that \$1,000,000?

Mr. NEWTON. No. This relates to subdivision (B), and this involves not \$2,000,000 but something like \$18,000,000 or \$20,000,000.

Mr. HAUGEN. Does the gentleman propose to strike out the appropriation?

Mr. NEWTON. No. I propose to strike out the language on page 37, commencing with (B), on line 20, down to the end of the page and from the top of page 38 down to the middle of line 2.

Mr. HAUGEN. I ask that this amendment be not adopted. It should have more consideration.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. NEWTON. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota asks for a division.

The committee divided; and there were—ayes 14, noes 62. So the amendment was rejected.

Mr. STRONG of Kansas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kansas offers an amendment, which the Clerk will report.

The Clerk read, as follows:

Amendment offered by Mr. STRONG of Kansas: Page 38, line 14, strike out down through line 23, and insert in lieu thereof the following:

"(b) Any loan to a cooperative association under paragraph (2) of subdivision (a) may be required to be repaid, together with interest thereon, within a period of 20 years, by means of a charge to be deducted from the proceeds of the sale or other disposition of each unit of the agricultural commodity handled by the association."

Mr. STRONG of Kansas. Mr. Chairman and gentlemen of the committee, this does not change the section except to leave out the words "the notes or other obligations representing the loan may be secured by marketing contracts of members of the cooperative association."

The first part of the section provides that the board may make these loans "upon such terms and conditions as in the judgment of the board will afford adequate assurance of repayment and carry out the policy declared in section 1 and upon such other terms and conditions as the board deems necessary.

The words my amendment strikes out would limit loans to be secured on marketing contracts of members. Many of the farm organizations do not have marketing contracts, and none of

them have them for a period exceeding five years. Yet this section provides that such loans shall be liquidated in a period of 20 years. So I offer the amendment. The farmers' organizations of my State have asked me to offer this amendment in their behalf, with one other that I will present.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas.

The question was taken, and the amendment was rejected.

Mr. STRONG of Kansas. Mr. Chairman, I have another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kansas.

The Clerk read as follows:

Amendment offered by Mr. STRONG of Kansas: Page 40, line 18, strike out "\$2,000,000" and insert in lieu thereof "\$1,000,000."

Mr. STRONG of Kansas. That amendment, I think, has the support of the committee.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. STRONG of Kansas. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 22, noes 49.

So the amendment was rejected.

Mr. FORT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT: On page 38, beginning in line 2, strike out subsection (c), ending in line 7.

Mr. FORT. Mr. Chairman, on page 38 I have moved to strike out subsection (c) for the purpose of explaining to the committee the meaning and effect of subsection (c).

Subsection (c) authorizes the making of loans to cooperative associations or corporations created or controlled by them for use as capital by any agricultural credit corporation eligible to receive discounts under section 202 of the Federal farm loan act, as amended. Now, the agricultural credit corporation, under section 202, is a corporation on whose indorsement Government funds, provided in the Federal farm loan act, may be loaned. It is a corporation created for the purpose of making loans to farmers, which loans are thereafter made eligible for rediscount on the strength of the indorsement of the credit corporation. The effect of this provision is that the Government loans to the indorser so as to make its indorsement good, when it loans to the borrower. The whole purpose of the agricultural credit corporation provision is to furnish an indorsement, on the faith of which indorsement, Government money may be loaned. This is a provision to loan money with which to make the indorsement good. It seems to me it is an exceeding stretch of Government liberality when it agrees to loan to an individual, if he gets a good indorser, and then loans to the indorser so as to make the indorser good and so the borrower's loan is made good. It seems this is a little strong, gentlemen.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. FORT) there were—ayes 10, noes 65.

So the amendment was rejected.

The CHAIRMAN. The question is on the Aswell motion to strike out the section.

The motion was rejected.

The Clerk read as follows:

INCREASED PRODUCTION

SEC. 6. If the board finds that its advice as to a program of planting and breeding of any agricultural commodity as hereinbefore provided has been substantially disregarded by the producers of the commodity, or that the planting or breeding of any agricultural commodity for any year is substantially greater than a normal increase, as determined by the board, over the average planting or breeding of such commodity for the preceding five years, the board may refuse to make advances for the purchase of such commodity.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 40, line 19, strike out all of section 6.

Mr. HAUGEN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAUGEN: Page 41, line 3, after the word "make," strike out the word "advances" and insert in lieu thereof the word "loans."

Mr. FORT. Mr. Chairman, again I want simply to explain to the committee the meaning of this amendment. This is the one section in the bill that puts upon the board any authority or power whatever, in the event of a continuing and increasing overproduction. This section does not require the board, in the event of a continuing overproduction, to cease advances, but it gives them the power to cease advances if the planting or breeding of the commodity increases over the five-year average.

Now, the purpose of the amendment striking out the word "advances" and inserting the word "loans," if the committee pleases, is to fix the bill so that the provisions of section 9, the marketing agreement section, and the equalization fee provisions of the bill, designed for the deliberate enhancement of prices, must be continued by the board no matter how far production is advanced. If the amendment proposed by the chairman is adopted, the board loses all power to stop operations, no matter how high the production goes. As we have already understood in the discussions, the board is required to begin operations when there is a surplus and, if this amendment is adopted, they are required to keep on operating permanently if the surplus keeps on growing.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. FORT. Yes.

Mr. JACOBSTEIN. Why does the board surrender its power? I am just asking that for information.

Mr. FORT. Because the section as it is now in the bill gives them the power to stop advances, which would apply both to section 9, the marketing agreement section, and to section 5, the loan section. The chairman proposes to take out the word "advances" and insert the word "loans" so that the power of the board to suspend its use of Government money would be operative only under section 5 and not under section 9.

Mr. HAUGEN. Mr. Chairman, the purpose of this amendment is that they may not make loans under this provision. We have section 5, which reads:

The board is authorized to make loans.

And back here it says "advances," which is a different thing altogether. Then, if we want to give the board authority to make loans, let us state it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

The CHAIRMAN. The question is now on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The motion was rejected.

The Clerk read as follows:

INVESTIGATIONS BY BOARD

SEC. 7. The board, upon the request of any cooperative association or upon its own motion, may investigate the conditions surrounding the marketing of any agricultural commodity produced in the United States and determine:

(1) Does a surplus of any such commodity exist or threaten to exist;

(2) Does the existence or threat of such surplus depress or threaten to depress the price of such commodity below the average cost of the actual production of such commodity in continental United States during the preceding five years; and

(3) Are the conditions of durability, preparation, processing, preserving, and marketing of such commodity, or the products therefrom, adaptable to the storage or future disposal of such commodity.

Before declaring or entering its finding upon the foregoing matters the board shall consult with the advisory council for the commodity.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 41, line 4; strike out all of section 7.

The amendment was rejected.

The Clerk read as follows:

CLEARING HOUSE AND TERMINAL MARKET ASSOCIATIONS

SEC. 8. The board may assist in the establishment of, and provide for the registration of, in accordance with such regulations as it may prescribe, (1) clearing house associations adapted, in the opinion of the board, to effect the more orderly production, distribution, and marketing of any agricultural commodity, to prevent gluts or famines in any mar-

ket for such commodity, and to reduce waste incident to the marketing of such commodity, and (2) terminal market associations adapted, in the opinion of the board, to maintain public markets in distribution centers for the more orderly distribution and marketing of any agricultural commodity. Only cooperative associations or corporations created or controlled by one or more cooperative associations shall be eligible for membership in any clearing house association or terminal market association registered under this section. Rules for the governance of any such association shall be adopted by the members thereof with the approval of the board.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 41, line 23, strike out all of section 8.

The amendment was rejected.

The Clerk read as follows:

MARKETING AGREEMENTS

SEC. 9. (a) From time to time, upon request of the advisory council for an 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.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 42, beginning at line 17, strike out all of section 9.

Mr. STEVENSON. Mr. Chairman, I offer a preferential amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. STEVENSON: Page 46, line 1, strike out the word "food" and insert the words "manufactured or processed."

Mr. STEVENSON. Mr. Chairman, I think the gentlemen of the committee will agree that while we may disagree about an equalization fee and about the handling of the food products from exported articles, they do not care to begin to discriminate as between the products of different agricultural commodities.

Frankly, I am opposed to the equalization fee, as you all know. I am for the bill, but for that provision I can not vote.

This is a proposition that they enter into marketing agreements and further on they provide for an equalization fee on the imported articles and on the manufactured food products arising from them. Now the proposition is that the manufactured products arising from any of the articles that come under agricultural commodities should have the same treatment, and my motion is merely to strike out "food" and insert "manufactured or processed" products.

There is no use in mincing words about it. The cotton manufacturer is here along with the farmer and they are all bound up together.

You have a provision that cotton, when it comes in, shall have an equalization fee. You have a provision that when wheat comes in it shall have an equalization fee. You have a provision that when the food products of wheat and other things come in they shall have an equalization fee and they shall be subject to these marketing contracts, but you have left out the products of other things.

Now, we wear clothing as well as eat flour, so far as that is concerned, and the cotton-mill people of this country have the right to have the same protection on that which is brought in here that the flour manufacturer has—nothing more and nothing less—and this is a proposition to put that in the bill.

Oh, you may say that the manufacturer of cotton goods is protected. I take it for granted that the amount of his tariff would be taken into account when you come to fix the equalization fee and when you come to fix your marketing agreement, but the fact there is a tariff on cotton goods does not put that article in a class to be outlawed.

Mr. WRIGHT. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. WRIGHT. Is there not also a tariff on wheat?

Mr. STEVENSON. Yes; and on flour, too. Why should there be this discrimination between the cotton goods and the flour and the meat? There is absolutely no justice in a refusal to include the processed and manufactured goods of cotton as well as the processed and manufactured products of wheat and of cattle and of hogs and all that kind of thing. For this

reason I moved to strike out the word "food" and insert "manufactured or processed" products from any agricultural commodity dealt with in this bill.

Mr. BURTNES. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BURTNES. Would not that include dealings in calico, gingham, cloth, overcoats, and shoes?

Mr. STEVENSON. Let me ask the gentleman a question. Does not this other provision include dealing with hog products, lard, chitlings, and everything of that kind? Why, of course it does, and we should include the products of every agricultural commodity that comes in here if we are going to include any of them.

As I have said, I am in favor of some of this legislation. I am not in favor of this feature of it, but if you are going to put it in here I am going to put it squarely up to you as to whether you are going to treat everybody alike or not.

Mr. DICKINSON of Iowa. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. DICKINSON of Iowa. Have you not a tariff on cotton textiles now, and is not the whole policy of this bill one of putting the other commodities on an equality?

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. STEVENSON. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from South Carolina asks for five minutes more. Is there objection?

Mr. HAUGEN. Mr. Chairman, I shall have to object, although I dislike to do so very much.

Mr. STEVENSON. Can the Chair give me one minute more to answer the question?

The CHAIRMAN. The gentleman asks for one minute more. Is there objection?

There was no objection.

Mr. STEVENSON. There is a tariff on flour and all other things you are putting in but you say you want to put the farmer on an equality with everybody else when the tariff protects the manufacturer and yet you are providing in this bill to make the farmer pay the expense of his protection while in the tariff the whole people pay it, and the railroads unload the whole advance of rates allowed them on the people. You are going to put the farmer on an equality when you put him in a hole and make him pay for every protection you are professing to give him. My colleague from South Carolina [Mr. FULMER] has stated that it is not the idea of this bill to raise the price of cotton in this country above the world price. Then what is the bill for and why is it contemplated to put a tax of \$10 or more a bale on cotton? It is idle to say we can raise the world price. In the last five years we exported 37,000,000 bales while the balance of the world sold in the world markets 47,000,000 bales. But the question is, Why do you discriminate in favor of the products of wheat and hogs against the products of cotton? With that discrimination in the bill and an equalization fee on cotton which you refuse to limit to \$10 a bale, I can not vote for the bill. I would vote for it without the fee. I regret my inability to go along with my friends who favor it, but can not defend it in that shape, and we have been unable to amend it substantially.

Mr. HAUGEN. Mr. Chairman, the bill relates to agricultural commodities and we do not contemplate covering shoestrings or pins.

Mr. CRISP. Mr. Chairman, I know the House is impatient, and I shall take but a moment. I am opposed, as you know, to the equalization fee. I will vote against the bill with the equalization fee in it, and I will vote for it with it out. If you are going to give the benefit of the equalization fee to the processors of wheat, corn, and meats I feel that the textile industry is entitled to the same consideration at the hands of Congress. Therefore, I shall vote for the Stevenson amendment. I ask unanimous consent to extend my remarks by publishing a telegram from the Georgia Cotton Manufacturers Association, signed by leading cotton manufacturers in Georgia.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

The telegram is as follows:

ATLANTA, GA., May 1, 1928.

Hon. CHARLES R. CRISP,
House of Representatives, Washington, D. C.:

Undersigned directors Georgia Cotton Manufacturers Association met to-day and considered McNary-Haugen bill. We believe present bill permits serious injury to southern cotton mills, which was never in-

tended. Under this bill cotton may be sold at lower prices in foreign countries, giving foreign mills lower raw material and lower costs. At same time equalization fee may be added to price of our cotton, increasing inequality in cost of cotton between foreign and southern mills. Foreign mills can then sell in both American and foreign countries below our cost, seriously affecting American market and destroying large export trade of southern mills. We ask same protection as provided for packers. We know nothing which can be put in bill to prevent injury to southern export trade. This sale of cotton in foreign countries not only is permitted but will almost inevitably take place in operating under present bill. These features are very serious and we urge your assistance to prevent this injury and injustice. If this bill must pass, we implore you in the name of justice and fairness to have rider attached to McNary-Haugen bill providing for duty on importation of foreign jute, which would help condition of southern cotton farmers immeasurably.

J. J. SCOTT, *President.*
 GEO. S. HARRIS.
 D. A. JEWELL, JR., *Treasurer.*
 CLIFFORD J. SWIFT, *Vice President.*
 CASON J. CALLAWAY.
 FULLER E. CALLAWAY, JR.
 NORMAN E. ELSAS.
 W. N. BANKS.
 W. H. HIGHTOWER.
 P. E. GLENN.
 P. K. MCKENNEY.
 D. W. ANDERSON.
 HATTON LOVEJOY, *General Counsel.*
 S. A. FORTSON.
 T. M. FORBES, *Secretary.*

Mr. HAUGEN. Mr. Chairman, I move that all debate on this section and all amendments thereto close in seven minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. FULMER. Mr. Chairman and gentlemen of the committee, I merely rise to say that my colleague from South Carolina [Mr. STEVENSON] is unnecessarily alarmed and also is the lady from Massachusetts [Mrs. ROGERS]. I have a telegram here from a cotton mill in Boston saying that we propose to make two prices on cotton, one price in the United States and a lower price in foreign countries, and thereby when we dump cheap cotton into the foreign countries that they would be enabled to manufacture it into goods and ship them back and undersell the manufacturers in this country. As a matter of fact there is nothing of that kind contemplated. We only propose to take care of the surplus and stabilize the price. The price in the foreign countries will be identically the same price as in this country with the freight, insurance charges added for carrying it to the foreign country. In the case of grain, if you dump a certain amount in the foreign countries cheaper than in America, then they would be able to ship it back in competition, but not so with cotton.

Last year we had a telegram from the cotton mills in North Carolina stating that they objected to the passage of the bill for that reason—putting a higher price on cotton in the United States and a cheaper price on what we export to foreign countries they said would ruin our mills. When asked what they would offer as a substitute they said if you want to do anything create a fund whereby you might take the surplus of cotton off the market and feed it back into the market in an orderly way, and that is what we are trying to do.

Mr. LOZIER. Will the gentleman yield?

Mr. FULMER. Yes.

Mr. LOZIER. Is it not true that the effect of the bill would be to take the surplus and feed it back into the world market in an orderly manner and thereby increase the world price?

Mr. FULMER. Absolutely; and if you had an equalization fee on manufactured goods coming into the country it would be an additional tariff in the interest of the manufacturer and against the consumer of the manufactured products.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. STEVENSON].

The question was taken, and the amendment was rejected.

Mr. BLACK of New York. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment by Mr. BLACK of New York: Page 43, after line 14, insert "If, in the opinion of the board, the prices of agricultural products are, or would be, favorably affected thereby, the board shall provide the marketing of commodities for the manufacture of beverages

containing not more than 2% per cent of alcohol by volume. Shall make and promulgate rules and regulations by, and with the consent of, the Secretary of the Treasury for the manufacturing, storing, disposing of, and selling of such products. All acts or parts of acts inconsistent herewith are hereby repealed."

Mr. DOWELL. Mr. Chairman, I reserve the point of order.

Mr. BLACK of New York. Mr. Chairman, gentlemen will remember that I proved the other day that prohibition is the cause of the farmer's trouble. If you adopt this amendment you will make the bill popular. Moreover, if you adopt the amendment, I guarantee you enough votes to pass the bill over the President's veto. This is just as constitutional as the equalization fee or anything else in the bill.

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. The point of order is sustained. The question is on the motion of the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The motion was rejected.

The Clerk read as follows:

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

bable 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.

(b) 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.

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

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. Mr. Chairman, the committee yesterday, according to the ruling of the Chairman to-day, adopted the Aswell substitute. I believe every Member will readily agree that in voting yesterday on the Aswell substitute he voted not with reference to section 1, but with reference to the equalization fee. My inquiry is this: Having been stricken out by the vote of yesterday, is it not the proper procedure now not to consider or amend this section? It has once been stricken out in the voting, and everyone knows that this is what was voted on, and not the first section of the bill.

Mr. CHINDBLOM. The gentleman means to make the point of order?

Mr. ASWELL. Yes; I do make the point of order.

Mr. CANNON. Mr. Chairman, not only were those sections not stricken out, but they were the only sections that were not stricken out by the Aswell amendment. The Aswell amendment as finally agreed to strikes out every other portion of the bill and provides a substitute. But those portions relating to the equalization fee have not yet been considered and no action has been taken affecting them in any way. The Aswell substitute does not mention them, and the first proposal touching them is the motion to strike out which the gentleman from Louisiana [Mr. ASWELL] gave notice of his intention to make at the time he offered his first amendment.

Mr. ASWELL. That is not a fair statement. The committee has expressed its judgment against the equalization fee.

Mr. CANNON. The equalization proposition has not yet been before the committee. That is the one proposition in the entire bill upon which the committee has not yet expressed itself. The committee has expressed itself upon every other proposition

in this bill by agreeing to the motion proposed by the gentleman to strike out and substitute. But up to this time no action whatever has been taken affecting sections 10 and 11.

Mr. ASWELL. That is not a fair statement.

Mr. CANNON. It is a fair statement, because it is the only statement which could be made in accordance with the facts.

The CHAIRMAN. The Chair does not understand that there is anything before the committee.

Mr. ASWELL. I make the point of order that it is not in order to vote upon section 10.

The CHAIRMAN. No motion is before the committee.

Mr. LAGUARDIA. Mr. Chairman, I have a perfecting amendment which I desire to submit.

Mr. ASWELL. Is it not proper to make the point of order at this place that it is not in order to vote on this section of the bill?

Mr. DOWELL. Not until a motion is made.

The CHAIRMAN. The Chair thinks that this section is in the bill. The Aswell amendment struck out the first section of the bill. The Chair thinks this section is in the bill.

Mr. ASWELL. I move to strike it out.

The CHAIRMAN. The gentleman from Louisiana moves to strike out section 10.

Mrs. ROGERS. Mr. Chairman, I offer the following amendments, which I send to the desk.

The Clerk read as follows:

Amendments offered by Mrs. ROGERS: Page 46, line 4, strike out the word "food" and in lieu thereof insert the words "manufactured or processed"; page 48, line 21, strike out the word "food" and insert in lieu thereof the words "manufactured or processed"; page 49, line 7, strike out the word "food" and insert in lieu thereof the words "manufactured or processed."

Mr. DOWELL. Mr. Chairman, on that I reserve the point of order.

Mrs. ROGERS. Mr. Chairman, I know that the Members are all tired and restless. I know the western Members want to help their farmers. Frankly, I can not see how this bill will help them except for a brief period.

I want to help my manufacturers and the people who work in the mills, as well as the stockholders. [Applause.] I am pleading for the farmers, the bankers, the manufacturers, the operators, the shopkeepers, and for everyone in the North, the South, the East, and the West. I wonder if you realize just what you will do if you take away the purchasing power from the wage earners employed in our cotton mills. There are over 450,000 wage earners in the cotton mills to-day. There are over 1,600 cotton establishments, and the cotton-mill operatives' pay roll at the present time is over \$375,000,000. In the textile mills there are over 1,110,000 wage earners to-day. There are over 7,000 textile establishments, and the textile-mill operatives' pay roll at the present time is over \$1,066,000,000. You can imagine just what would happen to the farmers as well as to the salespeople in the towns and cities if you take away—if you cripple or completely demolish—the purchasing power of the wage earners, and take away also the money that the stockholders receive from the dividends on stocks in these mills; and the consumer, if this bill should be enacted, would have to pay a higher price for the staples of life than ever before in the history of this country.

No doubt a good many of you own mill stock and perhaps you do not remember that fact to-day.

We do not all agree about the equalization fee. I am afraid I can not go along with you in voting for that. But if you impose the equalization fee on raw-cotton imports and thereby increase the cost of cotton for our manufacturers who import raw cotton from Egypt, China, or Peru, it seems to me that in all fairness you ought to impose the fee on the imported manufactured or processed products. You ought not to place our mills at such a terrible disadvantage. Under the present bill you can sell raw cotton, I am told by experts, to foreign countries at a lower price than would be paid for it in this country. Those foreign mills would purchase that raw cotton at a cheaper price than we pay for it, and compete with the mills in this country in manufactured cotton goods, thereby placing our mills at a great disadvantage. We could not possibly compete successfully, either in our country or in foreign countries, with those foreign countries if that were the case. At the present time we import about 150,000,000 yards of cotton cloth a year. Think how this would be increased with no equalization fee on imported finished goods.

Mr. FULMER. Mr. Chairman, will the lady permit an interruption?

Mrs. ROGERS. I am sorry I can not; I have such a short time.

You all know that this Congress has spent money for trade commissioners to try to develop our export trade in cotton and other finished commodities, and we have succeeded in increasing that trade steadily. We export nearly 600,000,000 square yards a year. I do not see how in your conscience and in your hearts you could entirely kill any continental export trade we might have.

I am pleading for everybody in the entire country; not only for the cotton manufacturers but for everybody, because if they fail many others will fail.

The gentleman spoke of the tariff on cotton goods. It is true that there is a tariff, but does that tariff allow for the fluctuation of prices which the equalization fee would bring about? It would not, and you would have to change your tariff very frequently, because the present tariff would not take care of the conditions that would arise as a result of the equalization fee on raw-cotton imports and no equalization fee on the manufactured cotton goods. We would be subsidizing foreign trade. I was talking only last night with some foreigners, and they seemed to be very much amused by this injustice that we are planning to inflict upon our cotton manufacturers. They are only too glad to secure our trade. [Applause.]

Will you tell the people of your State that they will be thrown out of work if the mills close—that you gave their chance for work to foreign labor in foreign countries?

Will you not give the cotton manufacturers a fair chance to keep alive this industry? Once more I bring to the attention of the Members of the House the table showing the number of States that have cotton mills in them. How can the Members of those States answer their constituents if the vote on my amendment is not "aye"? They are here to pass laws to assist these industries, not to cripple and annihilate them.

States' trade in March, 1928, cotton spindles in place in the United States

Alabama	1,595,620
California	54,128
Connecticut	1,125,412
Georgia	3,070,688
Maine	1,123,268
Massachusetts	9,773,322
Mississippi	175,402
New Hampshire	1,415,694
New Jersey	378,936
New York	860,280
North Carolina	6,201,576
Rhode Island	2,345,960
South Carolina	5,475,498
Tennessee	604,116
Texas	276,736
Virginia	710,952
Illinois	59,072
Indiana	85,704
Kentucky	83,202
Louisiana	100,704
Maryland	81,784
Pennsylvania	114,164
Vermont	144,808
Arkansas	45,044
Missouri	31,724
Oklahoma	30,912
Michigan	35,136
Ohio	12,360
Total	36,012,262

Spindles in place in New England States and cotton-growing States

	Cotton-growing States		New England States	
	Spindles in place	Annual change	Spindles in place	Annual change (increase (+) or decrease (-))
1911	11,596,000		17,045,000	
1912	11,896,000	+300,000	17,571,000	+526,000
1913	12,430,000	+534,000	17,620,000	+49,000
1914	12,939,000	+509,000	17,682,000	+62,000
1915	13,200,000	+261,000	17,526,000	-156,000
1916	13,498,000	+208,000	17,788,000	+262,000
1917	14,145,000	+647,000	18,002,000	+214,000
1918	14,526,000	+381,000	18,267,000	+265,000
1919	14,902,000	+376,000	18,393,000	+126,000
1920	15,179,000	+277,000	18,543,000	+150,000
1921	15,720,000	+541,000	18,734,000	+191,000
1922	16,075,000	+355,000	18,856,000	+122,000
1923	16,458,000	+383,000	18,930,000	+74,000
1924	17,226,000	+768,000	18,576,000	-354,000
1925	17,635,000	+409,000	18,333,000	-243,000
1926	17,875,000	+240,000	17,946,000	-387,000
1927	18,169,000	+294,000	16,871,000	-1,075,000

I have received messages from manufacturers and people all over this country asking that this amendment be introduced and passed. Boots and shoes and tobacco also would be included in the amendment. The makers of these commodities would be vitally hurt without this amendment.

The following is the National Association of Cotton Manufacturers' resolution, unanimously adopted, which has been sent to me:

The board of government of the National Association of Cotton Manufacturers to-day considered certain features of the McNary-Haugen bill which affects the cotton-textile industry.

The board of government appreciates the unfortunate economic conditions which have adversely affected the position of the farmer, but believes that the present bill is uneconomic, unsound, and will not afford the relief to the farmer for which it is designed. Furthermore, certain features of the bill, if put into operation, would so seriously affect the cotton-manufacturing industry as well as other branches of the textile industry as to cause further serious depression, if not actual disaster.

If, however, this type of legislation has prospects of favorable consideration by Congress and the administration, the board believes that an amendment should be offered by which the textile industry, whose interests are very closely related to the farmer, would not be so seriously damaged. The damage thus caused to the American textile industry, the cotton farmer's best customer, would in turn react on and seriously damage the cotton farmers themselves. The amendment suggested is that of including cotton goods within the operations of the act and to apply the equalization-fee plan to cotton goods in respect to both imports and exports.

Following are outlined some effects upon the textile industry which would result from the enactment of the legislation passed by the Senate and now before the House, unless an amendment to include cotton goods is added.

The present bill provides that raw cotton be exported at world market prices, which means at prices below those current in the domestic market and that the losses on such exports of cotton would be made up out of equalization fees collected on sales of cotton to domestic mills. In effect, this means that foreign mills could secure American cotton at prices less than that paid for it by domestic mills.

Foreign mills, therefore, could convert the American cotton into yarns and cloth, and because such were made out of cotton obtained at prices oftentimes considerably below that paid for it by domestic mills, could export these yarns and cloths to the United States at prices low enough to undersell with the yarns and cloths from American mills in spite of any tariff. Furthermore, foreign mills would make yarns and cloths out of their cheaper American cotton and export them to the world's markets in competition with American exports of such commodities, thus almost entirely killing our own export trade in cotton textiles which now amount to nearly 600,000,000 square yards a year.

The disastrous effects of the operation of such a law on the chief consumer of farm products has been recognized in the provisions for the protection of the packers and flour mills, their most important customers.

The flour mills and the packers process and distribute grain and animal products. The cotton mills process and distribute raw cotton, the product of the cotton farmer. The cotton mills should, therefore, be included in the McNary-Haugen bill in order to protect the cotton farmer's chief market.

In view of the serious consequences to the textile industry which would follow from the operation of the McNary-Haugen bill as now

State	Spinning spindles		Active spindle-hours for March	
	In place Mar. 31, 1928	Active during March	Total	Average per spindle in place
United States	36,012,262	31,412,820	8,312,305,109	231
Cotton-growing States	18,456,362	17,830,552	5,508,055,878	298
New England States	15,928,464	12,216,306	2,511,842,649	158
All other States	1,627,436	1,365,962	292,406,582	180
Alabama	1,595,620	1,539,006	452,240,872	283
Connecticut	1,125,412	1,051,488	228,945,309	203
Georgia	3,070,688	2,953,626	940,362,764	306
Maine	1,123,268	885,102	169,694,890	151
Massachusetts	9,773,322	7,349,966	1,506,313,241	154
Mississippi	175,402	159,334	51,978,982	296
New Hampshire	1,415,694	1,033,944	233,351,148	165
New Jersey	378,936	371,328	73,652,709	194
New York	860,280	653,262	148,107,338	172
North Carolina	6,201,576	5,954,196	1,866,229,650	301
Rhode Island	2,345,960	1,778,918	346,692,232	148
South Carolina	5,475,498	5,362,376	1,725,938,586	315
Tennessee	604,116	585,284	188,288,849	312
Texas	276,736	248,890	69,505,908	251
Virginia	710,952	685,518	130,169,666	183
All other States	878,802	770,582	180,829,945	206

before Congress your board of government recommends that this association urge the adoption of such an amendment, and that a committee of four be appointed to bring this situation to the attention of Members of the House and Senate.

The CHAIRMAN. The time of the lady from Massachusetts has expired. The question is on agreeing to the amendment offered by the lady from Massachusetts.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mrs. ROGERS. I ask for a division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 54, noes 81.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 47, line 25, after the word "collection," insert the following: "*Provided*, That when any equalization fee is levied in respect to cattle or swine or the processing or sale thereof, a similar fee of not less than the same amount per pound shall also be levied on the first sale of any stock of food products made from cattle or swine on hand and owned by any individual or corporation at the time of the beginning of such period of operation: *Provided, however*, That the board shall exempt all of such commodities owned in good faith by retail dealers at the time of the declaring of such operative period from the operation of this clause."

Mr. JONES. Mr. Chairman, I would like to have the attention of the Members of the House on this amendment. This amendment was adopted two years ago when I offered it to the McNary-Haugen bill of that date. According to the testimony of the packers who appeared before us in connection with the packing houses and stock yards, they keep somewhere from \$150,000,000 to \$200,000,000 value in food and meat products on hand. If you put an equalization fee on live cattle and live pork, and the bill has the effect you think it will have, it will raise the price of those cattle and swine, let us say, for example, 2 or 3 cents per pound. I do not know that it will have that effect, but that is the hope of the bill. If it does, \$200,000,000 worth of packers' products on hand in storage warehouses will be increased in value many millions of dollars. My amendment provides that when you levy an equalization fee on the cattle and on the swine there shall be levied a similar fee of not less than the same amount per pound upon the stock held in storage by the packeries and those who engage in wholesale transactions. I exempt the retail dealers because the amount in their hands would be so small that it would not be worth price of collecting.

Mr. Chairman, I think the chairman of the Committee on Agriculture ought to agree to this amendment. After full discussion, this same amendment became attached to and became a part of the bill which passed this House two years ago. The undisputed testimony of the packers themselves when they appeared before the Committee on Agriculture but two years ago was to the effect that they kept on hand constantly and continuously from \$150,000,000 to \$200,000,000 in value in meat products. Anyone who will stop to think for a moment will see that if they have \$150,000,000 in value in meat products, when a fee is levied on the cattle owner and on the hog owner and it is not levied on the processed product then on hand and in the storage warehouses, which my amendment covers, you will present to the packers from \$20,000,000 to \$30,000,000 as a present at the expense of the farmer-stockman. Do you think that is right?

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

Mr. JONES. Yes.

Mr. CRISP. I am in sympathy with the gentleman's amendment. Can the gentleman tell the committee whether or not the Committee on Agriculture considered it; and if so, why it was not included in the bill?

Mr. JONES. I do not know why it was not included in this measure.

Mr. ADKINS. There was not anything that was not talked over in the committee.

Mr. JONES. I do not know whether it was or not; it was not considered while I was there; and I do not think this was considered in the committee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in five minutes.

Mr. LAGUARDIA. Mr. Chairman, I have two amendments which I want to offer.

Mr. LANKFORD. And I have an amendment which I want to offer.

Mr. EDWARDS. I suggest that the gentleman make it one hour.

Mr. HAUGEN. Mr. Chairman, I will make it 10 minutes.

Mr. CHINDBLOM. Mr. Chairman, reserving the right to object, I want to know whether there are more things coming in here that were not considered by the committee at the request of the members of the committee.

Mr. HAUGEN. There are none that I know of.

Mr. JONES. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. ASWELL. I object, Mr. Chairman.

Mr. HAUGEN. Then, Mr. Chairman, I move that all debate close in 15 minutes.

The CHAIRMAN. Will the gentleman from Iowa withhold his motion until a vote is taken on the Jones amendment?

Mr. HAUGEN. I will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 121, noes 54.

So the amendment was agreed to.

Mr. HAUGEN. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 15 minutes.

Mr. ASWELL. I hope that motion will not be adopted.

The CHAIRMAN. The question is on agreeing to the motion made by the gentleman from Iowa.

The motion was agreed to.

Mr. NEWTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. NEWTON: Page 47, line 3, after the word "agreements" strike out the rest of the line, and all of lines 4, 5, 6, and 7.

Mr. NEWTON. Mr. Chairman, this is the fourth time that Congress has had under consideration the so-called McNary-Haugen bill. The first one was in 1924, immediately preceding a presidential election. The second one was in 1926, immediately preceding a congressional election. The third was in 1927, when plans were being made for the presidential election the coming year. This, the fourth bill, is presented to us in 1928, during a preconvention presidential campaign and immediately preceding another presidential election. I voted against each and every one of the preceding McNary-Haugen bills, because they involved governmental price fixing of certain commodities and otherwise projected the Government into business, violated other economic laws, and, in addition, were unquestionably unconstitutional.

Following the presidential veto of the 1927 Haugen bill, I was in hopes that the Committee on Agriculture would report out a bill this year which was economically sound and in keeping with our Constitution. While I come from a city district, I realize that the people whom I represent appreciate the fact that in a large measure they can not prosper unless there is prosperity in the large farming community which they serve. There can be no question but what there has been a slump in agriculture, which commenced either late in 1920 or in the summer of 1921. There can be no question but what there has been a marked improvement in the condition of agriculture since this slump. This improvement can be traced, in part, to the operation of economic laws, while some of the improvement can be justly credited to at least some of the 23 laws, including the emergency tariff act of 1921 and the Fordney-McCumber Protective Tariff Act of 1922, which Congress has passed in an endeavor to improve the situation. Every effort, therefore, should be put forth, which can legitimately be put forth, to still further improve the situation.

However, if we are going to be frank with ourselves and with the country, we must recognize a limitation surrounding any attempt to cure economic ills by statutory enactments.

INFLATION OF FARM VALUES

For example—and I shall only enumerate several factors—Congress can not restore land values which in fact never existed. The farmer has experienced in the past 15 years, first, an inflation of farm-land values, and then later a substantial deflation. According to figures given in the Government census of 1910, the average sales value of farms in Minnesota was \$36 per acre; in 1920 that had been increased to \$90 per acre. In the State of Iowa the advance was from an average of \$82 per acre in 1910 to \$200 per acre in 1920. Under the natural stimulus of

increasing values there was much buying and selling of land. Generally this involved a cash payment for a portion of the purchase price, with a mortgage, and a very substantial one, for the balance. As a result total farm indebtedness jumped from \$1,750,000,000 in 1910 to \$4,000,000,000 in 1920. This, of course, resulted in not only substantially increasing the farmers' indebtedness but his investment, rate of interest, and general overhead as well. I submit that there is nothing that we can do in a legislative way which will put back those values which in fact never existed. Some one has to take a loss.

POOR FARMING

There has been some poor farming in this country of ours; land has been put too often to one crop. Scientific principles of crop rotation have not been followed. As a result the average yield per acre in certain portions of the country is substantially less than what it would have been if better farming methods had prevailed. Congress can not put back fertility into an impoverished soil nor make a good farmer out of a poor one, nor an ambitious or industrious farmer out of a lazy one.

INCREASED TAXES

During the inflation period taxes on farms were greatly increased. The farmer's overhead expenses were thereby multiplied. He must pay his taxes in cash. It must be apparent that an increase in taxes has a more far-reaching effect upon the farmer than that of the man engaged in other lines of business. Notwithstanding the deflation there has been no appreciable decrease in taxes. In 1913 farmers of the United States were paying in direct taxes for State and local purposes \$315,000,000. In 1922 they were paying \$861,000,000. This constitutes an increase of 175 per cent. It is apparent that a much greater percentage of his income is now payable in taxes than was the case during the pre-war period. These taxes are not paid to the Federal Government. Generally speaking, the farmer pays practically no direct taxes to the Federal Government. These taxes are levied by States, counties, and so forth. It is, of course, perfectly obvious that Congress can not do anything to meet that kind of a situation.

Some of the people who have been advocating this type of farm-relief legislation to the exclusion of all others might well devote some of their time and energy to the study of State and local taxation and the farmer, with the idea of finding out whether there should not be a readjustment of State and local tax burdens.

WHAT WE CAN DO

However, Mr. Chairman, we can enact legislation which will tend to relieve, at least in part, some of the difficulties confronting agriculture and the country during this period of readjustment. I have the time to refer to them but briefly. For example:

First. Transportation costs have substantially increased during the last 10 years. This has been due to substantial increases in the cost of materials and to substantial wage increases to employees. Ours is a country of magnificent distances. Any increase in transportation costs has its inevitable effect upon products of factory and farm. This is particularly true of the farm, because, generally speaking, the farmer is farther away from the points of consumption. Every legitimate effort should be put forth to lessen transportation rates. In view of the substantial increase in the cost of doing business, it is doubtful whether railroad freight rates on farm products can be substantially lessened. I hope, however, that some reduction can be made under the proceedings now pending before the Interstate Commerce Commission. There is a way out for us, however, if we will hasten the development of our inland waterways, including the Great Lakes-St. Lawrence Waterway project and the extension of the present barge line service upon the Mississippi River and its tributaries so that it can handle much greater tonnage of farm products. For example, wheat for export can be sent to Liverpool via the Mississippi River and the port of New Orleans for 10 cents less—that is, from the Northwest—than the present rail-lake and rail route via New York to Liverpool.

Second. The farmer is receiving very substantial benefits under existing protective-tariff legislation. Ninety-five per cent of the food products produced in this country are consumed in this country. When the Fordney-McCumber tariff bill was under consideration, Congress practically let the farmers write their own schedules. As a result the farmer enjoys the benefit of the substantial protection of this great domestic market. You will find that the imports of farm products are negligible, excepting as to a few commodities. The value even as to those commodities in dollars and cents is infinitesimal compared to the value of all of the farm products produced in this country. It must be apparent, therefore, that he is receiving very substantial benefits from the protective tariff. No greater mis-

statement of the facts could be made than that the farmer buys in a protective market and sells in a free market.

Third. For the time being we should stop spending Government moneys for reclaiming lands in order to produce a greater surplus. This should be apparent to all, yet some of the proponents of the McNary-Haugen bill, both in and out of Congress, are advocating the expenditure by the Government of millions upon millions of dollars to develop further reclamation projects in the West. The effect of the development of these projects would be to increase acreage substantially and to greatly increase the surplus. It is estimated that one of these projects will cost \$350,000,000; the others will involve an expenditure ranging all the way from \$175,000,000 to \$250,000,000.

Fourth. There are those who have studied this question who are of the opinion that some sort of a governmental agency should be formed for the purpose of stabilizing the market in a given commodity whenever there is an abnormal surplus. The President has recommended this. If such an effort is made, a great deal of care would have to be exercised by that agency in order not to stimulate overproduction and thereby aggravate existing difficulties. In my judgment the efforts of such an agency should be confined to the disposition of an abnormal or seasonal surplus.

Mr. Chairman, it must be apparent to any who have examined this measure that this bill, like all of its predecessors, does not meet the situation at all. It only attempts to deal with a surplus; it does not attempt to remove any of the causes, but confines itself to removing the consequence or effect produced by certain causes which it does not attempt, in any way, to remove. Furthermore, in dealing with effects and consequences, it does so in such a manner as to aggravate the problem by increasing the surplus. I submit that any measure to relieve the farmer should conform to the Constitution, be economically sound, practical in operation, and be reasonably certain to improve, rather than aggravate, existing conditions.

The measure before us does not meet any one of these tests. To enact it into law would be to injure rather than to help the farmer. The improvement which has been going on for the past several years would be stopped. There is grave danger that the scheme proposed would revolutionize our entire marketing and distributing systems. There is no way of fully predicting its probable consequences.

GENERAL PROVISIONS

Mr. Chairman, briefly stated, the present McNary-Haugen bill in its fundamental principles is substantially the same as the 1926 and 1927 bills. It seeks to raise the price of any agricultural commodity whenever there is an exportable surplus or a surplus in excess of the requirements for orderly marketing, so that the domestic price received by the farmer will be substantially higher than the world's price. Under the bill, as it has been amended by the Kincheloe amendment, this domestic price can be fixed at any figure which the Federal farm board may set, subject only to approval by a commodity advisory council. The Federal farm board is composed of 12 members appointed by the President. They receive a salary of \$10,000 per year. There is a commodity advisory council for each commodity that is proposed to be controlled; there are seven members on each commodity council—these members are selected by the board, but only from lists submitted by farm organizations. Members of these councils are paid \$20 per day when attending meetings of the councils and when otherwise engaged upon their duties. In addition, they receive their expenses. Once the control of a given commodity has been instituted by the Federal farm board and approved by the commodity council of that commodity, the control can not be terminated in any way whatsoever, excepting by the consent of the commodity council. This, notwithstanding how high the price may be or what conditions may result. I shall refer to this latter aspect later.

With the idea of raising the domestic price to at least a point where it will equal the world's price, plus the tariff, the Federal farm board is authorized and directed to contract with farm organizations, or otherwise, for the purchase and withholding for sale, or purchase and sale, or purchase and manufacture of the probable surplus over domestic needs at whatever increased price the Federal farm board may fix. They are then to dispose of the surplus or the manufactured produce thereof abroad at whatever price can be obtained for it. This price would, of course, generally speaking, be substantially less than what was paid for it. That is admitted. This would involve a substantial loss. The bill contemplates this and provides that losses incurred in purchasing and sale abroad, or in purchasing and manufacturing and sale abroad, would be paid for in the first instance by money in the Treasury; \$400,000,000 is authorized to be set aside for that purpose. Eventually these losses are to be paid from a replenishment of this

stabilization fund. This will be obtained from the collecting of a so-called "equalization fee" or tax from every unit of the commodity sold. For example, upon every bushel of wheat sold an equalization fee or tax would be collected. To illustrate: The average crop of wheat in this country is 800,000,000 bushels per year. The domestic consumption is 600,000,000 bushels. The average surplus is about 200,000,000 bushels. It would be the duty of the Federal farm board under this act to make arrangements with farm organizations, or otherwise, for the purchase of this surplus and its sale abroad either as wheat or as flour. For the purposes of illustration we will assume that the domestic price of wheat is \$1.50 and that the world's price is \$1.50. The tariff duty is 42 cents per bushel. The freight by lake and rail from Port Arthur to Minneapolis is about 8 cents per bushel.

The total is \$2. The purpose is to purchase the surplus wheat in the domestic market and sell it abroad for whatever price can be obtained, even if it depresses the world market. In that event there would be only enough wheat left in the country for our own needs. The domestic price would then rise to the level of the world's price, plus the tariff duty, plus the freight, which, according to the illustration, would be \$2. That is the theory of the bill. In this way it is claimed that the farmer can only receive the full benefit of the tariff on a commodity where he produces an exportable surplus. So far as I know, there is no producer of any commodity, farmer or manufacturer, who produces a surplus beyond domestic requirements who receives the full benefit of protection if his production is not gauged by the world's demand. However, this is the theory of the bill, and it is on that theory that we are discussing it.

In my judgment the theory of the bill is economically unsound, the plan of operation is impractical, and the general scheme is unconstitutional. I shall briefly summarize my several objections, as follows:

STIMULATES OVERPRODUCTION

First. Like its predecessors, this bill would stimulate overproduction. Take wheat, for example, it will be apparent from a reading of the scheme that the farmer is given to understand that through this plan he will be able to realize a substantial additional price for his wheat. He is now producing a surplus. The consumption of wheat to-day is about 25 per cent less per capita in this country than it was 25 years ago. This scheme leads him to believe that notwithstanding the fact that he is now producing a surplus, that somehow, in some way, he is going to be able to avoid the consequences of overproduction of a commodity. With this thought in mind there can be no question that he will undoubtedly put more acres into wheat. High prices of wheat one year have almost invariably produced increased acreage the following year.

It is inevitable that this scheme will add to the number of bushels raised, thereby increasing the surplus. It is true, the board is given the power to "advise" the farmers about their planting. You will note, however, that it is merely advice. What will the farmer generally follow—the advice of the board or the invitation in the bill to increase acreage in order to realize upon the advanced price? To ask the question is to answer it. It is obvious, or at least it should be obvious, that you can not meet a situation calling for disposition of a surplus by adding to that surplus.

PUTS GOVERNMENT INTO BUSINESS

Second. This bill projects the Government into business on a tremendous scale. It embraces "any agricultural commodity." The previous bills to which I have referred limited the control to particular commodities. These commodities were set forth. This bill confers this power over any commodity. Unless the bill should be amended in conference to exclude fruits, vegetables, and beef, it will take in any commodity. The Federal farm board is created with authority to appoint without limit, employees and experts and fix their salaries. The board is to have authority whenever it finds a seasonal or normal surplus in any commodity to put this control of the marketing of this commodity into operation. This is to be done and, as I have indicated, the losses, costs, and charges involved in the sale of the commodity or in the manufacture thereof, or in the sale of the manufacture thereof abroad, are to be paid for out of this so-called stabilization fund. Like its predecessors, the bill does not say whether the agency of the Federal farm board is to commence buying wheat, for example, at the then market price, thereby gradually causing the price to rise until it finally reaches the figure that the board thinks the American consumer should pay, or whether this agency is to go into the market immediately, and buy up the surplus at a price to be fixed by the Federal farm board.

In either case it is governmental price fixing. If the latter plan is used every seller of wheat will be treated fairly; the

man who has to sell early would obtain the same price as if he had been able to hold it until the price had reached the maximum. If the former plan is used, the man who has to sell early will not get the benefit of any material advance in price. However, he will have to pay the same kind of an equalization fee that his more fortunate competitor will have to pay. In other words, the farmer with limited capital and with debts to pay will have to market early with but an immaterial increase in price, and he will have to pay the same equalization fee as his more fortunate neighbor who does not have to market early. I have never yet been able to get one of the proponents of this scheme to agree with another proponent as to just what plan will be carried out.

DISCRIMINATION AGAINST SPRING WHEAT

Third. This bill discriminates particularly against the hard spring wheat farmer. The hard spring wheat farmer is already getting very substantial benefits from the present tariff duty on wheat which is 42 cents per bushel. There is very little Canadian wheat coming into this country. This is due to the tariff wall. You will recall that one year ago in a debate on the then Haugen bill I produced certain charts showing the difference on comparable grains—hard spring wheat—between the Winnipeg market and the Minneapolis market. These charts covered a three-year period of 157 weeks and showed the average weekly high price on No. 1 dark northern at Minneapolis and the average weekly high price of No. 3 Manitoba northern at Winnipeg. These are comparable grades and so recognized by leading authorities, including the Minnesota Railroad and Warehouse Commission. The average over the Winnipeg price the first year was 34.2 cents. In the second year—Canada had a crop failure that year—it was 26.15 cents; the last year it was 36.42 cents.

In 72 weeks out of 157 the differential in favor of Minneapolis was over 35 cents. During the year 1925 to 1926, the Minneapolis price was in excess of the Winnipeg price by 40 cents in 20 weeks, by 35 cents in 29 weeks, and by 30 cents in 34 weeks. During 121 weeks out of the 157 weeks the Minneapolis market was over the Winnipeg market by over 25 cents. Its average throughout the period was about 30 cents in favor of the Minneapolis market. There can be no question, therefore, but what the hard spring wheat farmer received very substantial protection during that period by reason of the protective-tariff duty upon wheat; neither can there be any question but what the equalization fee would not have worked during that period, simply because—that is, as to hard spring wheat—the Minneapolis cash market averaged so well above the Winnipeg market.

Mr. BURTNES. Will the gentleman yield for a short question?

Mr. NEWTON. Yes.

Mr. BURTNES. What has been the situation during the past year with reference to the Winnipeg market and the Minneapolis market?

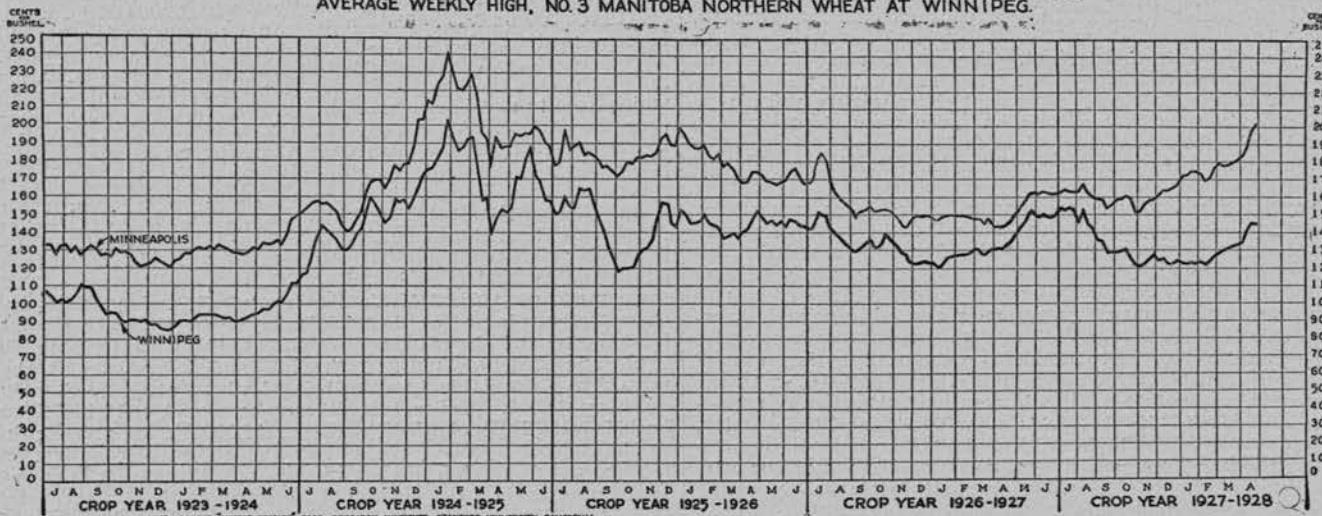
Mr. NEWTON. That is what I want to show by the exhibit which I have here.

This exhibit is a continuance of the exhibit used by me one year ago and covering crop years 1923 to 1926, inclusive. Note on this exhibit, or Chart I, the crop year 1926-27. The difference in favor of the Minneapolis market during the fore part of the year was 30 cents; there were fluctuations throughout the year and at one time it was about 12 cents. Now, note the crop year 1927-28; the table shows the weekly average closing prices of both markets; the difference in favor of Minneapolis since January 1 this year is practically 50 cents per bushel. In other words, it is the tariff of 42 cents plus the freight from Port Arthur to Minneapolis.

The average difference in favor of the Minneapolis market during this current crop year throughout the entire period from July 4 to April 28, inclusive, is about 40 cents per bushel. This is not the futures market, gentlemen; this is the cash market. There is not anything speculative about this—this is actual wheat sold for actual cash, for which actual money is paid. Minneapolis is a cash market. It is a great milling center. We handle there on the average throughout a given year about 175,000,000 bushels of wheat. The actual cash transactions involve that many bushels of wheat. It is the good wheat that commands the high price; it is the good or the high price that brings the good high protein American wheat to that market and which sends Canadian wheat over the border. It is the tariff of 42 cents which protects the northwestern spring-wheat farmer against this invasion of his Canadian competitor. It must be apparent, therefore, that the hard spring-wheat farmer is already deriving substantial benefits from this tariff on wheat. It should also be apparent from these figures that if the McNary-Haugen bill had been in operation away back in 1924, or say in 1927, that the hard spring-wheat farmer could not

CHART I

AVERAGE WEEKLY HIGH NO. 1 DARK NORTHERN SPRING WHEAT AT MINNEAPOLIS.
AVERAGE WEEKLY HIGH, NO. 3 MANITOBA NORTHERN WHEAT AT WINNIPEG.



have benefited therefrom even if the scheme had worked generally throughout the country.

I have used cash wheat for comparison, because that is a fairer basis for comparison than the futures market of Winni-

peg and Minneapolis. Winnipeg future prices are based upon Manitoba No. 1 Northern wheat as a contract grade. Minneapolis future prices are based upon Minnesota No. 1 Northern grade. While both these contract grades are called No. 1 Northern, they are similar in no respect except the name. Manitoba No. 1 Northern wheat is very much superior in its protein content and milling value than Minnesota No. 1 Northern.

The inspection of Manitoba No. 1 Northern wheat requires higher test wheat and represents in fact only a small percentage of the wheat which passes into Winnipeg. The comparable grades are Canadian No. 3 Northern wheat with our choice No. 1 Dark Northern wheat. Winnipeg future price is based upon the average quality of No. 1 Manitoba Northern, while the Minneapolis future price is based upon the poorest quality of Minnesota No. 1 Northern wheat. It is apparent, therefore, that the No. 1 grades are not comparable. This also should be taken into consideration in comparing prices between Minneapolis and Winnipeg. The Winnipeg prices are not based upon delivery at Winnipeg, but delivery at Fort William or Port Arthur. These are points on Lake Superior approximately 400 miles east of Winnipeg. The all-rail export rate from these ports to Quebec is 10 cents per bushel less than the all-rail export rate from Minneapolis to New York. In other words, the Winnipeg futures price is based upon delivery at a point 400 miles east of Winnipeg at 10 cents per bushel closer to the world's markets than Minneapolis.

I shall now show this other exhibit, or Chart II, before us, covering production and exports of wheat of all kinds for the period 1920-1926, inclusive, why the hard spring-wheat farmer can not benefit from this scheme. The average annual production of wheat in the United States during that period was 812,000,000 bushels. The average annual spring wheat production during this period was 150,000,000 bushels. So much for that part of the chart pertaining to production. The average annual exports of wheat of all kinds during that period was 164,000,000 bushels. Of this total only 13,000,000 bushels was spring wheat, while 151,000,000 bushels was other wheat. In other words, less than 10 per cent of the spring wheat crop found its way across the sea—that is, less than 10 per cent of the spring wheat produced is exported, while about 25 per cent of our other wheat was exported.

It is apparent, therefore, that there is very little of spring wheat sold abroad. Most of it is consumed in this country. I have just shown that the spring wheat farmer is deriving already substantial benefits from the protective tariff on wheat. He is selling such a small percentage of his hard wheat abroad that he is only incidentally interested in exporting his product.

Proceeding further with Chart II: Not all the wheat that is produced in this country goes to market. Some of it is consumed on the farm. I am assuming that out of about 150,000,000 bushels of spring wheat that is produced here on the average, about 125,000,000 bushels is marketed and the remainder is consumed for one purpose or another on the farms. Some of it, of course, is seed wheat. I am also assuming that of the other wheat about 453,000,000 out of the 662,000,000 bushels finds its way to the domestic or export market. Let us assume that the equalization fee is 10 cents per bushel. The spring wheat farmer would, therefore, pay to the stabilization fund \$12,500,000. He would pay the same equalization fee as would the

PRODUCTION AND EXPORTS OF WHEAT 1920-1926

PRODUCTION

	BUSHELS	
SPRING	150,000,000	662,000,000
OTHER		

EXPORTS

SPRING	13,000,000
OTHER	151,000,000

ALL WHEAT SOLD

SPRING	125,000,000
OTHER	453,000,000

EQUALIZATION FEES DOLLARS

SPRING	\$12,500,000
OTHER	\$45,300,000

BENEFITS

SPRING	LOSS \$12,500,000
OTHER	? ? ? ?

CHART II

farmer who produced largely for export. If this scheme works, the farmer who produced for export would stand to have the price for his particular wheat, which is consumed in this country, increased to a figure where it would at least equal the world's price, plus the tariff and freight. The spring wheat farmer, as I have shown, already receives a price substantially above the world's price and at least approaching the world's price, plus the tariff. In some instances it has even reached the world's price plus the tariff and the freight to Minneapolis. It must be apparent, therefore, that when the spring-wheat farmer pays in by way of an equalization fee \$12,500,000 he is making a contribution to the farmer raising the other kind of wheat, for he is paying an equalization fee for which he receives practically no benefit whatever; the benefit, if there is a benefit, goes to the other fellow.

This payment of \$12,500,000 is, therefore, a distinct loss to the spring-wheat farmer. Therefore, I ask, what possible benefit can this McNary-Haugen bill give to the farmers in my part of the country who are producing this hard spring wheat? What benefit will they receive from this scheme even if the scheme can be put into practical operation? Practically none—the benefit goes to the farmer in other portions of the country, who by reason of the higher prices during or immediately following the war, commenced again to produce wheat, or who opened up new land in the West or Southwest, thereby putting thousands upon thousands of increased acreage into winter wheat. The spring-wheat farmer would pay in \$12,500,000 for which he receives practically no benefit, while the other wheat farmer would pay in \$45,000,000 and receive practically all of whatever benefit there was.

Mr. BURTNES. Will the gentleman yield for a question with reference to the tariff?

Mr. NEWTON. I regret that my time is limited.

PRACTICAL EFFECTS

Fourth. The farmer is not only a producer but a consumer. He and his family constitute about 30 per cent of the consuming population of the country. As a consumer it must be perfectly apparent to us all that if the scheme did work and the price was advanced then he as a part of the consuming public would have to stand his share of the advance in living costs. Let us assume that the world's price of wheat is \$1.50 per bushel and the domestic price is \$1.50 per bushel. This plus the tariff and freight is \$2 per bushel; that the total production of wheat is 800,000,000 bushels during the year and that the domestic consumption is 600,000,000 that year. This would leave a surplus of 200,000,000 bushels. It will be agreed by all, I think, that this is a fair average.

We will now assume that the control is put into effect and the surplus is purchased—200,000,000 bushels at \$2 per bushel would amount to \$400,000,000. This would, of course, have to be sold abroad at whatever price could be obtained for it. Let us assume that the price obtained is the then world's price of \$1.50 per bushel. This is allowing nothing whatever for a depression in the price which might be caused abroad by knowledge that the surplus would be marketed abroad for whatever could be obtained for it. Two hundred million bushels, sold at \$1.50 per bushel, would bring in \$300,000,000. This would show a loss in the transaction amounting to \$100,000,000. This money would in the first instance come out of the Treasury, unless the Treasury moneys were replenished by the collection of the equalization fee. An equalization fee of 16½ cents per bushel would have to be levied on all wheat sold. About 25 per cent of the wheat produced in this country is not marketed, but is consumed upon the farms. I think the figure would go slightly above that. I would figure about as follows:

	Bushels
For seed	80,000,000
For chicken feed	30,000,000
For mill feed	120,000,000
Total	230,000,000

The above quantity, if consumed upon the farm and not thereby going into channels of trade, would not have to pay the equalization fee. This would leave approximately 570,000,000 bushels to pay the equalization fee. That would bring in nearly \$100,000,000; that would just be enough to take care of the loss. It would allow nothing for expenses or anything of that character. However, he gets on the wheat sold in this country, which is 370,000,000 bushels, 50 cents a bushel more for his wheat. This would appear to be a difference in his favor of 34½ cents per bushel. Therefore, would it not pay? Let us see.

After deducting the approximately 230,000,000 bushels consumed on the farm, and the 200,000,000 bushels which is sold abroad, we have remaining about 370,000,000 bushels of wheat

which are marketed and consumed in this country. Of this, the farmer as a consumer would undoubtedly consume 30 per cent, or 110,000,000 bushels. This would leave 290,000,000 bushels to be consumed for domestic purposes by the rest of the country. Therefore, it must be apparent that the farmer will pay out of his own pocket the increased price on all but 290,000,000 bushels which goes to and is consumed by the domestic consumer, other than the farmer. As a matter of fact, it will be observed that he consumes a greater percentage than that consumed by the other domestic consumers for the obvious reason that he has a consumption not common to the others; that is, for seed, and so forth. Let me illustrate: Here is a farmer raising 1,000 bushels of wheat. We will assume that the world price is \$1.50 and the domestic price is \$1.50. The McNary-Haugen bill becomes a law. The Federal farm board and the commodity council put the control into effect. Marketing agreements are made to purchase the surplus. The domestic price is thereby raised to at least the sum of \$2 per bushel, which is the world price plus the tariff and freight. Without the bill and its provisions the farmer would sell his 1,000 bushels of wheat at \$1.50, thereby realizing \$1,500. Under this scheme he would sell this 1,000 bushels at \$2 per bushel, realizing \$2,000. The gross gain would amount to \$500. We will assume the same equalization fee which has heretofore been used in my illustration; that is, 16½ cents per bushel. He would have to pay this on each and every bushel marketed—this would cost him \$83.33. This would leave a theoretical net gain on the transaction of \$416.67.

However, in practice we have seen that this farmer would consume in seed, mill feed, chicken feed, and flour a little over one-half of his 1,000 bushels. For this he would pay on the basis of the new domestic price of \$2 along with other consumers. Five hundred bushels at 50 cents more per bushel would mean \$250. This would reduce the above theoretical profit from \$416.67 to \$166.67, or 16½ cents per bushel instead of 34½ cents per bushel. Most, if not all, of the proponents of this scheme of farm relief have wholly ignored the fact that the farmer is a substantial consumer of his own commodities, and by reason of that fact would have to bear his share of the increased cost of the commodity. In figuring as I have, I have not figured the additional percentage that will naturally be added by the miller and the feed man in figuring profits upon the new and advanced selling price on flour and feed. I am, of course, assuming for the purposes of this illustration that this intricate and involved scheme can be worked out in a practical manner. Furthermore, my illustration is based upon the normal surplus of 200,000,000 bushels. I have shown that this scheme would stimulate over-production. This would add to the surplus. If the surplus was increased only 12½ per cent by reason of this stimulation and invitation to grow more wheat, that would mean an increase in production of 100,000,000 bushels. In order to take care of the losses in selling this additional surplus abroad at a loss, the equalization fee would have to be increased from 16½ cents per bushel by 50 per cent, thereby making the equalization fee 25 cents per bushel. It will be seen that this would cut this farmer's margin of profit, under this scheme, from 16½ cents per bushel to 8½ cents per bushel, or less than 10 cents per bushel net increase. That is, of course, assuming that the scheme works out as planned. If it does not work out as planned, there is no estimating what the consequences will be or what this farmer will lose. My figures have been conservative—I have not deducted anything for depressing the world price. It must be apparent, therefore, that under the scheme the farmer can profit but little if it works, and stands ready to lose much if these theorists are wrong.

I am very clearly of the opinion that if the farmer will study this question carefully he will come to the conclusion that even if the scheme can be put into operation that the benefits to him after paying the equalization fee, paying his share of the increased cost of operation and of living, the benefits are almost nil and certainly problematical.

OTHER AND NEW OBJECTIONS

Fifth. In some respects I said that this bill was better than its predecessors and in some respects worse. It is better in this respect that it has been drawn so as to meet several of the objections made to the 1927 Haugen bill by the President. For example, the bill does not place the unconstitutional limitations on the present power of appointment of members to the Federal farm board. This provision was clearly unconstitutional. That was denied at the time, but seems to be apparent now. The new bill omits the rather cumbersome method of invoking the power of the board. It prohibits unreasonable discrimination in granting marketing agreements and it limits the Government's total liability to not exceed \$400,000,000. With the exception of the one involving the appointing power, these concessions are minor in character and do not change the

measure materially. It is to be regretted that the committee did not endeavor to meet the President's criticisms on other points. For example, they have left in the equalization fee, which is economically unsound and which can not be levied or collected constitutionally. The present bill is far more objectionable than any of its predecessors in reference to the widening of the authority of the board. I have already pointed out that the board has jurisdiction to put this governmental control into effect upon any agricultural commodity. This means the setting up of a potential bureaucracy far more powerful and far more unbridled than that which any of the other bills would have created. Furthermore, the way the other bills were drawn there was an automatic limitation upon the Federal farm board in the fixing of prices on any of these commodities. If they got the price up above that of the world's price plus the tariff, then commodities could be imported into the country.

This acted as a natural restraint upon the discretionary power of the Federal farm board so as not to fix the price too high. Under this bill the equalization fee is levied not only upon commodities produced and marketed in this country, but on the commodities produced elsewhere and imported into this country. For example, assume the price of wheat in Winnipeg to be \$1.50; it is likewise \$1.50 in this country. Before the Canadian wheat can enter this country it would have to pay the duty of 42 cents per bushel. This would make the price to the American importer \$1.92. If the Federal farm board got the price up over \$1.92, Canadian wheat would come in here and thereby keep the price down to that figure. Under the present bill wheat imports would have to pay an equalization fee. The importer of Canadian wheat would have to pay not \$1.92, but that price plus an equalization fee of, say, 15 cents, or \$2.07 per bushel. The board could then run the price of wheat up to \$2.07, and if they wanted to run it up further all they would have to do would be to raise the equalization fee, say, to 25 cents, and then the importer would have to pay \$2.17 to bring wheat in here. What I have said as to wheat would, of course, be true as to all other commodities. Therefore we have Congress creating a Federal farm board with absolute power to fix and control the prices of any agricultural commodity without restraint or restriction whatever. Therefore I again say that in some respects this bill is worse than any of its predecessors. Such power over prices of the necessities of life should never be left unrestrained or unrestricted in any man or group of men in the Government or outside the Government.

UNCONSTITUTIONALITY

Sixth. I have been discussing economic principles and have analyzed certain features of the bills. As I have already said, this bill is, in my judgment, unconstitutional. First, there is the levying of an equalization fee or tax. This is to be levied by the Federal farm board providing the commodity council approves, and for as long a period as the commodity council desires it to remain. Under the Constitution only Congress has the power to tax. This is a tax, notwithstanding that it is called an equalization fee. We have always claimed it to be a tax. That originally was admitted by the proponents of the bill; it was later denied when the constitutional question was raised.

It will be observed that the present bill levies this fee on every import of the commodity controlled; it is to be levied in addition to the regular import duty. For example, wheat imports would have to pay not only the tariff duty of 42 cents but whatever equalization fee was levied by the board. When the board and the council determined upon increasing the fee the imported commodity would have to pay the additional tax. Congress can not delegate the tax-making power unless it prescribes a well-defined rule and standard for doing so. This it has not done, and in the nature of things it could not do. Of the several unconstitutional features referred to by the President in his veto message last year but one of them has been removed. That I have already referred to. In my judgment the nonpremium insurance provisions—a new feature—is not only grossly unfair but unconstitutional in that it deprives certain people of their property without due process of law. Neither does this bill any more than its predecessors bring the levy of an equalization fee under the commerce clause.

EXORBITANT PRICES TO CONSUMER

Seventh. In common with others who have spoken, I have been discussing this question from the viewpoint of the farmer. I have endeavored to show the impracticability of the scheme. It must be apparent that if the scheme is put into operation there would be built up necessarily a vast bureaucratic machine tremendously expensive in itself. There would be the equalization fee to pay; its size or amount would be gauged

or measured by the losses sustained in marketing the surplus abroad at considerably less than what the commodity would sell for in this country. I have endeavored to show how little likelihood there would be, even if the scheme were practical of operation, of ultimately benefiting the farmer.

However, we must recognize the fact that there are others to be considered beside the farmer. At some time in the course of this discussion something should be said for the consumer as well. What about that vast army of wage earners? What about the thousands and thousands of workmen in our towns and cities and villages who with their dependents consume such a substantial portion of the products of the farm? How are they going to fare if this scheme is practical and can be put into operation? What is it going to cost this workman and his wife and children? This is admittedly a scheme to raise the domestic price upon any farm commodity in this country. In order to successfully do this the Federal farm board is given authority in its discretion and through its agents to buy up this surplus or any portion of the commodity produced and sell it abroad for whatever can be obtained for it. How much will the price of wheat be raised? If the price of wheat is raised, that will be immediately reflected in an increase in the price of flour. The American housewife uses 65,000,000 barrels of flour annually. There are about 4½ bushels of wheat in a barrel. This means approximately 300,000,000 bushels of wheat that are used directly by the American housewife made into bread, and so forth. What about the price of corn? How much is that to be raised? Corn is fed to hogs. If the price of corn is raised substantially, that, of course, will be immediately reflected in the price of pork. What about the price of mutton and lamb, poultry, butter, and eggs? How much are the prices of these commodities to be raised if this McNary-Haugen plan goes into operation?

Mr. Chairman, fortunately, we are not in the dark about this. The so-called Corn Belt Committee, which has been most active in directing the fight to put over the McNary-Haugen bill, at Des Moines, Iowa, July 21, 1926, unanimously adopted a resolution claiming that the actual cost of producing certain farm commodities in Iowa was as follows:

Corn	per bushel	\$1.42
Oats	do	.79
Wheat	do	2.49
Hay	per ton	21.44
Hogs (on the hoof)	per hundred	16.32
Veal (on the hoof)	do	17.82
Wool	per pound	.65
Lambs (on the hoof)	per hundred	20.45
Chickens	per pound	.28
Butterfat	do	.98
Eggs	per dozen	.61

The so-called cost of producing a bushel of corn in Illinois was \$1.43; in Nebraska, \$1.40; in Minnesota, \$1.41; in North Dakota and Wisconsin, \$1.42. If it costs \$2.49 to produce a bushel of wheat, those people who have been advocating this Haugen bill, once it is put into effect, will at least insist upon operating this scheme until the price at least reaches what they claim is the actual cost of production, or \$2.49 per bushel. That figure is considerably in excess of the average price of wheat during the past several years. One dollar and forty-two cents, the claimed cost of producing a bushel of corn, is far in excess of what most farmers know is the cost of production. I want you to compare the above figures with the average farm prices during the years 1920 to 1926, inclusive. This table is made up of figures obtained from the Department of Agriculture Yearbook for 1926 and will be found at the top of the following page.

By comparing the average of these years from 1922 to 1926, inclusive, which are the normal years, you will observe that corn would have to be increased 75 per cent; oats, 100 per cent; wheat, 100 per cent; hogs, 75 per cent; veal, 100 per cent; wool, nearly 100 per cent; lambs, 200 per cent; chickens, 50 per cent; eggs, over 100 per cent; and butter, over 100 per cent.

Bear in mind that these increases will have to be put into effect in order to get what the members of this Corn Belt Committee unanimously found to be the cost of production. They will not be content while prices are below this figure. The consumer in this country, of course, will have to pay this increased price. How is he going to pay it? How can the average wage earner, whether in factory, shop, or office pay any such advance in the cost of living? Of course, he can not do it. In many, many instances any such increase in the prices of these commodities means lessened consumption and undernourishment. Lessened consumption in this country means increasing the surplus that will have to be sold abroad to the European workman who is competing with the American workman. This increased surplus to sell abroad means still lower prices abroad for the American workman's foreign competitor. This means cheaper

cost of living abroad which means lower manufacturing costs— that means keener competition from the European manufacturers and the product of the European laborers. Under this scheme it is proposed to substantially raise the cost of living

in this country, while at the same time we make possible a still lower cost of living abroad. Furthermore, when we increase the surplus to sell abroad at a loss, we thereby automatically necessitate the raising of the equalization fee upon say every bushel

Average farm prices
[Source: Department of Agriculture Yearbook, 1926]

	1920	1921	1922	1923	1924	1925	1926	Average 1922-1926	Corn Belt comparative price
Corn, ¹ per bushel	Cents 62.1	Cents 54.3	Cents 76.7	Cents 84.0	Cents 105.8	Cents 69.9	Cents 65.4	Cents 80.4	Cents 142.0
Oats, ² per bushel	Cents 51.1	Cents 33.4	Cents 39.0	Cents 42.6	Cents 48.3	Cents 38.8	Cents 39.8	Cents 41.7	Cents 79.0
Wheat, ³ per bushel	Cents 182.9	Cents 104.4	Cents 98.8	Cents 92.4	Cents 127.8	Cents 145.9	Cents 126.1	Cents 118.2	Cents 249.0
Hay, ⁴ per ton	\$16.51	\$11.83	\$11.68	\$12.93	\$12.76	\$12.77	\$13.47	\$12.72	\$21.44
Hogs, ⁵ per 100 pounds	Cents 8.52	Cents 8.10	Cents 7.34	Cents 7.06	Cents 10.46	Cents 11.63	Cents 11.45	Cents 9.59	Cents 16.32
Calves veal, ⁶ per 100 pounds	Cents 11.80	Cents 7.81	Cents 7.68	Cents 7.99	Cents 8.12	Cents 8.85	Cents 9.61	Cents 8.45	Cents 17.32
Wool, ⁷ per pound	Cents 39.1	Cents 16.4	Cents 29.8	Cents 38.9	Cents 36.9	Cents 38.5	Cents 32.5	Cents 35.3	Cents 65.0
Lambs, ⁸ per 100 pounds	Cents \$8.51	Cents \$4.65	Cents \$5.96	Cents \$6.65	Cents \$6.81	Cents \$7.70	Cents \$7.43	Cents \$6.91	Cents \$20.45
Chickens, ⁹ per pound	Cents 22.8	Cents 19.3	Cents 18.2	Cents 18.3	Cents 19.2	Cents 20.7	Cents 20.8	Cents 19.4	Cents 28.0
Butter, ¹⁰ per pound	Cents 54.3	Cents 37.0	Cents 35.3	Cents 40.4	Cents 39.4	Cents 40.7	Cents 41.1	Cents 39.4	Cents 98.0
Eggs, ¹¹ per dozen	Cents 39.3	Cents 25.3	Cents 24.7	Cents 25.2	Cents 26.1	Cents 28.3	Cents 32.1	Cents 27.3	Cents 61.0

¹Year beginning Nov. 1.

²Year beginning Aug. 1.

³Year beginning July 1.

⁴Year beginning Jan. 1.

⁵Year beginning Apr. 1.

NOTE.—The Corn Belt Committee price of 98 cents is for butter fat. A comparison of monthly prices of butter and butter fat over several years will show that they run closely together. They do not vary more than a cent or two.

of wheat sold and marketed in this country. That means still further increasing the cost of production here and ultimately increasing the cost to the American consumer. It necessarily creates an endless circle which will constantly expand.

NO LIMIT TO RAISING OF PRICES

Under the preceding Haugen bills there was a limit to which the Federal farm board might raise the price. The moment that the price got above the world price, plus the tariff and freight, the American consumer could import wheat, for example, from Canada. This would automatically prevent the price from ever getting above the Canadian price, plus the tariff duty and plus the freight. Under the present Haugen bill, every unit of a commodity coming in from abroad must pay the same equalization fee as the commodity produced and sold in this country. For example, if the world price was \$1.50 on wheat, the importer would have to pay \$1.50 plus the tariff of 42 cents, the freight of 8 cents, and the equalization fee, which we fix for the purpose of illustration at 15 cents; that would make a total of \$2.15. Whenever the price of wheat got above that figure, then the American consumer could import wheat from Canada and keep the price at \$2.15. However, under the terms of this bill, the Federal farm board could thereupon raise the equalization fee from 15 cents to 25 cents, thereby shutting out any imports from Canada. If the price got up to \$2.25, they could again increase the equalization fee and thereby prevent imports coming in from Canada. This could be repeated. In other words, the present bill gives the Federal farm board an absolute and unqualified right to prevent any imports whatever from coming into this country. In other words, it gives them the power to embargo. This power should never be given to any group of 12 men.

Suppose that the scheme is put into effect and the Federal farm board, with the aid and assistance of the commodity council, composed of seven members from farm organizations, should boost the price of any one of these commodities to any unreasonable figure, could not the Federal farm board then terminate the control? No. This particular measure is so drawn that once this control is put into effect by the Federal farm board it can not be terminated without the consent of the commodity council representing that particular commodity. In other words, seven members representing farm organizations interested in growing a particular commodity which is under this control have the absolute veto power to prevent any termination of the control. Gentlemen of the House, such power should never be lodged in any commodity council or in any other group interest of similar character. It is destructive of our institutions. What would anyone think if such a scheme were proposed in reference to coal, for example? Suppose we let a Federal coal board fix the price of coal at what the coal men thought was the price of production, and then not permit that control to be terminated until a commodity coal council, composed of seven coal owners, voted to terminate the control? To ask the question is to answer it.

Mr. Chairman, to sum it all up, the McNary-Haugen bill of 1928 presents a plan of so-called farm relief the unconstitu-

tionalities of which is perfectly apparent. This intricate, involved, and unprecedented plan projects the Government into business, provides for governmental price fixing, stimulates overproduction, thereby increasing and aggravating the existing surplus problem, very substantially raises prices to the consumers in this country, and lowers them to the consumers abroad without substantial benefit to the farmer and with the almost certainty of doing him immeasurable harm.

THE CHAIRMAN. The time of the gentleman from Minnesota has expired.

MR. ADKINS and MR. LAGUARDIA rose.

MR. ADKINS. Mr. Chairman and gentlemen, I will be very brief. I did not have any idea that this display would be made here as it was two years ago and the argument made about wheat being higher in Minneapolis than in Winnipeg, because I get the market reports every day from the Daily Trade Bulletin which comes to my desk, and I have taken particular pains to note the price of wheat in Winnipeg, in Duluth, in St. Louis, in Chicago, in Liverpool, and every other trade center in the world. Now, here is the situation with respect to prices on the 25th of last month. I got one of these reports this morning, and when the gentleman made his statement I put my hand in my pocket and found this trade bulletin of April 25, which shows the following prices:

Minneapolis, hard winter wheat, 1.52½; Kansas City, 1.51½; Winnipeg, 1.54½; Liverpool, 1.58½.

I have been noticing the prices in the Trade Bulletin every day for the last two months and I have not seen a single instance in which wheat in Minneapolis has been higher than in Winnipeg.

MR. BURTNES. Will the gentleman in his time permit me to point out the joker in the figures submitted by the gentleman from Minnesota? The Members will find it in the top line of the statement on the chart:

Average weekly high, No. 1 dark, northern spring wheat, at Minneapolis.

That is not an indication of the weighted average cash price, but the figures that are picked out and put into the red curve there pretending to show a higher price at Minneapolis are a composite of the highest sales upon the market each day, the sale which brings the very highest price on that particular day, of which a weekly average is taken, and on some of those days the premium on that sort of sale amounts to as much as 50 cents per bushel, and does not represent average sales. The only fair comparison is weighted average cash sales.

MR. ADKINS. And I am sure we can all rely on the prices that are sent out to us in the Daily Trade Bulletin.

THE CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. NEWTON].

The question was taken, and the amendment was rejected.

MR. WRIGHT. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. WRIGHT: 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."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. WRIGHT) there were 26 ayes and 74 noes.

So the amendment was rejected.

Mr. WRIGHT. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 47, line 9, after the word "provided," insert "Provided, however, The equalization fee on cotton shall never be more than \$10 per bale."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. WRIGHT) there were 22 ayes and 65 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 48, line 5, after the word "unit," strike out the period, and insert the following: "And upon all sales or contracts for future deliveries of any such commodities made on any exchange, curb, board of trade, or by whatever name said exchange may be known."

Mr. LAGUARDIA. Mr. Chairman, I want to state to my friends, the farmers of the House, that for the last 11 or 12 years you have taken the floor and complained about gambling in agricultural commodities on the exchanges. Every time you discussed this bill, in talking about the condition of the farmer you have complained about the gambling going on in the various exchanges in New York and other cities. Here, gentlemen, is a chance to make the gamblers pay the equalization fee the same as the farmers will be required to pay. Do you want to do it? More cotton is sold on the cotton exchange of my city than is produced in all of the Southern States. More wheat is sold on the exchange in New York and the Board of Trade of Chicago than goes to a mill. If these sales are bona fide sales of agricultural commodities, whether wheat, corn, cotton, or whatever it may be, and not gambling, then I submit it is a good place to collect the equalization fee. If they are not bona fide sales, but mere gambling, all the more reason to compel the payment of the fee. It is up to you.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. EDWARDS) there were 33 ayes and 84 noes.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I have a further amendment.

The Clerk read as follows:

Page 49, line 12, strike out all of subdivision (f).

Mr. LAGUARDIA. Mr. Chairman, I want to point out that there is great danger in this section. I feel it is unwise to authorize any private citizen to collect the fee and pay such private individual for making the collection. Taxes or other Government assessments are not collected in that way. This is a sort of collection system on a contingent basis. I warn the sponsors and friends of the bill that there is real danger in this paragraph. I surely would strike it out. If the bill becomes a law this provision is not workable and I have grave doubts as to its validity. I advise the friends of the bill to strike it out.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Beginning on page 50, line 24, strike out all of subdivision (4) of subsection 8 of section 10 and insert in lieu thereof the following:

"(4) in the case of tobacco, the term 'sale' means a sale or other disposition in wholesale quantities of manufactured or prepared tobacco by any manufacturer of cigarettes, cigars, or smoking tobacco, the term 'tobacco' means manufactured or prepared tobacco in the form of cigarettes, cigars, and smoking tobacco, and the term 'transportation' means the acceptance of cigarettes, cigars, or smoking tobacco by a common carrier for delivery. All other taxes or license fees on cigars, cigarettes, chewing tobacco, and other tobaccos in any form are hereby repealed."

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, to those of us living in the tobacco sections this is a very important amendment. The equalization fee is a dangerous proposition when the farmer pays the fee. We know, of course, that wherever the fee is assessed at all it is eventually charged back to the farmer. In fact, most of the taxes are eventually charged back to the farmer, but the equalization fee in the case of other commodities in this bill is not charged to the farmer direct, but is charged when the commodity is placed in interstate commerce, or when the commodity is sold to a manufacturer, or when placed in transportation to the manufacturer, or when placed in transportation for export purposes. In the case of tobacco the fee is charged on the sale of the leaf tobacco. It is charged on the tobacco that is placed in the barns by the grower. Down in my section of the country the people are growing a considerable amount of tobacco. About half of the money crop is tobacco. They bring the tobacco in and place it on the floor of the warehouse, and after it is placed there in hundreds and thousands of piles the auctioneer sells the tobacco to the highest bidder. The export people have a bidder there. R. J. Reynolds & Co. have a bidder on the floor. These buyers bid on that leaf tobacco and buy it from the farmers.

Mr. EDWARDS. Is the equalization fee on tobacco limited or unlimited in the bill?

Mr. LANKFORD. It is unlimited.

Mr. EDWARDS. The same as in the case of cotton?

Mr. LANKFORD. Yes. Some people say that it will not be very high. If it is not going to be high, why not put a limit on it? Tobacco, of all farm products, has borne a greater burden of taxes in the past than any other one farm commodity. Ever since the Civil War there has been a tax on tobacco. It has always been borne by this commodity, and under this bill you seek to put a heavier and more direct tax on tobacco than upon any other one commodity. It is not fair, it is not just. I will not vote for the bill if it stays in. [Applause.]

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. Yes.

Mr. GREEN. Does the gentleman not think it would be well to let the equalization fee on all products be collected from the manufacturer?

Mr. LANKFORD. Yes. But even when a tax is assessed against the manufacturer it is either passed back to the producer or is passed on to the ultimate consumer. The common people bear the burden after all.

Millions of dollars in taxes have been collected out of those who use tobacco each year since the Civil War, and yet when we propose to pass some legislation for the benefit of the tobacco growers there is placed in the measure an additional tobacco tax of the most vicious form. This presents a splendid illustration of the unfair legislation which is pushed through Congress almost every day. Much is said and done for tax reduction for the immensely rich, but any effort to relieve the taxes of the poor—the man who chews tobacco, if you please—is promptly refused and an additional tax is proposed to be assessed against the user and the producer of tobacco.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. EDWARDS) there were—ayes 18, noes 75.

So the amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 51, beginning at line 3, strike out all of subsection (5) of subsection (h) of section 10 and insert in lieu thereof the following:

"(5) In the case of grain and livestock the term 'transportation' means the acceptance of a commodity in wholesale or carload lots by a common carrier for delivery in interstate commerce."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. LANKFORD: Page 46, strike out all of section 10 and insert in lieu thereof the following:

"SEC. 10. In order to carry out marketing and nonpremium insurance agreements in respect to any agricultural commodity without loss to the revolving fund it is provided—

"(a) On and after the 1st day of July next following the approval of this act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to the limitations of this act, issue an

export debenture to the board in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by any firm, corporation, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation."

Mr. RAMSEYER (interrupting the reading). Mr. Chairman, I make the point of order against the amendment that it is not germane.

Mr. EDWARDS. I make the point of order against the point of order. The gentleman from Iowa can not interrupt the Clerk's reading to make a point of order.

Mr. LANKFORD. I have a right to have the amendment read in order to determine whether it is subject to the point of order.

Mr. RAMSEYER. Mr. Chairman, I am well within my rights. A point of order is in order just as soon as it becomes apparent that a proposed amendment is not germane. I make the point of order that the amendment is not germane.

The CHAIRMAN. The Chair thinks that sufficient of the amendment has been read upon which to base a point of order.

Mr. LANKFORD. Mr. Chairman, I would like to be heard upon the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, it is my contention that this is not subject to the point of order. I am seeking only to strike out the section of the McNary-Haugen bill which deals with the equalization fee. I am seeking to insert in lieu of the equalization fee the debenture plan as set up in the Ketcham bill, except that at the beginning of my amendment I provide the same reasons and purposes for the debenture plan that are set up for the equalization fee. I set up in the beginning of my amendment that in order to create a fund to take care of marketing conditions and to stabilize the price of farm products the debenture plan shall be set up.

Mr. ADKINS. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. Yes.

Mr. ADKINS. Did the gentleman think that all out by himself as a new idea that comes in under this debenture plan or did he take it from some other bill?

Mr. LANKFORD. It makes no difference what I thought out. I never thought out the alphabet, but a part of the alphabet is used in my amendment. If I can think out something that is worth while when the gentleman fails to do it, I have not committed any great crime.

Of course, I do not contend that I originated the debenture plan. The idea is not at all new and there have been introduced several farm relief bills containing the idea in one form or another. I have several times stated on this floor that I was favorably impressed with the plan. I believe it would help the farmer, but it is objectionable, to some extent, because the help is too indirect. The debentures are issued to the exporter of cotton or other products, and he sells them and eventually some of the money arising from the sale may find its way to the farmer's pocket.

I reintroduced in the House some time ago the McNary-Haugen bill, with the equalization-fee provisions stricken out and the debenture plan inserted in lieu of the equalization provision, except that in my debenture plan I provided that the money arising from the sale of debentures should be paid to the board provided in the McNary-Haugen plan, so as to make unnecessary any equalization fee. This idea, so far as I know, is original with me, and is not incorporated in any other debenture plan.

The amendment now offered by me, if adopted, would put into effect the McNary-Haugen bill with the debenture plan inserted into it, so as to make unnecessary the vicious equalization-fee provisions. I am seeking to take all that is worth saving of the McNary-Haugen bill, trimming out the evil portion of the bill and inserting in lieu thereof all that is good of the debenture plan, after a humble effort on my part to further purify the borrowed portion of the debenture plan.

Mr. Chairman, if you will observe, the first part of my amendment which is offered is identical with the first part of the equalization-fee provision which is stricken out, and provides that "in order to carry out marketing agreements and nonpremium-insurance agreements in respect to any agricultural commodity, it is provided that"; then there follows the debenture plan as incorporated in the Ketcham bill and as heretofore incorporated by me in my bill, combining the McNary-Haugen bill with the debenture plan.

It seems to me that my amendment is clearly in order, thus providing for a plan to raise money by the sale of debentures

to build up and maintain the stabilization fund, rather than attempt to raise this money by any sort of taxes, either direct or indirect, on the farmers of the Nation.

More briefly stated, I provide for the debenture plan of the gentleman from Michigan [Mr. KETCHAM] to raise this money to be used to build up the stabilization fund rather than levy an equalization fee.

The debenture plan of the gentleman from Michigan provides that the debentures shall be issued to the exporter. This plan here provides that the debentures shall be issued to the board set up under the McNary-Haugen bill, and that the money arising from the debentures shall go to this board instead of to the exporter and thus be used by the board instead of an equalization fee. [Applause and cries of "Vote!"]

The CHAIRMAN. The Chair is ready to rule. The Chair will not undertake to give any extensive reasons for his ruling under the circumstances. He is not taken by surprise, because this matter has been discussed in the corridors and on the floor for a great many weeks.

It seems to the Chair, briefly, that the decision of Chairman SANDERS in 1924 on the substitute proposed at that time by the gentleman from Illinois [Mr. RAINY] is on exact fours with the situation that we have here. In the Rainey substitute, instead of a "debenture," the exporter was paid in "customs scrip." The equalization fee was the same in substance in the Haugen bill of 1924 as it is in the Haugen bill that is before us now. Chairman SANDERS held the Rainey amendment out of order as not being germane; and the present occupant of the chair, sustained by that precedent and also by the logic of the rule which says that a matter foreign to the subject under consideration can not be introduced by way of amendment, sustains the point of order and declares the amendment out of order.

Mr. ASWELL. I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment of the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Strike out all of section 10.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Louisiana [Mr. ASWELL] to strike out the section.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

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 non-premium 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 depository 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 non-premium 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 cent per annum, and (4) service charges payable for the collection of equalization fees.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana moves to strike out the section. The question is on agreeing to that motion.

The question was taken, and the motion was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INSURANCE

SEC. 12. (a) In order that a cooperative association handling any staple agricultural commodity may with reasonable security make payments to its members at the time of delivery of such commodity by the members, fairly reflecting the current market value of such agricultural commodity, the board is authorized to enter into an agreement, upon such terms and conditions as it may prescribe, for the insurance of such cooperative association against price decline as hereinafter provided. Such insurance agreement may be entered into by the board only with respect to any such agricultural commodity which, in the judgment of the board, is regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance.

(b) Any such agreement for insurance against price decline shall provide for the insurance of the cooperative association for any 12 months' period commencing with the delivery season for the commodity against loss to such association or its members due to decline in the average market price for the commodity during the time of sale by the association from the average market price for the commodity during the time of delivery to the association. The measure of such decline, where a decline occurs, shall be the difference between the average market price weighted for the days and volume of delivery to the association by its members and the average market price weighted for the days and volume of sales by the association. In computing such average market prices the board shall use the daily average cash prices paid for the basic grade of such commodity in the exchange designated in the agreement. Any such agreement shall cover only so much of the commodity delivered to the association as is produced by the members of the association and as is reported by the association for coverage under the agreement.

(c) Whenever in the judgment of the board the use of such insurance agreements in respect of any commodity will stabilize the market substantially in the interest of the producers of the commodity whether or not members of a cooperative association dealing in the commodity, then the board, during the continuance of any marketing period for the commodity as provided in section 9, may enter into nonpremium, or if the board deems it advisable, premium insurance agreements with cooperative associations dealing in the commodity. Whenever in the judgment of the board the use of such insurance agreements will not so stabilize the market, then the board may enter into premium insurance agreements only with the cooperative associations.

(d) Payments required under nonpremium insurance agreements in respect of any commodity shall be made out of the stabilization fund for the commodity. Payments under premium insurance agreements in respect of any commodity shall be made out of the premium insurance fund for the commodity to be established by the board under such regulations as it may prescribe.

(e) For insurance under a premium insurance agreement the cooperative association shall pay a premium, to be determined by the board prior to the making of the insurance agreement, upon each unit of the commodity reported by the association for coverage under the insurance agreement. Such premium shall be calculated with due regard to the past price records in established markets for the commodity. The premiums applicable to the commodity in the successive 12 months' period shall be adjusted with due regard to the experience of the board under preceding insurance agreements. There shall be deposited in the premium insurance fund for any commodity the premiums paid by cooperative associations under premium insurance agreements in respect of the commodity, and advances from the revolving fund in such amounts as the board deems necessary for the operation of the fund. There shall be disbursed from the premium insurance fund for any commodity (1) the payments required by any premium insurance agreement in respect of the commodity, and (2) repayments into the revolving fund of advances made from the revolving fund to such premium insurance fund, together with interest on such advances at the rate of 4 per cent per annum.

Mr. FORT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORT: Page 54, line 22, strike out the line and all of lines 23, 24, 25, and line 1, on page 55, through the word "association."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

The question was taken, and the amendment was rejected.

Mr. ASWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Louisiana.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Strike out all of section 12.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

REVOLVING FUND

SEC. 13. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$400,000,000. Such sum shall be administered by the board and used as a revolving fund in accordance with the provisions of this act. The Secretary of the Treasury shall deposit in the revolving fund such portions of the amounts appropriated therefor as the board from time to time deems necessary.

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 57, line 4, after the figures "\$400,000,000," strike out the period, add a colon, and insert the following: "Provided, That at least \$200,000,000 of said revolving fund is hereby made available and shall be used as a stabilization fund for financing the purchase, withholding, or the disposal of agricultural products in the event that a marketing period shall be declared for one or more of such products as hereinbefore authorized, and that said fund shall be allocated ratably to the stabilization funds of the several products according to the values of their respective exportable surpluses."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was rejected.

Mr. ASWELL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: Page 57, line 1, strike out all of section 13.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXAMINATIONS OF BOOKS AND ACCOUNTS OF BOARD

SEC. 14. Expenditures by the board from the stabilization or premium insurance funds shall be made by the authorized officers or agents of the board upon receipt of itemized vouchers therefor, approved by such officers as the board may designate. All other expenditures by the board, including expenditures for loans and advances from the revolving fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the board. Vouchers so made for expenditures from the revolving fund or from any stabilization or premium insurance fund shall be final and conclusive upon all officers of the Government; except that all financial transactions of the board (including the payments required by any marketing or insurance agreement) shall, subject to the above limitations, be examined by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe. Such examination in respect of expenditures from the revolving fund or from any stabilization or premium insurance fund shall be for the sole purpose of making a report to the Congress and to the board of expenditures and agreements in violation of law, together with such recommendations as the Comptroller General deems advisable concerning the receipts, disbursements, and application of the funds administered by the board.

Mr. ASWELL. Mr. Chairman, I move to strike out all of section 14.

The CHAIRMAN. The Clerk will report the motion of the gentleman from Louisiana.

The Clerk read as follows:

Motion offered by Mr. ASWELL: Page 57, line 10, strike out all of section 14.

The CHAIRMAN. The question is on agreeing to the motion of the gentleman from Louisiana.

The question was taken, and the motion was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

COOPERATION WITH EXECUTIVE DEPARTMENTS

SEC. 15. (a) It shall be the duty of any governmental establishment in the executive branch of the Government upon request by the board, or upon Executive order, to cooperate with and render assistance to the board in carrying out any of the provisions of this act and the regulations of the board. The board shall, in cooperation with any such governmental establishment, avail itself of the services and facilities of such governmental establishment in order to avoid preventable expense or duplication of effort.

(b) Upon request by the board the President, by Executive order, (1) may transfer any officer or employee from any department or independent establishment in the executive branch of the Government, irrespective of his length of service in such department or independent establishment, to the service of the board, and (2) may direct any governmental establishment to furnish the board with such information and data pertaining to the functions of the board as may be contained in the records of the governmental establishment; except that the President shall not direct that the board be furnished with any information or data supplied by any person in confidence to any governmental establishment, in pursuance of any provision of law or of any agreement with the governmental establishment.

(c) The board may cooperate with any State or Territory, or department, agency, or political subdivision thereof, or with any person.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: On page 59, after line 11, add the following as a new section:

"It is hereby made unlawful for any person, other than a cooperative association engaged as in this act described, willfully to destroy any agricultural commodity for the purpose of enhancing the price or restricting the supply thereof, knowingly to commit waste, or willfully to permit preventable deterioration of any agricultural commodity in or in connection with their production, manufacture, or distribution; to hoard any agricultural commodity; to monopolize or attempt to monopolize, either locally or generally, any agricultural commodity; to engage in any discriminatory and unfair or any deceptive or wasteful practice or device, or to make any unjust or unreasonable rate or charge in handling or dealing in or with any other persons (a) to restrict distribution of any agricultural commodity; (b) to prevent, limit, or lessen the manufacture or sale of any agricultural commodity in order to enhance the price thereof; or (c) to exact excessive price for any agricultural commodity; or to aid or abet the doing of any act made unlawful by this section.

"Any person convicted of any of said unlawful acts shall be punished as in section 20, paragraph (b) provided."

Mr. DICKINSON of Iowa. Mr. Chairman, I make a point of order against the amendment.

Mr. LAGUARDIA. May the proponent of the amendment be advised on what the gentleman from Iowa bases his point of order so I may argue intelligently?

The CHAIRMAN. The Chair thinks the amendment is not germane to this section and sustains the point of order.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The CHAIRMAN. The gentleman from Louisiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ASWELL: On page 58, line 10, strike out all of section 15.

The amendment was rejected.

The Clerk read as follows:

GENERAL DEFINITIONS

SEC. 16 (a) As used in this act—

(1) The term "person" means individual, partnership, corporation, or association.

(2) The term "United States," when used in a geographical sense, means continental United States and the Territory of Hawaii.

(3) The term "cooperative association" means an association of persons engaged in the production of agricultural products, as farmers, planters, ranchers, dairymen, or nut or fruit growers, organized to carry out any purpose specified in section 1 of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922, if such association is qualified under such act.

(b) Whenever any agricultural commodity has regional or market classifications or types which in the judgment of the board are so different from each other in use or marketing methods as to require their treatment as separate commodities under this act, the board may determine upon and designate one or more such classifications or types for such treatment.

Mr. SUMMERS of Washington. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SUMMERS of Washington: On page 60, after line 2, insert:

"(4) The words 'agricultural commodity' shall not include apples, peaches, pears, plums, cherries, nor grapes."

Mr. HAUGEN. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this section and all amendments thereto close in 10 minutes. Is there objection?

Mr. TAYLOR of Colorado. Mr. Chairman, a parliamentary inquiry. Does that prevent the offering of amendments?

The CHAIRMAN. No. Is there objection?

There was no objection.

Mr. SUMMERS of Washington. Gentlemen, if I may have your attention for a moment, amid this tumult, I want to say this amendment is not opposed by the committee. It is desired by the fruit men of the United States and the representatives from the different districts which are heavy producers of fruits. I will not consume your time, but I want you to support the amendment.

Mr. LAGUARDIA. Mr. Chairman, I have an amendment to the amendment.

Mr. JACOBSTEIN. Mr. Chairman, and I have an amendment to the amendment.

Mr. BEEDY. Mr. Chairman, I make the point of order that the committee is not in order. Members are standing in the pit; they are conversing in the rear of the Hall, and I again suggest that we have a Sergeant at Arms who ought to assist in maintaining order.

The CHAIRMAN. The Chair thinks the point of order of the gentleman is well taken. The committee will be in order. The gentleman from New York [Mr. JACOBSTEIN] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. JACOBSTEIN as a substitute to the amendment offered by Mr. SUMMERS of Washington: On page 60, in line 3, insert a new paragraph to read:

"The words 'agricultural commodity' mean an agricultural commodity which is not a fruit or vegetable."

Mr. JACOBSTEIN. Mr. Chairman and members of the committee, I believe many Congressmen are well agreed that fruits ought to be excluded from the operation of this bill, as provided for in the amendment offered by Mr. SUMMERS of Washington. I am providing in my amendment that vegetables likewise shall be excluded and for a very good and similar reason. The reason why you exclude fruits is because they are perishable; vegetables are also perishable. The very purpose of the McNary-Haugen bill is to exercise control over the surplus.

You can not do that with fruits and vegetables. You can not carry them over until the next crop season, and therefore we should logically exclude all fruits and all vegetables from the operation of this bill. I may say that if you adopt my substitute the bill will be in exactly the same form that it came from the Senate, so far as fruits and vegetables are concerned. The Senate amendment, known as the Copeland amendment, excluded fruits and vegetables from the operation of this bill, and therefore I hope you will accept the substitute I have offered.

Mr. BURTNES. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BURTNES. Does the gentleman know that the word "fruit" in Webster's International Dictionary is defined as being:

Whatever is produced for the nourishment of man or animals by the processes of vegetable growth, as corn, grass, cotton, flax, etc.

Now, the gentleman surely does not want to exclude cotton and these other products?

Mr. JACOBSTEIN. I want to exclude all fruits specified in the Summers amendment, including apples, peaches, pears, plums, grapes, and so forth, as well as vegetables, including potatoes, cabbages, carrots, celery, onions, lettuce, and so forth. It is unthinkable that the authors or proponents of this measure should want this bill to embrace these farm commodities.

Mr. LAGUARDIA. I can answer the gentleman from North Dakota. If the gentleman will put after the word "vegetables" the words "known as garden truck," that will answer the gentleman from North Dakota.

Mr. JACOBSTEIN. That may be so for the purpose of clarifying the definition, but I believe we all know what is intended. Of course, we do not include cotton in our definition of vegetables.

Mr. O'CONNOR of Louisiana. That is not necessary. The gentleman ought to look up the word "vegetable" in the dictionary.

Mr. KINCHELOE. Will the gentleman yield?

Mr. JACOBSTEIN. Yes; with pleasure.

Mr. GREEN. That does not go in unless the vegetable growers want it to go in, anyway. They have to petition in order to get it in.

Mr. JACOBSTEIN. Mr. Chairman, I first yielded to the gentleman from Kentucky.

Mr. KINCHELOE. I can understand why gentlemen do not want an equalization fee levied on fruits and vegetables, but does the gentleman want to get them out of the operation of the provisions with respect to the \$25,000,000 loan?

Mr. JACOBSTEIN. Yes; and I will tell the gentleman why. People who raise fruits and vegetables in my country are now overequipped with facilities for handling them, and under the operation of the bill you are going to overstimulate the erection of these warehouses and storage plants which will actually do more harm to the farmers than good. You merely make possible the extension of credit to fly-by-night speculators who may desire to come in and fleece the farmer.

Mr. KINCHELOE. Then you have plenty of credit.

Mr. JACOBSTEIN. We do not want any more credit. We have enough credit now and sufficient credit facilities are available for our fruit and vegetable producers.

Mr. ADKINS. You do not need to use it.

Mr. JACOBSTEIN. We do not want the bill to operate that outsiders may use this new credit to further stimulate the production of fruits and vegetables. If you will read my speech of last week, you will find in that RECORD the names of many representative organizations in my State and other States who have definitely stated that they prefer to be exempted from the bill.

Mr. CHINDBLOM. I would like to ask the gentleman if he thinks this bill will do more harm to fruit and vegetable farmers than to other farmers.

Mr. JACOBSTEIN. I do not know with any degree of certainty how this bill is going to affect other commodities, but I do say it will harm fruits and vegetables because they are perishable products and not susceptible to the favorable operations of the bill, and are exposed to its dangers.

Mr. GREEN. Does not the gentleman realize that fruits and vegetables can not be included in the bill unless the growers of fruits and vegetables petition that they be brought within the provisions of the bill.

Mr. JACOBSTEIN. There is nothing in the bill to prevent cooperatives from being organized by outsiders for the expressed purpose of coming within the bill and using the Government's financial credit.

Mr. COCHRAN of Missouri. May I ask the gentleman if this is similar to the Copeland amendment? If it is, then I am heartily in favor of the amendment and I hope it prevails. If you do not exempt fruits and vegetables, you are adding a further burden to that already placed on the consumer by the terms of this bill. Perishable products have no place in this measure and the House should follow the lead of the Senate, where the Copeland amendment was unanimously adopted, and let fruit and vegetables alone.

Mr. JACOBSTEIN. Yes. The gentleman asks whether this is similar to the Senate amendment. It is absolutely the language of the Senate amendment so far as it relates to fruits and vegetables. My amendment simply retains the language of the Senate amendment, and I hope the House will adopt the amendment.

Mr. CANNON. Mr. Chairman, I desire to be heard in opposition to the amendment.

Mr. EDWARDS. Mr. Chairman, a parliamentary inquiry. Was not the word "fruits" stricken from this bill yesterday under an amendment offered by the gentleman from Virginia [Mr. HARRISON]?

Mr. JACOBSTEIN. That was in the Aswell bill.

Mr. HARRISON. Yes. We want to get the amendment in this bill now.

Mr. CANNON. Mr. Chairman, this is the most remarkable proposition that has been presented in the consideration of this entire bill. Here is a measure applying to every agricultural commodity produced in the United States. It provides for the cotton and corn of the South, for the wheat and flax of the North, for the cattle and hogs of the West, and for the peanuts and tobacco of the East. It applies to absolutely every-

thing produced on field and fallow, and here they come in and want to make one exception. They want to leave out one single commodity. They want to exempt fruits and vegetables.

Gentlemen, the cotton exchanges are opposed to this bill, and are fighting it, and you are putting them out of business. The grain and cattle exchanges are opposed to this bill and are fighting it, and you are putting them out of business. But the fruit exchanges, which are fighting farm relief here to-day more vigorously than any of them, is the most rapacious robber of them all. [Applause.]

The federated fruit commission men are to-day exacting a toll from the producers compared with which the exactions of Shylock were pure benevolence. You can raise a load of hogs in one year. You can feed a load of cattle in one season, and when you ship hogs or cattle to our central markets your commission men there charge you for handling them less than 1 per cent. But it takes 12 years to bring an orchard into bearing.

It costs us an average of from \$225 to \$550 an acre overhead to reach the period of first production, and yet when we ship a carload of apples to the market they take 10 per cent—\$10 out of every \$100—and that is only a part of the toll they take. And we have no recourse. The fruit commission men were organized by Sapiro, and they are the most compactly and efficiently organized agencies dominating the marketing of farm products in America to-day. And they are represented here against this bill by one of the most active and resourceful lobbies ever brought to the Capitol. If there is any one agricultural commodity which above all others is in dire need of the orderly marketing provisions of this bill, it is fruits.

We need this legislation not only for the benefit of the producer but for the benefit of the consumer as well, for the consumer as well as the producer will profit by the provisions carried in this bill. Last year I shipped a car of apples to St. Louis, and when the expenses of packing and shipping were paid, with no return for overhead, I received 74 cents a bushel for them. I was down in St. Louis a week or two after that and I saw on the fruit stands there the same apples selling two for 15 cents.

If you will give us this bill, we can sell you the two for 10 cents. We can save the consumer 2½ cents on each apple and still give the producer a living cost for his product.

Now let us consider the political side of this proposition. One of the principal objections of the President to the last bill, and one of the chief reasons he assigned for vetoing it, was that it applied to only a few agricultural products, four or five commodities, instead of including all farm products. It was his contention, and one well supported, that it should be universal in its application; that there was no reason for omitting any of them. In drafting the present bill we have obviated that objection. Everything is included. So far as that phase of the bill is concerned it complies with every requirement of the President and merits his approval. Why turn back? Having remolded the bill to meet the President's suggestions, why again antagonize him and invite a veto and the defeat of the bill by excluding something else? It is the height of inconsistency.

During the war you put a price on our wheat. Cotton and steel and coal and chemicals and numerous other commodities were just as essential to the winning of the war as was wheat. But you singled out our wheat and put a price on it, while you let the price of everything else go to unheard-of figures. Wages and corporate profits broke all records. The sky was the limit.

But you held down the price of our wheat to \$2.40 a bushel when we could have got from \$7 to \$10 for it, and you sold it to foreign governments at a profit. Do not make the same mistake again. Do not perpetuate that rankling injustice against another deserving commodity. Give this commodity its place in the bill along with other honest products of the soil. Vote down this amendment. [Applause.]

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from New York to the amendment offered by the gentleman from Washington.

The question was taken, and the substitute was rejected.

Mr. HARRISON. Is it in order now to debate an amendment?

The CHAIRMAN. Debate on the section and all amendments thereto has expired. The question is on the amendment offered by the gentleman from Washington [Mr. SUMMERS].

Mr. MOORE of Virginia. Mr. Chairman, I ask that the amendment be again reported.

The amendment was again reported.

The CHAIRMAN. The question is on the amendment. The question was taken, and the amendment was rejected.

Mr. HARRISON. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 60, after line 2, insert the words "agricultural commodity means an agricultural commodity which is not a fruit."

Mr. O'CONNOR of Louisiana. Mr. Chairman, I move to amend by inserting the word vegetables, and I ask unanimous consent, in view of the fact that I have been promised two minutes, to proceed for two minutes.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR of Louisiana to the amendment offered by Mr. HARRISON: After the word "fruit" insert the words "or vegetables."

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to proceed for two minutes notwithstanding the limitation on debate. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, if the McNary-Haugen bill is enacted into law—that is, if it pass the Congress and be signed by the President or his veto overridden, in the event that he does veto the measure—it will inaugurate and put into motion an experiment in the way of stabilizing farm products that has had no parallel in human history. Even the immortal effort made by Joseph to offset what would otherwise be the disaster of the seven lean years by providing for the storage of the surplus in the seven fat years and thereby making for a stabilization throughout the fat and lean years, on account of the relatively small number of inhabitants to whom it was applied, sinks into insignificance compared to this giant effort on the part of leaders of agriculture, through governmental aid and assistance, to stabilize farm products that must inevitably reach into every household and make for the growth and sustenance of a hundred and twenty million people. Joseph's notable achievement will live as long as the Bible is read, for it affords not only a wonderful insight into the ability with which men in that distant period of the world's history met agricultural problems, but also evidences the profound thought and intellectuality that made for a thorough conception and understanding of the continuous and uninterrupted operation of the great law of compensation. "Life gives me gloom to-day; to-morrow comes her laughter." "Life frowns on me to-day, yet will she smile to-morrow." Three, four, five years of bad crops will be followed by three, four, five of good crops. Good times and bad times alternate in accordance with some unbeatable law. I say unbeatable, meaning that the law has been unbeatable up to this time. This bill is a challenge to the supremacy of that law of supply and demand and of those economics that have ruled the commercial and agricultural and industrial world up to this time. It is, therefore, a vast experiment, and will be conducted upon a scale unprecedented even in the imagination of the visionaries of a few years ago. Many of the foremost thinkers of the country believe that it is an experiment worth making.

William Green, president of the American Federation of Labor, thinks so, and no man in this country has a more thorough knowledge of the underlying causes for America's greatness than Mr. Green. No one knows better than he how to maintain this Republic in the vanguard of civilization. The great railroad paper, Labor, read eagerly every week by a million men and women, with such thinkers, writers, and philosophers on its staff as Edward Keating, Donald Ramsey, Raymond Longren, Gil Hyatt, and other great spirits, who in the night of despotism, as it were, foresaw the glories of the coming day, is urging the enactment of this bill. When labor was reeling and staggering and truth, justice, and freedom were being bludgeoned out of our national existence these men preached the word that an injury to one was the concern of all, and that the degradation and misery of one group of our people ultimately meant the degradation of all of the other groups, and that the prosperity of the superstructure in our national life depended upon the well-being and the comfort and happiness of those that made for the mudsills and foundation of the Republic.

I wish I could quote from this great paper that has thundered in behalf of a square deal for the agriculturists of the land. Eloquently its writers have pleaded for the farmer. Looking into the past and glimpsing the future they see the farmer as the first man on earth and they see him as the last man on earth. They are for him for the ethical reason that they are for all human beings. They believe that all men and women are entitled to a living on this earth. That is reason No. 1. They believe in the proposed legislation because they hold the prosperity of the agriculturists would make for a greater pur-

chasing power upon their part, which would tend tremendously to decrease unemployment in the cities by keeping the factories in operation; and they believe that if the farm boys were contented and happy as a result of making a living on their farms they would not in sheer hopelessness come to the city and thereby accentuate labor problems by adding to the number of men seeking employment in our industries. I have always sided with labor in their highest aspirations, believing that it was for the good of all communities to prevent discord and to make for friendly relations between capital and labor. Arm in arm these two great forces can accomplish wonders yet undreamed of.

But I want to submit, gentlemen of this House, that all great experiments ought to be tried out with some little care. There is no reason on earth why the Copeland amendment should not be restored to this bill. Fruits and vegetables should be excluded from its provisions. Its operations ought to be confined to those products of the earth susceptible to storage for a long period. I understand that the opposition to the adoption of such an amendment is due to the fact that vegetables and fruits in their broader significance might be deemed to embrace some of the very products which it is designed to make fall under the terms of this measure. There is no well-drawn distinction between fruits and vegetables, but the courts have held, as may be seen by a reference to the celebrated legal work, Words and Phrases, that vegetables mean cabbage, lettuce, potatoes, and such grains as are used on tables. I submit, my friends, that many vegetables are much more perishable than many fruits. The gentleman from Missouri is not consistent and logical in his statement to the effect that he wanted everything in the shape of an agricultural product forced and jammed and crammed into the bill, whether the product fitted into the purpose of the bill or not. I admire his earnestness, his sincerity of purpose, and his rhetoric more than I do his logic and his reason. He assigned no reason on earth why vegetables of a perishable nature should be included with those commodities that are not of perishable nature. Apparently he would make no distinction between that which could be stored and that which could not be stored. We ought to proceed, my friends, in a logical and sensible way; and the amendment proposed by Mr. HARRISON and that proposed by myself would make this bill far better than it would be without it. Notwithstanding the belief that exists in the minds of many Members that it would be better to reject these amendments in view of the fact that it is difficult to find phraseology to cover the purpose sought to be accomplished and to let the matter be adjusted in conference I feel that the dictionary means that fruits and vegetables are sufficiently clear to justify our adopting those amendments. Do not make this bill unreasonable. Do not make it a Procrustean bed and endeavor to fit all products to its terms even if you have to destroy them to do so. I am surprised that the committee finds itself at a loss to find suitable words to meet the situation, as I was told by prominent Republican members of the committee that a proper amendment would be prepared and offered by the committee itself.

Mr. TUCKER. Mr. Chairman, I ask unanimous consent to speak for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

Mr. COOPER of Wisconsin. I object.

The CHAIRMAN. The question is on the amendment of the gentleman from Louisiana to the amendment of the gentleman from Virginia.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Virginia [Mr. HARRISON].

The question was taken, and the amendment was rejected.

Mr. TAYLOR of Colorado. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Mr. TAYLOR of Colorado offered the following amendment: On page 60, after line 8, add as subdivision (c) the following:

"None of the provisions of an act of Congress of the United States entitled 'An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes,' approved June 30, 1906, or any amendments thereto, shall hereafter be held or construed by any person or any official of any department of the Government of the United States, or in any court, to embrace or to be in any way applicable to any fresh or natural fruit in the condition when served from the tree, vine, or bush upon which it was grown."

Mr. LEA. Mr. Chairman, I make the point of order that it is not germane.

Mr. TAYLOR of Colorado. Mr. Chairman, I want to be recognized on the point of order.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TAYLOR of Colorado. Mr. Chairman, this amendment I have offered is in the exact language of subdivision (b) of section 17 of the Senate bill as it passed the Senate and came over to the House. This provision was introduced by the junior Senator from Colorado [Mr. WATERMAN] as an amendment to this bill when it was under consideration on the floor of the Senate and was unanimously approved by that body.

The Senator introduced this provision at the unanimous request of practically all the fruit growers in the western half of our State, and they have all urged me to do my utmost to retain that provision in this bill.

The point of order made by the gentleman from California and others would probably be good if it had been raised in the Senate, because fruits and vegetables and beef were expressly excluded from the Senate bill.

Mr. MONTAGUE. Fruits and vegetables are in the Senate bill?

Mr. TAYLOR of Colorado. No. That provision of the Senate bill reads as follows:

The words "agricultural commodity" means an agricultural commodity which is not a fruit or vegetable or beef or beef products.

But when the House Committee on Agriculture struck out all of the Senate McNary bill after the enacting clause and inserted the complete Haugen bill, which did not contain this Waterman provision relating to fruits but did include all fruits as an "agricultural commodity," it seems to me that clearly makes this fruit amendment I have offered germane to the fruit commodity provisions of this bill. This House Haugen bill deals with fruit just as much as it does with any other agricultural commodity. It puts all of the fruit industry under the same Federal regulations and fees and penalties, and so forth, of this surplus control act. This amendment of mine pertains to the Federal control and applicability of the law to a certain class of fruit—that is, to fresh fruit just as it is picked from the tree, vine, or bush upon which it was grown.

When we are legislating upon and for the regulation, marketing, and development and betterment of the entire fruit industry throughout the country in this bill, it seems to me that any provision which a large number of fruit growers want inserted in this law pertaining to one certain kind of fruit ought to be a proper and germane matter for careful consideration by this House, and I hope the Chairman will not prevent my presenting this subject to the House by rejecting this amendment on a point of order.

The CHAIRMAN. The Chair thinks this brings in the merits of the pure food and drug act which is not at all involved in the Haugen bill, and sustains the point of order.

Mr. TAYLOR of Colorado. Mr. Chairman, I regret exceedingly the ruling of the Chair, to which I must gracefully submit, but to show the importance of this matter I will, by permission of the House, insert in the Record two out of a great many telegrams just received by me from numerous fruit growers and associations of my district in western Colorado, as follows:

DELTA, COLO., April 28, 1928.

Hon. EDWARD T. TAYLOR,

House of Representatives, Washington, D. C.:

The signers unanimously urge your support for Senator WATERMAN's amendment to McNary-Haugen bill. Already this acid wash has cost fruit growers in Delta County a quarter of a million dollars. But, even more than that, it is the gravest menace to fruit growing in Colorado ever known. Please help WATERMAN.

Millard Fairlamb, Delta County Chamber of Commerce; Palmer & Joslyn Co.; Cedaredge Fruit Co.; the American Fruit Growers (Inc.); the Associated Fruit Co.; M. E. McCalister, Pall-sade Fruit Exchange; North Fork Produce Co.; Growers Trading & Supply Co.; North Fork Commercial Club; Paonia Chamber of Commerce; Union Fruit Co.; Curtis Fruit Co.; Paonia Fruit & Supply Co.; W. H. Garvin.

HOTCHKISS, COLO., April 30, 1928.

Hon. EDWARD T. TAYLOR,

Congressman from Colorado, Washington, D. C.:

Relating to rider in McNary-Haugen bill relative to eliminating apples from pure food law. This organization represents practically every fruit grower in Montrose and Delta Counties, and they urge you to use every effort to have this bill passed. Experience past two years shows heavy loss from cleaning residue off of apples, and no concrete evidence ever has been presented showing apples not cleaned injurious to health. As this law only enforced two years and apple shipments gone from here past 30 in same condition, buyers discriminating against Colorado apples, as other parts not forced to clean, and apple

industry is hit hardest blow of its history, unless some action taken to eliminate this order; satisfied if conditions were known every man be for this rider.

DELTA-NORTH FORK FRUIT MEN'S ASSOCIATION.

Mr. Chairman, I also inclose a letter from Mr. Millard Fairlamb, of Delta, Colo., who is the legal representative and official spokesman of a majority of all the fruit growers and associations of western Colorado, and a very reliable and exceptionally well-informed and conservative lawyer, as follows:

DELTA, COLO., April 28, 1928.

Hon. EDWARD T. TAYLOR,

House of Representatives, Washington, D. C.:

DEAR MR. TAYLOR: Your telegram of April 27 to the American Fruit Growers of Delta, Colo., was handed to me for answer. I have been acting in cooperation with our fruit growers and fruit growers' associations in Delta and Montrose Counties for some six or eight months on this subject of apple washing. Our people here are unanimously opposed to it. We believe it has cost us a loss of \$250,000 in Delta and Montrose Counties. We wrote you and telegraphed you at great length, and if you will refer to these letters and telegrams you will realize the feeling of our people in western Colorado that it is ruinous to the apple industry for this acid-washing order to be enforced.

Mr. W. P. Dale, president of the Uncompahgre Valley Water Users Association, was in Washington and there found out that a man by the name of Harvey is responsible for this experimentation. He works under a man by the name of Campbell, and both, of course, are impractical men who, although meaning all right, nevertheless are causing our American apple growers to expend millions of dollars in experiments. Two years ago the farmers were compelled by order to install brushing machines to brush off the spray residues. Last year they were compelled to build machines to immerse and wash the apples, and this year a third kind of a machine will have to be introduced so as to keep the apples out of the acid wash, but to spray them and wash the spray residues off by gently gushing the acid over them. As a matter of fact, these methods of preparing apples for market are all wrong. I wish you would see the voluminous testimony we have placed from our Delta County shippers and fruit associations in the hands of Senator WATERMAN. There was no intention of passing you by because last fall we appealed to you from time to time in regard to this same trouble, but in view of the fact that Senator WATERMAN had a chance to get in an amendment to the McNary-Haugen bill the evidence of scores of fruit jobbers and wholesalers has been placed in WATERMAN's hands. Please go to Senator WATERMAN and read over this evidence. From it you will see that our people here are almost frantic over this subject of washing apples. I do not know a single one in Delta County that favors the movement, although, of course, anything that would improve the quality of the apples and make a better pack is desired. We think the experimentation should be worked out on a small scale by the Department of Agriculture instead of making the apple growers carry on this experimentation. After sufficient experiments have been carried on so a method may be advised without doing harm to apples, to make them cleaner and to remove any spray residues, we would be glad to welcome any positive advance that is sensible. At the present time we are afraid of this acid dip, because it has worked such destruction to the keeping qualities of apples. They look all right when they leave Delta County, but by the time they have been in the refrigerator car for a week the conditions have changed and deterioration progressed to such an extent that the loss is tremendous. We have had instance after instance where losses have been almost total.

We realize that so far as our commerce with foreign nations is concerned we must prepare our apples to comply with the regulations of the Customs Union. We feel that so far as the 96 per cent of the traffic in apples is concerned, which is of an interstate nature, that it should be left optional with each shipper to prepare apples so they will please the market. If there is anything eventually worked out by the Department of Agriculture that is a positive advance and worth while, you may rest assured that we in Delta County will avail ourselves of it, because we must have the highest-class pack that can be secured in order to stand the high freight rates out from this mountainous country.

So far as the McNary-Haugen bill is concerned, I can not help but view it as economically unsound, but that, of course, is my private opinion, and it really does not concern us much here in western Colorado, because we do not think it is necessary for the Government to subsidize the growing of fruits. I realize that the farmers of the Middle West are largely in favor of this McNary-Haugen bill. The one thing that looks good to us in connection with this McNary-Haugen bill is Senator WATERMAN's amendment, and on that I can assure you that everybody in Delta County is in favor of that amendment.

Sincerely yours,

MILLARD FAIRLAMB.

Mr. Chairman, I feel that in fairness to the Agricultural Department, as well as to the fruit industry generally, I should say that I have for the past two years been in correspondence and consultation with the Agricultural Department and its representatives in this matter, and also in personal contact

with the situation in the fruit districts of Colorado, and that I know the great loss that has been caused to the fruit industry of Colorado and other States by the regulations and requirements of the Agricultural Department. I, just the other day, had an extensive conference with the Assistant Secretary of Agriculture and the chiefs of the subdivisions in charge of this matter, endeavoring to obtain some practical and fair solution of this problem, and I regret to say that I have been unable to obtain any material concessions that I feel will be satisfactory to the fruit industry of my district, although I should say that the officials of the department are sympathetic with our condition, and I am in hopes—and in fact, I believe—that some practical solution will be arrived at whereby our fruit industry will not be destroyed.

I asked the Agricultural Department officials to write me frankly as to their opinion and position on this particular amendment, and the Secretary of Agriculture, Mr. Jardine, has just to-day written me a letter on the subject. I feel that Congress and the country generally, and my constituents in particular, will be interested in this definite official statement from the Secretary of Agriculture, because sooner or later we have all got to come to some practical adjustment of this condition, and I believe in frankly and fairly presenting both sides. I therefore insert the Secretary's letter in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 4, 1928.

HON. EDWARD T. TAYLOR,
House of Representatives.

DEAR MR. TAYLOR: I have your letter of April 29 requesting a statement from the department in regard to the provision inserted by Senator WATERMAN, of Colorado, in the so-called McNary-Haugen bill, S. 3555, which exempts from the provisions of the Federal food and drugs act fresh fruit in the condition in which it is severed from the tree, vine, or bush on which it is grown.

In order to present clearly the significance of this amendment and its probable effect, I wish to review some of the phases of the department's experience in the question of spray residue on fruits.

The department has long recognized the necessity for the use of arsenical sprays in the commercial production of fruit. Without them it would be impossible for the industry to exist in its present magnitude. The department not only, but the State experiment stations throughout the country, have urged the adoption of proper spraying schedules to protect fruit from the ravages of insect pests. In the efforts made by all agencies to secure a nation-wide control of these pests the question of possible harmful effect upon consumers of the residues left by spraying was not given serious consideration until action was initiated by the health officials of the city of Boston in 1919 against shipments of western fruit on the ground that the spray residues found were sufficient to cause possible injury to the health of consumers. The department's own investigation of these shipments showed that startlingly high amounts of spray residue actually were present. The department then began a campaign of education among fruit growers and packers to apprise them of the menace involved in the distribution of fruit bearing excessive spray residues. This campaign has been continued consistently since that time, and in it the cooperation of every element connected in any way with the fruit-producing industry has been sought. In fact, the cooperative features of this campaign have been marked by the highest development of coordination not only between Federal and State agencies but between these agencies and the fruit-producing industry itself. Throughout this period of educational work the department, in the enforcement of the Federal food and drugs act, made comparatively few detentions of excessively sprayed fruit. Every effort was made to handle the matter in a thoroughly constructive fashion.

The second event which added great impetus to the campaign for clean fruit was the report from England in the fall of 1925 of arsenical poisonings due to the consumption of sprayed American fruit. These reports were followed by widespread publicity in England not only, but on the European Continent, which practically paralyzed for a time the export market for American fruit. The economic effects of this were very seriously felt by our American producers, being reflected by a distinct reduction in price. The Government of Great Britain threatened an embargo against American fruit if American producers did not bring about a change in their methods which would guarantee a reduction of the spray residue content. It is our conviction that it was only upon the assurances made by this department that every effort would be made through official agencies not only, but by the fruit-producing industry itself, to guarantee the shipment of clean fruit that the embargo was prevented.

In the growing season of 1926 the department placed every available representative in the field to apprise fruit growers and shippers of the seriousness of the situation. The department called upon all interested State agencies and upon the industry itself to assist in disseminating a complete knowledge of the matter. In the enforcement of its plans for the protection of the public health the department steadfastly

refrained from general publicity, and, in fact, took every possible step to prevent publicity in the knowledge that should general publicity occur, casting suspicion upon the wholesomeness of fruit, there would be a diminution of consumption, approaching a public boycott, particularly of fruit produced in those western regions where it was likely to bear excessive amounts of spray residue. We had witnessed the practical destruction of two or three industries concerning which publicity occurred casting doubt upon the wholesomeness of the products. We wished, if possible, to avoid a similar difficulty for the fruit-producing industry.

It was found after the 1927 season shipments began that wiping methods of cleaning the fruit, which had up to that time been thought efficacious, were not bringing the fruit in many eastern sections, including Colorado, down to the internationally recognized tolerance of one one-hundredth grain arsenic trioxide per pound. In recognition of the difficulties with which the fruit producers were faced, the department refrained from taking action against fruit on this tolerance and made detentions of shipments only upon the basis of an arsenic content several times this figure. At the same time, investigational work was inaugurated to develop more efficacious methods of cleaning, as a result of which the acid-wash method now generally in use was worked out. While there have been widely disseminated reports that the acid-wash method destroys the keeping quality of the fruit, the experience gained in almost two years of its use has shown that when properly applied it does not adversely affect the keeping quality of the fruit. By the observation of simple precautions no fear need be felt by the growers and packers that the process will cause excessive losses. The surveys we have made have definitely shown that the proportion of spoilage in acid-washed fruit is not greater than what can be expected in any normal year in untreated fruit. Recognizing the impossibility of an immediate adoption of acid washing throughout the entire fruit-producing areas of the West, the department did not attempt to impose a tolerance of one one-hundredth grain but has been gradually reducing the tolerance in the expectation that so soon as proper cleaning equipment can be installed throughout the country this tolerance will be put into effect in order that American fruit may enter freely into every foreign market and may be distributed in the domestic markets without adverse action by State and city officials. The department has recently announced to the industry that it would not take action during the coming season on the basis of arsenic content not exceeding two one-hundredths grain per pound of fruit. The industry has ample time to make all provisions necessary for the coming season to meet this tolerance.

The amendment to the so-called McNary-Haugen bill introduced by Senator WATERMAN would exempt all fresh fruit from the provisions of the Federal food and drugs act. If the amendment prevails, there will no longer be a Federal control of the spray-residue question. This will not remove in any degree whatever the control of States, cities, and foreign governments. These agencies can be expected to follow the internationally recognized tolerance of one one-hundredth grain per pound as a guide in their operations. They are not in a position, nor can they be expected, to attempt sympathetic educational work among the growers and to provide technical assistance in the application of efficient cleaning methods. Instead of the situation being under control at the source, it will be controlled at consuming markets, and there is every reason to expect chaotic results. Nothing else could logically follow the independent operations of the many agencies which will be concerned. Furthermore, the abrogation by this legislative action of the promise given to the British Government by the department in 1925 to exert every possible effort to cure the trouble would undoubtedly be construed as sufficient ground by Great Britain not only but by countries in continental Europe to place an embargo upon American fruit, thus turning back a large part of the exportable surplus upon domestic markets. All these developments are sure to be attended by widespread publicity. We happen to know that press representatives throughout the country have a fairly complete knowledge of the situation and have refrained from publishing this information only because the department has been able to convince them that it would be adverse to the best interests of the country. There is also to be taken into account the position which will probably be assumed by growers in the Middle West and in the East, where, due to climatic conditions, there is not a heavy infestation of the codling moth, and such frequent and late sprayings as are prevalent in the West are unnecessary, thus causing little difficulty in meeting the tolerance of one one-hundredth grain per pound. Unquestionably, these growers will carry out the plans which they have heretofore advanced and from which they have been dissuaded by the department to advertise their fruit in consuming centers as free from excessive arsenical residues.

All of these various factors as the department sees them and is able to judge them from its long experience with this problem will unquestionably react against western fruit to a point where the magnificent industry which has been built up in that section of our country will be utterly destroyed. The department throughout its entire dealing with this question has been sympathetic with the growers and has sought by constructive means to aid them in meeting this serious problem. I feel quite sure that the elimination of the department's

regulatory control of fresh fruit through the passage of this amendment will be a fatal blow to this important agricultural enterprise of the West. The department's plans for the coming season contemplate a continuation of its efforts both in Colorado and elsewhere to demonstrate to the industry the most effective methods of cleaning fruit and to render any other helpful service that it can.

Sincerely yours,

W. M. JARDINE, *Secretary.*

The question is on the amendment of the gentleman from Louisiana to strike out the section.

The amendment was rejected.

The Clerk read as follows:

ADMINISTRATIVE APPROPRIATION

SEC. 17. For expenses in the administration of the functions vested in the board by this act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000, to be available to the board for such expenses—including salaries and expenses of the members, officers, and employees of the board and the per diem compensation and expenses of members of the commodity advisory councils—incurred prior to July 1, 1929.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 60, line 9, strike out all of section 17.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The amendment was rejected.

The Clerk read as follows:

SEPARABILITY OF PROVISIONS

SEC. 18. If any provision of this act is declared unconstitutional or the applicability thereof to any person, circumstance, commodity, or class of transactions in respect of any commodity, is held invalid, the validity of the remainder of the act and the applicability of such provision to other persons, circumstances, commodities, and classes of transactions shall not be affected thereby.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 60, line 19, strike out all of section 18.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

COOPERATIVE ASSOCIATIONS ACT

SEC. 19. Nothing in this act is intended or shall be construed to repeal or modify any provision of the act entitled "An act to authorize association of producers of agricultural products," approved February 18, 1922.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 61, line 3, strike out all of section 19.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

PENALTIES

SEC. 20. (a) The provisions of sections 123 and 124 of the Penal Code, approved March 4, 1909, as amended, shall apply to any member, officer, or employee of the board; and, in addition, it shall be held a violation of section 123 of such code if any member, officer, or employee of the board at any time speculates, directly or indirectly, in any agricultural commodity.

(b) It shall be unlawful (1) for any cooperative association, or corporation created and controlled by one or more cooperative associations, or other agency if such agency is acting for or on behalf of the board under any marketing agreement, or (2) for any director, officer, or employee of any such association, corporation, or agency, to which information has been imparted in confidence by the board, to disclose such information in violation of any regulation of the board. Any such association, corporation, or agency, or director, officer, or employee thereof, violating any provision of this subdivision, shall be fined not more than \$10,000 or imprisoned not more than 10 years, or both.

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 61, line 8, strike out all of section 20.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was rejected.

The Clerk read as follows:

SHORT TITLE

SEC. 21. This act may be cited as the "Surplus control act."

Mr. ASWELL. Mr. Chairman, I move to strike out the section.

The Clerk read as follows:

Amendment by Mr. ASWELL: Page 62, line 3, strike out all of section 21.

Mr. KETCHAM. Mr. Chairman, I offer as a substitute for the bill just perfected the bill H. R. 12892.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill just perfected H. R. 12892.

Mr. DOWELL. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

Mr. CHINDBLOM. Mr. Chairman, I make the further point of order that there is no bill pending before the committee. The bill is being read by sections and the committee has never considered the bill in toto. There can not be any substitute for the bill in the Committee of the Whole.

Mr. KETCHAM. Mr. Chairman, I desire to be heard briefly on the point of order.

Mr. JONES. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair suggests that the Clerk has not yet read the amendment. Will the gentleman send up his amendment in writing?

Mr. KETCHAM. I have the amendment here. Mr. Chairman, I ask unanimous consent that the amendment may be considered as read, in view of the fact that it has already been printed in the RECORD under unanimous consent this afternoon.

The CHAIRMAN. Will the gentleman state his amendment again? He has merely sent up a blank bill.

Mr. KETCHAM. Mr. Chairman, I offer as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. DOWELL. I make the point of order that it is not germane.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. DOWELL. Mr. Chairman, I renew my point of order.

Mr. KETCHAM. Mr. Chairman, I desire to be heard briefly on the point of order.

Mr. RAMSEYER. Mr. Chairman, just to refer to a bill by number certainly ought not to be considered here as an amendment. The gentleman can ask unanimous consent to do away with the reading of this amendment, but to refer to an amendment merely by a certain number is a practice for which there ought not to be any precedent set here this afternoon.

Mr. KETCHAM. Of course, this request is made in the interest of the progress of the bill. I think everyone understands, and certainly no one better than the gentleman from Iowa [Mr. RAMSEYER] what is comprehended in the bill H. R. 12892. He has given the bill very thoughtful and careful consideration.

Mr. RAMSEYER. I suggest that the gentleman ask unanimous consent that the amendment be not read.

Mr. KETCHAM. I may say to the gentleman that the request has already been preferred.

Mr. RAMSEYER. The gentleman offered his amendment and there has been no such request since he offered the amendment.

Mr. KETCHAM. Mr. Chairman, what is the present situation? Is the gentleman from Iowa correct in his statement?

The CHAIRMAN. The Chair will ask the Clerk to again read the amendment as proposed.

The Clerk read as follows:

Mr. KETCHAM offers as a substitute for the bill now under consideration the bill H. R. 12892.

Mr. KETCHAM. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the reading of the amendment be dispensed with. Is there objection?

There was no objection.

Mr. DOWELL. Mr. Chairman, I make the point of order on the amendment if the Chair holds that this is equivalent to a reading of the amendment.

Mr. KETCHAM. Mr. Chairman, I call particular attention to section 21 of the bill which we have just completed. Under the heading of "Short title," the section reads:

This act may be cited as the "Surplus control act."

I submit, Mr. Chairman, that the bill which has now been sent to the desk as a substitute is absolutely on all fours with the title which has always been adopted as the short title of the act which we have perfected.

The proposed substitute plan has in it the export-debenture plan which is incorporated in the amendment just read by title from the desk. It has in it the identical features of the bill which we have been perfecting this afternoon, except in so far as the equalization fee is concerned. It has in it the board; it has in it the loan feature; it has in it the insurance feature; and in my opinion it is a better instrumentality of surplus control than that afforded by the equalization-fee plan.

Therefore, it seems to me, Mr. Chairman, from the standpoint of being germane, the purpose of the amendment sent to the desk is certainly germane to the main purpose of the bill which we have been perfecting this afternoon. Therefore I respectfully suggest to the Chair that the bill is in order at this particular point so far as the question of germaneness is concerned.

Mr. DOWELL. Mr. Chairman, just one moment. I desire to call the attention of the Chair to the decision referred to by the Chair in a ruling a little while ago on another amendment substantially along the line of the amendment offered by the gentleman from Michigan [Mr. KETCHAM]. It is the decision of Mr. Sanders, who was chairman. It is found in the CONGRESSIONAL RECORD of May 24, 1924, in volume 65, part 9, on page 9438. From that decision I want to read a line or two:

However, the mere fact that it tackles the same problem does not necessarily make it a germane amendment.

He held in that opinion the same character of amendment as this one out of order. I do not desire to take further time, because the Chair himself cited this opinion a few moments ago. I think the Chair is very familiar with the question. [Cries of "Rule!"]

Mr. JONES. Mr. Chairman, I have before me the decision to which the gentleman from Iowa refers. The bill offered by the gentleman from Illinois [Mr. RAINES] at that time did tackle the problem along the same line that these measures approach it. The reason why the plan offered by the gentleman from Illinois was not considered in order was that the old McNary-Haugen bill was an entirely different bill, both in theory and in wording, from the one that is now before the House to-day. The old McNary-Haugen bill formed an export corporation and fixed a ratio price based on the 1905 and 1913 average as agricultural and industry and applied that to the modern price and provided that this export corporation should buy at not less than the ratio price all the commodities and export them. The form of corporation which handled the commodities had the fixed minimum price, that being the ratio price.

The amendment offered by the gentleman from Illinois was to the effect that when the price level was below the cost of production scrip should be issued on the difference between the world price and the cost of production and this given to the producer. The scrip was to be tenderable in payment of customs duties. This amounted to a bounty out of the custom receipts, but did not approach the problem from the point of view of handling the surplus. The present McNary-Haugen bill has left the old McNary-Haugen bill and has come around to the present program; both of the pending bills have the same general purpose. The old McNary-Haugen bill did not have the cooperative feature. It did not make loans to permit the corporation to buy enough of the surplus to let the price come up to the proper level, but simply formed an export corporation which had authority at the price fixed in the bill to buy all the surplus and handle all the surplus. It was not the theory of that bill at all, as shown by this statement in the latter part, to let certain parties buy up part of the surplus and let the domestic price come up to it; but it was to buy all the surplus. It had no loan features. It had no board. It had no insurance feature. It simply undertook to authorize a Government corporation to buy all the farm commodities at the price fixed in the bill, this fixed price being a minimum price;

and that was the line of attack all during the argument, that it was a price fixing bill. It was not a bill that treated the surplus as simply a matter to be lifted up and let the domestic price automatically rise, but it fixed the price. [Cries of "Rule!"]

I will take only a little longer to present my view. There is \$400,000,000 involved in this bill. The discussion has been going on for four years, and I think the House should be willing to listen to a proposal that would really grant relief. I just want to make this point, Mr. Chairman, and then I shall be through: That in both of these bills the surplus problem is the main problem to be handled; the bills in the first three features are almost identical, differing only in the method of raising the money.

The old McNary-Haugen bill was not like the Rainey bill or the debenture plan, but the present McNary-Haugen bill has come around to the same theory of lifting up enough of the surplus to let the main price come up to its level.

The main purposes of both bills are exactly the same, and the methods of handling are simply incidental.

Mr. CANNON. Mr. Chairman, regardless of the terms of the old McNary-Haugen bill, it presented, in substance, a proposition to secure farm relief by a certain definite plan, and the Rainey amendment in effect proposed to attain the same object by another plan, just as the present bill offers relief by a definite plan and the amendment offered by the gentleman from Texas [Mr. JONES] proposes relief by another plan.

Now, it has been repeatedly held that to a proposition to effect a purpose by a specific method an amendment to achieve the same object by another unrelated method is not germane. It will only be necessary to cite one such decision. In 1918, in the second session of the Sixty-fifth Congress, the House was considering a bill providing for the conservation of foodstuffs. The method proposed for conservation of food was by educational and demonstrational methods. An amendment was offered proposing to achieve the same purpose by another method—that is, by prohibiting the use of grain in the manufacture of intoxicating liquor—but the Chair held, in a notable decision, that it was not competent to amend a bill proposing to attain an object by means of a definite plan through an amendment providing for achieving the same purpose in another way.

The amendment here proposed seeks to amend a bill providing for farm relief by attaining the same object in a way different from that under consideration and therefore is not in order.

The CHAIRMAN. As the Chair suggested when this question was brought up in a different form, he has had plenty of time to investigate this particular point of order. He has gone back to the Haugen bill of 1924 and reread that bill. The heart of the present Haugen bill, as has been stated here in the debates, is the equalization fee, and the Chair thinks that the heart of the Haugen bill in 1924 was the equalization fee.

In order to show that the principle of the bill has not changed very much, I will read just a part of two sections in the 1924 Haugen bill. Page 17, section 201, of that bill provides:

In order that the producers of each basic agricultural commodity may pay ratably their equitable share of the expenses of the corporation.

That is the theory of the present Haugen bill. Reading further from the 1924 Haugen bill:

Having due regard to such estimates—

That is the estimates of the board as to losses, expenses, and so forth—

the corporation shall determine, as nearly as may be, the total amount of such expenses and losses which will be incurred or sustained as a result of the operations of the corporation in respect of each agricultural commodity during each operation period.

I think those two sections alone are enough to indicate to the committee that, while the ratio price was mentioned in the 1924 bill, it was the plan of the bill to bring up the price of agricultural commodities to the general ratio price, the equalization fee was the same in that bill as it is in this bill.

The debenture plan introduced by the gentleman from Michigan [Mr. KETCHAM], my colleague, and the gentleman from Texas [Mr. JONES], proposes what seems to the Chair a very different proposition. The Chair thinks that the reason and logic of the rule would tend to support the point of order, but he is not required to base his decision entirely upon the reason of the rule, as there is a precedent directly on all fours. The gentleman from Illinois [Mr. RAINES] in 1924 offered a substitute which to the Chair seems identical in principle with the substitute offered now by the gentleman from Michigan [Mr. KETCHAM], which contains the debenture plan. In the Rainey substitute the requirement was that all exporters of certain agricultural commodities should be paid in customs scrip. It was called customs scrip at that time instead of a debenture.

The exporters were to be paid the export deficiency price, which the Rainey substitute defined to be the difference not in the cost of production, as in the Ketcham-Jones substitute, but in the probable average selling price in world markets outside of the United States of the agricultural commodities embraced within the substitute and the probable average cost of producing them on farms in the United States, plus 10 per cent. Now, the Ketcham-Jones debenture plan proposes to pay the exporters of seven different agricultural commodities a fixed price, and on the remaining agricultural commodities it proposes to pay them an amount based upon the difference between the cost of production in the United States and in competing foreign countries. Under the Ketcham-Jones substitute it is proposed to pay the exporters out of the Federal Treasury, while in the Haugen bill it is proposed to raise the expense of administering the law out of the equalization fee.

During the consideration of the Haugen bill in 1924 the Chairman had occasion to rule several times on several different substitutes. The Rainey substitute seems to be so much in point in this case that the Chair thinks it is a precedent, but Chairman Sanders said in another decision:

It is not possible to offer a substitute for a bill which undertakes to give the same relief and yet departs entirely from the method of the bill under consideration.

In another decision:

This proposition, while it undertakes to relieve agriculture, undertakes to do it in an entirely different way and in such manner as would not be proper by way of substitute.

Then, in addition to these two decisions from which I have quoted briefly, he made the decision which has already been quoted this afternoon and read in full by the gentleman from Illinois [Mr. RAINY], expressly declaring his substitute out of order. The Chair, following the reason of the rule and the precedents, sustains the point of order and holds the amendment offered by the gentleman from Michigan [Mr. KETCHAM] not germane to the bill.

Mr. HARE. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from South Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARE: Page 1, line 3, strike out all after the enacting clause and substitute in lieu thereof H. R. 10562.

Mr. DOWELL. I make the point of order, Mr. Chairman, that the amendment is not in order, the time having passed when the amendment could be offered, and also that the amendment is not germane.

The CHAIRMAN. Does the gentleman from South Carolina desire to discuss the point of order?

Mr. HARE. I do; yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. HARE. Mr. Chairman—

Mr. DOWELL. Mr. Chairman, this amendment is so clearly out of order it seems there should be no discussion about it and the Chair should pass upon the question.

Mr. HARE. Mr. Chairman, I hope to show the gentleman it is not clearly out of order, but, on the contrary, I hope to show it is absolutely germane and in order.

Mr. DOWELL. Will you please address your remarks to the Chair.

Mr. HARE. I was not addressing the Chair. I am endeavoring to enlighten the gentleman himself, but I want to call the attention of the Chair—

Mr. CHINDBLOM. Mr. Chairman, I reserve a point of order for the purpose of discussing another phase of this matter. If the practice of offering substitutes in this manner is continued, I want to interpose other grounds for a point of order. I will reserve them for the present.

Mr. HARE. Mr. Chairman, I invite attention to the first part of the bill, which states the real purpose of the bill. The one we have under consideration provides that it is an act 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. The bill I am proposing provides for the establishment of a farm surplus board, to aid in the orderly marketing, control of production, disposition of surplus agricultural commodities, and other purposes. To my mind the purposes as set forth in the two bills are almost identical, and I want to say further that the provisions of the bill are quite identical.

If you will examine the provisions of the two bills, you will find they provide for a board to be appointed in the same way, one member from each of the 12 Federal land-bank districts. The men appointed are supposed to have similar qualifications. The duties devolving upon them are practically the

same. The purposes of the bills are practically the same, the only difference being that the equalization fee is not found in the proposed bill and the insurance provision is not found in it.

Mr. CHINDBLOM. Mr. Chairman, the Chair may well take the gentleman at his word. The gentleman who has offered the amendment says that the equalization fee is not in his bill and the insurance feature is not in his bill. The Chair has already ruled that the equalization fee goes to the heart of the measure before the committee, and on that statement alone I think the Chair may well sustain the point of order without any further argument.

Mr. HARE. Mr. Chairman, I would like to submit that the question of germaneness goes to the purpose and the subject matter and not to the details of operation. The purpose of these two bills is to control the surplus of farm products and to establish a system of scientific marketing. They are the two essential things involved in both bills, and I contend that my bill is germane and properly submitted.

Mr. CHINDBLOM. Mr. Chairman, I make the further point of order that this is a substitute for the entire bill. The Aswell amendment, in the nature of a substitute, which has already been adopted, is a substitute for the entire bill. The time to offer a measure of this kind would have been by way of amendment to the Aswell substitute, and this proposal comes too late now.

I did not argue that point on the other substitute, because it was so clearly not germane, but I think this objection is clearly in point with respect to this amendment and should dispose of the point of order.

Mr. HARE. Mr. Chairman, my purpose in proposing this bill now is to give the real sympathizers of agriculture an opportunity to support a bill that can become a law and give real relief to the farmer. The bill we have just been considering is now in good shape to be passed and vetoed by the President, and if you refuse to consider this bill at this time it is equivalent to saying that you are not specially interested in getting farm-relief legislation at this session. Mark my prediction, if you refuse to consider this bill now, agriculture will go another year before it can expect any relief whatever from Congress.

The CHAIRMAN. The Chair is ready to rule.

The Chair, from a hasty examination of the substitute, does not find anything in it which leads him to think that it is not germane to the Haugen bill. It sets up a board and contains the loan features somewhat after the manner of the Haugen bill outside of the equalization-fee provision. The Chair feels, however, that the time for offering this as a substitute has passed. If it was the purpose to offer it as a substitute, it might well have been offered at the time the Aswell amendment was under consideration. For this reason the Chair sustains the point of order.

Mr. JOHNSON of Oklahoma. Mr. Chairman, for the past several days that we have been considering this all-important farm-relief legislation on the floor of the House we have heard no small amount of criticism of those responsible for the pending measure.

The gentleman from New York [Mr. CLARKE] in his brilliant and sarcastic way declared the bringing out of the McNary-Haugen bill due to political expediency and charged it, among other things, with being economically unsound. If the distinguished gentleman would get away from New England and see the dire distress our farmers of the South and West are suffering, he and other opponents of this measure would surely know there is real, urgent, and desperate need for farm legislation at the present session of Congress.

As to the oft-repeated declaration on the part of enemies of the pending farm-relief measure that it is "unsound," I do not pose as an expert on the subject, but the Agriculture Committee of this House has held numerous hearings on this bill since last January, at which time many of the best-informed men in America were heard and almost without exception those great leaders pronounced the pending bill as not only economically sound, but a great forward step in solving the problem of relieving agriculture of the unjust burdens which have impoverished the farmers of America.

But, since there has been so much said here in criticism of those responsible for this farm measure, it might not be amiss to reflect, in passing, on the long roster of those who are so bitterly opposing this bill. We see here lined up against this measure the element which calls itself "big business," fighting desperately not only this but every other bill we have had here in the interest of the farmers, who feed and clothe the world. I am a friend of every legitimate business, but the special-interest bunch which is bending every effort to defeat this bill has nothing in common with the tillers of the soil nor real business interests of the great South and West.

Now, let us see who is fighting this farm measure anyway. The speculators are loud in their opposition to it. In one breath they declare it is positively unworkable and in the next they admit that they are afraid it might work. If it is "economically unsound," why are these high-powered speculators so exercised over the prospects of the bill's passage? If, indeed, the McNary-Haugen bill should pass and happen to escape the President's veto and is as unsound and unworkable as this great array of speculators in farm commodities profess to believe, then why are they spending so much time here in opposition to its passage? We have heard considerable about the so-called farm lobby supporting this measure, but why, may I ask, have we heard so little of Wall Street gamblers and their great lawyers and high-powered lobbyists who have come here in droves from the manufacturing centers to oppose this bill which has for its purpose aid for the American farmer?

Again we are told by enemies of this measure that the Hon. Andrew Mellon, distinguished Secretary of the Treasury, has written a letter setting forth his reasons for opposing the McNary-Haugen bill. And some of you appear to think the famous Mellon letter ought to settle the issue, that Congress will not dare pass a measure which does not have the sanction of the Secretary of the Treasury. Without any desire to show disrespect to Mr. Mellon, I am frank to say that if this bill had the full sanction of Secretary Mellon I would feel skeptical about it being what the farmers want or need.

The distinguished Secretary of the Treasury and his faithful followers in Congress seem to oppose this or any other farm-relief program that has the slightest possibility of being real farm relief; they quite naturally oppose all measures which have for their purpose securing for the farmers reasonable prices for the products of the farm. Mr. Mellon and other beneficiaries of special privilege are very much alarmed lest the proposed measure might become a subsidy to the poor, distressed farmer. We heard no such protests from these quarters when the Congress passed the Fordney-McCumber tariff law, which granted subsidies to the industrial East and which robbed the farmer of millions in farm products.

Friends of the pending farm measure do not for a moment agree that it is fair to refer to this measure as a subsidy, but it is an honest effort to help the farmer help himself and to restore to the farmer the stabilization of farm products, which he was robbed of, if you please, by an unjust and discriminatory tariff. But I submit that if any class is entitled to special consideration by the Congress it is the farmer. [Applause.]

Mr. Chairman, several of my colleagues, especially on this side of the House Chamber, have persisted in this contention that we should revise the tariff to give the farmer a square deal and have insisted there would be no necessity for the McNary-Haugen bill or any of the many measures introduced here which seek equality for agriculture if we only had an honest revision of the tariff. I agree with these gentlemen, but this House early in the session turned down and refused to consider the Senate resolution proposing to revise the tariff. We are now confronted with a distressing condition and not a fanciful theory. We know this Congress will not revise the tariff.

During all of the debate for the past several days the one "scarecrow" the opposition to this measure has employed most effectively is the "big stick" of the President. The threat of another presidential veto has been swung high above our heads. So persistent have the enemies of this measure been in advising us of the absolute certainty of Executive veto that this body became terrified yesterday and for the time being eliminated what many of us believe to be the very heart of this bill—the equalization fee. But this afternoon friends of the bill here have reorganized their forces and reversed their decision of yesterday. For my part, Mr. Chairman, I am not alarmed because of this threat of those who claim to know the President's mind; and it is quite evident that the House is honored by having many who know the mind of the President. I say I am not alarmed about the much-discussed veto. I am determined to do my duty as I see it. Why, that word "veto" seems to be a nightmare to some of you. We have heard it almost constantly since last December. When the Democrats of this House were trying to relieve the small business man in the tax reduction bill we were warned about the veto. Only recently, when the House endeavored to pass a comprehensive flood control bill, and some of us who have tributaries, like the Canadian and the Washita Rivers, were bending every effort to get a square deal for those living on our tributaries, these self-styled White House spokesmen threw up their hands in holy horror and again told us flood control would be vetoed by the President. Mr. Chairman, it just occurs to me that if those who admit they know the mind of the President are correct and

the tax reduction bill, the flood control bill, and the farm relief bill are doomed to a veto, this administration will break the previous records for breaking faith with the people, and the Republican Party already had a mighty high batting average in this respect.

I am not one of those who claim that the McNary-Haugen bill is a perfect measure. In its present form it doubtless has its defects, but it can be strengthened and perfected after the bill is put into operation. Although it possibly is not altogether the bill I would have written, it represents the judgment of the majority of the Agriculture Committee and is sponsored by practically every farm organization in the country. It is a great forward step in the right direction. It is a belated recognition of equality of agriculture. The McNary-Haugen bill is the only measure which has the slightest chance of passage. Let us give it a chance.

One thing is certain. Agriculture can not continue under the present deplorable conditions. In 1920 Government experts gave the mortgage indebtedness of the farms of America as \$3,500,000,000, but to-day the mortgage indebtedness of the farmers has jumped to \$12,450,000,000. Add to this \$20,000,000,000 of shrinkage in farm values within the past eight years and we have the appalling figures of over \$32,000,000,000 of actual loss to our farmers within only eight years. We know that since 1920 over 2,000,000 farmers have lost their homes and 4,000,000 of our farm population have been forced to leave the farms. More than 9 per cent of the farms of America are now vacant and uninhabited. These thousands of farms stand to-day as silent sentinels of the distress in which our farmers find themselves.

Within a few minutes we are to vote on this the most important bill to the farmers of America of any other measure that will come before the present session of Congress. We must pass the pending bill or nothing. We must give the farmers this measure or go home empty handed, so far as farm legislation is concerned. There have been many beautiful things said about the farmer during all this debate, but mere platitudes will not suffice now.

Within a few moments we must face the issue, and I hope and believe the reply of you gentlemen will be overwhelmingly in favor of the American farmers. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. ASWELL].

The amendment was rejected.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House, with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose: and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (S. 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, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment?

Mr. ASWELL. Mr. Speaker, I demand a separate vote on the Aswell substitute.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them in gross.

The other amendments were agreed to.

The SPEAKER. The question is on the Aswell amendment in the nature of a substitute.

Mr. ASWELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 146, nays 185, answered "present" 3, not voting 96, as follows:

	[Roll No. 72]		
	YEAS—146		
Abernethy	Bowman	Cole, Md.	Edwards
Ackerman	Box	Connery	England
Aldrich	Boylan	Cooper, Ohio	Fenn
Andrew	Brand, Ga.	Cox	Fish
Aswell	Briggs	Crail	Fitzgerald, W. T.
Bacharach	Browning	Crisp	Fort
Bachmann	Buchanan	Crosser	Foss
Bacon	Burdick	Dallinger	Frothingham
Bankhead	Burton	Darrow	Gasque
Beedy	Bushong	Dominick	Gibson
Beers	Chalmers	Doughton	Gifford
Bell	Chapman	Douglas, Mass.	Green
Black, N. Y.	Chase	Doutrich	Hadley
Bohn	Chindblom	Drewry	Hale
Bowles	Cochran, Mo.	Dyer	Hardy
Bowling	Cochran, Pa.	Eaton	Hare

Hersey	McFadden	Perkins	Tilson
Hooper	McLaughlin	Quayle	Treadway
Hughes	McMillan	Rankin	Tucker
Hull, Morton D.	McSwain	Ransley	Underhill
Hull, Tenn.	MacGregor	Reece	Underwood
Igoe	Magrady	Reed, N. Y.	Vincent, Mich.
Jeffers	Mapes	Robson, Ky.	Vinson, Ga.
Jenkins	Martin, Mass.	Rutherford	Vinson, Ky.
Kahn	Merritt	Rogers	Ware
Kearns	Michener	Sandin	Warren
Kemp	Miller	Seger	Wason
Ketcham	Monast	Somers, N. Y.	Watres
Kiess	Montague	Speaks	Weaver
Korell	Mooney	Steele	Welsh, Pa.
Langley	Moore, Va.	Stevenson	Whitehead
Landham	Morgan	Stobbs	Wilson, La.
Lankford	Nelson, Me.	Swick	Wolverton
Lehlfach	Newton	Taber	Woodrum
Lindsay	O'Brien	Tatgenhorst	Wright
Lowrey	Palmer	Temple	
McDuffie	Peery	Thatcher	

NAYS—185

Adkins	Faust	King	Rathbone
Allen	Fitzpatrick	Kopp	Rayburn
Allgood	Fletcher	Kvale	Reed, Ark.
Almon	Frear	LaGuardia	Reid, Ill.
Andresen	French	Lea	Robinson, Iowa
Arentz	Fulbright	Leatherwood	Romjue
Arnold	Fulmer	Leavitt	Rubey
Auf der Heide	Furlow	Lett	Sabath
Ayres	Gambrell	Lozier	Sanders, Tex.
Barbour	Garber	McKlein	Schafer
Beck, Wis.	Garner, Tex.	McKeown	Schnieder
Berger	Garrett, Tex.	McReynolds	Sears, Nebr.
Black, Tex.	Gilbert	McSweeney	Sinnott
Brand, Ohio	Goldsbrough	Maas	Selvig
Browne	Goodwin	Major, Ill.	Shallenberger
Burtness	Greenwood	Major, Mo.	Simmons
Busby	Griest	Manlove	Sinclair
Byrns	Guyer	Mansfield	Sirovich
Campbell	Hall, Ill.	Martin, La.	Smith
Cannon	Hall, Ind.	Mead	Spearing
Carley	Hall, N. Dak.	Menges	Sprout, Kans.
Cars	Hammer	Michaelsen	Steagall
Cartwright	Harrison	Milligan	Stedman
Christopherson	Hastings	Moore, Ky.	Strong, Kans.
Clague	Haugen	Moore, N. J.	Summers, Wash.
Cohen	Hawley	Moorman	Summers, Tex.
Cole, Iowa	Hickey	Morehead	Swank
Collier	Hill, Ala.	Morrow	Swing
Collins	Hill, Wash.	Murphy	Terver
Colton	Hoch	Nelson, Mo.	Taylor, Colo.
Cooper, Wis.	Hogg	Nelson, Wis.	Thurston
Corning	Holiday	Norton, Nebr.	Timberlake
Cramton	Hope	Norton, N. J.	Vestal
Cullen	Howard, Nebr.	O'Connell	Watson
Curry	Howard, Okla.	O'Connor, La.	Welch, Calif.
Davis	Huddleston	O'Connor, N. Y.	Whittington
Denison	Hudson	Oliver, Ala.	Williams, Ill.
De Rouen	Hull, Wm. E.	Oliver, N. Y.	Williams, Mo.
Dickinson, Iowa	Jacobstein	Palmisano	Williamson
Dickinson, Mo.	Johnson, Ill.	Parks	Wilson, Miss.
Dowell	Johnson, Okla.	Peavy	Winter
Driver	Johnson, S. Dak.	Prall	Wood
Elliott	Johnson, Tex.	Purnell	Woodruff
Englebright	Jones	Quin	Zihlman
Eslick	Kading	Ragon	
Estep	Kincheloe	Rainey	
Evans, Mont.	Kindred	Ramseyer	

ANSWERED "PRESENT"—3

Bland	Luce	Pou	
NOT VOTING—96			
Anthony	Deal	Johnson, Ind.	Sears, Fla.
Beck, Pa.	Dempsey	Johnson, Wash.	Shreve
Begg	Dickstein	Kelly	Snell
Blanton	Douglas, Ariz.	Kendall	Sproul, Ill.
Bloom	Doyle	Kent	Stalker
Boies	Drane	Kerr	Strong, Pa.
Brigham	Evans, Calif.	Knutson	Strother
Britten	Fisher	Kunz	Sullivan
Buckbee	Fitzgerald, Roy G.	Kurtz	Taylor, Tenn.
Bulwinkle	Free	Lampert	Thompson
Butler	Freeman	Larsen	Tillman
Canfield	Gardner, Ind.	Leech	Tinkham
Carew	Garrett, Tenn.	Linthicum	Updike
Carter	Glynn	Lyon	Wainwright
Casey	Golder	McLeod	Weller
Celler	Graham	Moore, Ohio	White, Colo.
Clancy	Gregory	Morin	White, Kans.
Clarke	Griffin	Niedringhaus	White, Me.
Combs	Hancock	Oldfield	Williams, Tex.
Connally, Tex.	Hoffman	Parker	Wingo
Connally, Pa.	Houston, Del.	Porter	Wurzbach
Crowther	Hudspeth	Pratt	Wyant
Davenport	Irwin	Rowbottom	Yates
Davey	James	Sanders, N. Y.	Yon

So the substitute was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Sproul of Illinois (for) with Mr. Knutson (against).
 Mr. Hancock (for) with Mr. Yates (against).
 Mr. Brigham (for) with Mr. Thompson (against).
 Mr. Tinkham (for) with Mr. Rowbottom (against).
 Mr. Hoffman (for) with Mr. Yon (against).
 Mr. Niedringhaus (for) with Mr. White of Kansas (against).
 Mr. Luce (for) with Mr. Buckbee (against).
 Mr. Snell (for) with Mr. Carew (against).
 Mr. Leech (for) with Mr. Taylor of Tennessee (against).
 Mr. Crowther (for) with Mr. Blanton (against).
 Mr. Johnson of Washington (for) with Mr. Gardner (against).
 Mr. Clancy (for) with Mr. Updike (against).

Mr. McLeod (for) with Mr. Oldfield (against).
 Mr. Weller (for) with Mr. Anthony (against).
 Mr. Begg (for) with Mr. Lampert (against).
 Mr. Free (for) with Mr. Wyant (against).
 Mr. Dickstein (for) with Mr. Boies (against).
 Mr. Roy G. Fitzgerald (for) with Mr. Canfield (against).
 Mr. Davenport (for) with Mr. Wingo (against).
 Mr. Bland (for) with Mr. James (against).
 Mr. Deal (for) with Mr. Kerr (against).
 Mr. Linthicum (for) with Mr. Williams of Texas (against).
 Mr. Dempsey (for) with Mr. Celler (against).
 Mr. Garrett of Tennessee (for) with Mr. White of Colorado (against).
 Mr. Pratt (for) with Mr. Davey (against).
 Mr. Porter (for) with Mr. Sullivan (against).
 Mr. Connally of Texas (for) with Mr. Wurzbach (against).
 Mr. Golder (for) with Mr. Johnson of Indiana (against).
 Mr. Butler (for) with Mr. Pou (against).
 Mr. Clarke (for) with Mr. Irwin (against).

General pairs:

Mr. Shreve with Mr. Tillman.

Mr. Connally of Pennsylvania with Mr. Sears of Florida.

Mr. Stalker with Mr. Bloom.

Mr. Morin with Mr. Douglas of Arizona.

Mr. White of Maine with Mr. Bulwinkle.

Mr. Wainwright with Mr. Casey.

Mr. Moore of Ohio with Mr. Doyle.

Mr. Parker with Mr. Griffin.

Mr. Freeman with Mr. Larsen.

Mr. Graham with Mr. Hudspeth.

Mr. Strong of Pennsylvania with Mr. Combs.

Mr. Glynn with Mr. Drane.

Mr. Houston of Delaware with Mr. Fisher.

Mr. Sanders of New York with Mr. Gregory.

Mr. Kurtz with Mr. Kent.

Mr. Kendall with Mr. Lyon.

Mr. Kelly with Mr. Kunz.

Mr. JOHNSON of Texas. Mr. Speaker, my colleague, Mr. HUDSPETH, is not present on account of illness.

Mr. O'CONNOR of New York. Mr. Speaker, I want to announce the absence of my colleague, Mr. CELLER, who is ill. If present he would vote "aye."

The vote was announced as above recorded.

The SPEAKER. The question is on the committee substitute as amended to the Senate bill.

The committee substitute was agreed to.

The SPEAKER. The question is on the third reading.

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

Mr. ASWELL. Mr. Speaker, I move to recommit the bill with instructions.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ASWELL moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back forthwith with the following instructions: Page 42, line 17, strike out sections 9, 10, and 11.

Mr. ASWELL. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Louisiana to recommit the bill.

Mr. ASWELL. On that, Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Louisiana demands the yeas and nays. All those in favor of taking the question by the yeas and nays will rise. [After counting.] Fifty-five Members have risen, not a sufficient number, and the yeas and nays are refused.

The question now is on the motion to recommit the bill with instructions.

The question was taken, and the motion of Mr. ASWELL was lost.

The SPEAKER. The question is on the passage of the bill.

Mr. DOWELL. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 204, nays 122, answered "present" 3, not voting 101, as follows:

[Roll No. 73]

YEAS—204

Abernethy	Brand, Ga.	Collins	Eslick
Adkins	Brand, Ohio	Colton	Evans, Mont.
Allen	Browne	Cooper, Wis.	Faust
Allgood	Browning	Cramton	Fletcher
Almon	Burtness	Curry	Frear
Andresen	Busby	Davis	French
Arentz	Byrns	Denison	Fullbright
Arnold	Cannon	De Rouen	Fulmer
Ayres	Carss	Dickinson, Iowa	Furlow
Bankhead	Cartwright	Dickinson, Mo.	Gambrell
Barbour	Chapman	Doughton	Garber
Beck, Wis.	Christopherson	Doutrich	Garner, Tex.
Berger	Clague	Dowell	Garrett, Tex.
Black, Tex.	Cole, Iowa	Driver	Gasque
Bohn	Cole, Md.	Elliott	Gilbert
Bowman	Collier	Englebright	Goldsborough

Goodwin	Kemp	Morrow	Simmons
Green	Ketcham	Murphy	Sinclair
Greenwood	Kincheloe	Nelson, Mo.	Sinnott
Griest	King	Nelson, Wis.	Sirovich
Guyer	Knutson	Norton, Nebr.	Smith
Hadley	Kopp	O'Connor, La.	Spearing
Hall, Ill.	Kvale	O'Connor, N. Y.	Sprout, Kans.
Hall, Ind.	LaGuardia	Oliver, Ala.	Stegall
Hall, N. Dak.	Langley	Oliver, N. Y.	Stedman
Hammer	Lea	Palmer	Steele
Hardy	Leatherwood	Parks	Strong, Kans.
Harrison	Leavitt	Peavey	Summers, Wash.
Hastings	Letts	Purnell	Summers, Tex.
Haugen	Lowrey	Quin	Swank
Hawley	Lozier	Ragon	Swing
Hickey	McClintic	Rainey	Tarver
Hill, Ala.	McKeown	Ramseyer	Taylor, Colo.
Hill, Wash.	McLaughlin	Rankin	Thurston
Hoch	McReynolds	Rathbone	Timberlake
Hogg	McSwain	Rayburn	Vestal
Holiday	McSweeney	Reece	Vincent, Mich.
Hooper	Maas	Reed, Ark.	Vinson, Ga.
Hope	Major, Ill.	Reid, Ill.	Vinson, Ky.
Howard, Nebr.	Major, Mo.	Robinson, Iowa	Warren
Howard, Okla.	Manlove	Robison, Ky.	Welch, Calif.
Hudson	Mansfield	Romjue	Whittington
Hughes	Martin, La.	Rubey	Williams, Ill.
Hull, Wm. E.	Menges	Rutherford	Williams, Mo.
Jeffers	Michener	Sanders, Tex.	Williamson
Johnson, Ill.	Miller	Sandlin	Wilson, La.
Johnson, Okla.	Milligan	Schafer	Wilson, Miss.
Johnson, S. Dak.	Moore, Ky.	Schneider	Winter
Johnson, Tex.	Moorman	Sears, Nebr.	Wood
Jones	Morehead	Selvig	Woodruff
Kading	Morgan	Shallenberger	Zihlman

NAYS—122

Ackerman	Cox	Jenkins	Perkins
Aldrich	Craig	Kahn	Prall
Andrew	Crisp	Kearns	Quayle
Aswell	Crosser	Kless	Ransley
Auf der Heide	Dallinger	Kindred	Rogers
Bacharach	Darrow	Korell	Seger
Bachmann	Dominick	Lanham	Somers, N. Y.
Bacon	Douglass, Mass.	Lankford	Speaks
Beedy	Drewry	Lehbach	Stevenson
Beers	Dyer	Lindsay	Stobbs
Bell	Eaton	McDuffle	Swick
Black, N. Y.	Edwards	McFadden	Tatgenhorst
Bowles	England	McMillan	Temple
Bowling	Estep	Magrady	Thatcher
Box	Fenn	Mapes	Tilson
Boylan	Fish	Martin, Mass.	Treadway
Briggs	Fitzgerald, W. T.	Mead	Tucker
Buchanan	Fitzpatrick	Merritt	Underhill
Burdick	Fort	Monast	Underwood
Burton	Foss	Montague	Ware
Bushong	Frothingham	Mooney	Wason
Campbell	Gibson	Moore, N. J.	Watres
Carley	Gifford	Moore, Ohio	Watson
Chalmers	Hale	Moore, Va.	Weaver
Chase	Hare	Nelson, Me.	Welsh, Pa.
Chindblom	Hersey	Newton	Whitehead
Cochran, Mo.	Huddleston	Norton, N. J.	Wolverton
Cochran, Pa.	Hull, Morton D.	O'Brien	Woodruff
Connery	Hull, Tenn.	O'Connell	Wright
Cooper, Ohio	Igoe	Palmisano	
Corning	Jacobstein	Peery	

ANSWERED "PRESENT"—3

Bland	Luce	Pou	
NOT VOTING—101			
Anthony	Deal	Kelly	Snell
Beck, Pa.	Dempsey	Kendall	Sprout, Ill.
Begg	Dickstein	Kent	Stalker
Blanton	Douglas, Ariz.	Kerr	Strong, Pa.
Bloom	Doyle	Kunz	Strother
Boies	Drane	Kurtz	Sullivan
Brigham	Evans, Calif.	Lampert	Taber
Britten	Fisher	Larsen	Taylor, Tenn.
Buckbee	Fitzgerald, Roy G.	Leech	Thompson
Bulwinkle	Free	Linthicum	Tillman
Butler	Freeman	Lyon	Tinkham
Canfield	Gardner, Ind.	McLeod	Updike
Carew	Garrett, Tenn.	MacGregor	Wainwright
Carter	Glynn	Michaelson	Weller
Casey	Golder	Morin	White, Colo.
Celler	Graham	Niedringhaus	White, Kans.
Clancy	Gregory	Oldfield	White, Me.
Clarke	Griffin	Parker	Williams, Tex.
Cohen	Hancock	Porter	Wingo
Combs	Hoffman	Pratt	Wurzbach
Connally, Tex.	Houston, Del.	Reed, N. Y.	Wyant
Connally, Pa.	Hudson	Rowbottom	Yates
Crowther	Irwin	Sabath	Yon
Cullen	James	Sanders, N. Y.	
Davenport	Johnson, Ind.	Sears, Fla.	
Davey	Johnson, Wash.	Shreve	

So the bill was passed.

The Clerk announced the following additional pairs:

On the vote:

Mr. Yates (for) with Mr. Hancock (against).
 Mr. Thompson (for) with Mr. Brigham (against).
 Mr. Rowbottom (for) with Mr. Tinkham (against).
 Mr. White of Kansas (for) with Mr. Niedringhaus (against).
 Mr. Buckbee (for) with Mr. Luce (against).
 Mr. Carew (for) with Mr. Snell (against).
 Mr. Taylor of Tennessee (for) with Mr. Leech (against).
 Mr. Blanton (for) with Mr. Crowther (against).
 Mr. Gardner of Indiana (for) with Mr. Johnson of Washington (against).

Mr. Updike (for) with Mr. Clancy (against).
 Mr. Oldfield (for) with Mr. McLeod (against).
 Mr. Anthony (for) with Mr. Weller (against).
 Mr. Lampert (for) with Mr. Begg (against).
 Mr. Wyant (for) with Mr. Free (against).
 Mr. Boies (for) with Mr. Dickstein (against).
 Mr. Canfield (for) with Mr. Roy G. Fitzgerald (against).
 Mr. Wingo (for) with Mr. Davenport (against).
 Mr. James (for) with Mr. Bland (against).
 Mr. Kerr (for) with Mr. Deal (against).
 Mr. Williams of Texas (for) with Mr. Linthicum (against).
 Mr. Celler (for) with Mr. Dempsey (against).
 Mr. White of Colorado (for) with Mr. Garrett of Tennessee (against).
 Mr. Davey (for) with Mr. Pratt (against).
 Mr. Sullivan (for) with Mr. Porter (against).
 Mr. Johnson of Indiana (for) with Mr. Connally of Texas (against).
 Mr. Wurzbach (for) with Mr. Golden (against).
 Mr. Pou (for) with Mr. Butler (against).
 Mr. Irwin (for) with Mr. Clarke (against).
 Mr. Sabath (for) with Mr. Michaelson (against).
 Mr. Yon (for) with Mr. Hoffman (against).
 Mr. Tillman (for) with Mr. Cohen (against).
 Mr. Lyon (for) with Mr. Cullen (against).
 Mr. Houston (for) with Mr. MacGregor (against).
 Mr. Gregory (for) with Mr. Taber (against).
 Mr. Strother (for) with Mr. Sproul of Illinois (against).

Until further notice:

Mr. White of Maine with Mr. Bulwinkle.
 Mr. Connally of Pennsylvania with Mr. Sears of Florida.
 Mr. Stalker with Mr. Bloom.
 Mr. Wainwright with Mr. Casey.
 Mr. Morin with Mr. Douglas of Arizona.
 Mr. Strong of Pennsylvania with Mr. Combs.
 Mr. Kendall with Mr. Doyle.
 Mr. Glynn with Mr. Drane.
 Mr. Parker with Mr. Griffin.
 Mr. Shreve with Mr. Fisher.
 Mr. Graham with Mr. Hudspeth.
 Mr. Freeman with Mr. Larsen.
 Mr. Kurtz with Mr. Kent.
 Mr. Kelly with Mr. Kunz.

The result of the vote was announced as above recorded. On motion of Mr. HAUGEN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BACON. Mr. Speaker, yesterday the Speaker appointed a funeral committee to attend the funeral of the late Representative THADDEUS C. SWEET, of the third New York district. That committee was made up of the following Members:

JAMES S. PARKER, BERTRAND H. SNELL, S. WALLACE DEMPSEY, ARCHIBALD SANDERS, CLARENCE MACGREGOR, FIORELLO H. LA GUARDIA, DANIEL A. REED, J. MAYHEW WAINWRIGHT, JOHN TABER, FREDERICK M. DAVENPORT, HARCOURT J. PRATT, JOHN D. CLARKE, CLARENCE HANCOCK, WILLIS C. HAWLEY, ALLEN T. TREADWAY, JOHN CAREW, THOMAS CULLEN, CHRISTOPHER D. SULLIVAN, ANTHONY J. GRIFFIN, JOHN J. BOYLAN, GEORGE W. LINDSAY, D. J. O'CONNELL, ROYAL H. WELLER, WILLIAM W. COHEN, and JOHN J. O'CONNOR.

The members of the committee were compelled to leave before the final vote was taken on this bill. I ask unanimous consent that the names of this committee be inserted at this point in the RECORD, so that their absence may be noted.

I am also requested to announce that Mr. JAMES S. PARKER, Mr. BERTRAND H. SNELL, Mr. JOHN TABER, Mr. JOHN D. CLARKE, Mr. HARCOURT J. PRATT, Mr. FREDERICK M. DAVENPORT, Mr. CLARENCE E. HANCOCK, Mr. CLARENCE MACGREGOR, and Mr. DANIEL A. REED would have voted "no" on the final passage of this bill had they been able to be present at this time, had they not been obliged to catch the train to attend Mr. Sweet's funeral. I am not informed how the other Members of the funeral committee, who have already left, would have voted on the final passage of the bill.

Mr. MOORMAN. Mr. Speaker, other Members in that funeral party may have voted for the bill if they had been present. I think they should be permitted to so state in the RECORD when they return, if they desire.

The SPEAKER. That is a question that may be taken up when it arises.

Mr. BLACK of New York. Mr. Speaker, my colleagues, Mr. CULLEN, Mr. COHEN, Mr. CAREW, Mr. GRIFFIN, and Mr. SULLIVAN, are not recorded on this roll call because they have left Washington to attend the funeral ceremonies of the late Congressman SWEET. I am authorized to announce that if Mr. CULLEN and Mr. COHEN had been present they would have voted "no."

Mr. SOMERS of New York. Mr. Speaker, the gentleman from Missouri [Mr. COMBS] is unable to be present to-day on account of illness. He has requested me to state that if he had been present he would have voted against the bill.

FOURTH-CLASS POSTMASTERS

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill H. R. 7900, respecting fourth-class postmasters.

The SPEAKER. Is there objection?

There was no objection.

Mr. MEAD. Mr. Speaker, the purpose of the bill H. R. 7900 is to grant allowances to fourth-class postmasters for rent, fuel, light, and equipment. It is not a measure intended to increase the compensation of these underpaid Government workers, although it does enable them to retain the small compensation they earn. It seeks to correct an injustice that has existed since the establishment of these post offices, namely, requiring the fourth-class postmasters to provide quarters, heat and light, and to purchase the equipment necessary to transact a necessary public business. They are the only Government workers required to do this.

Former Postmaster General Work, under date of September 12, 1922, said:

The fourth-class postmasters are confronted with a financial problem. Back in the old days the average fourth-class post office in this country was a narrow counter rigged up in the rear of a general store at a rural crossroads, serving a few patrons that dropped in during the day to send a letter or to inquire if an epistle had arrived for them. Now this condition has changed. Many a fourth-class post office is a veritable beehive of industry. Hundreds of pounds of parcel-post packages and second-class mail matter, including the daily papers and the standard periodicals, pour in upon the postmaster every day for distribution to the farmers living in his community center. The post office is located in the front of the store. It is a glass-inclosed inclosure taking up frequently half of the building, and there are rows of privately owned lock boxes rented by the patrons who desire to collect their mail at all hours of the day.

With the advent of the parcel post it is now conservatively estimated that the receipt of mail matter in fourth-class post offices exceeds the outgoing mail many times. For the work of handling these thousands of parcel-post packages, besides the provision of storage space for them, the fourth-class postmasters get no direct compensation under the terms of the present law.

A fourth-class postmaster is required to pass a competitive civil-service examination. His character and reputation in the community are the subject of searching inquiry before the commission is given him. The commission is all he receives from the Government with which to transact the business of the post office. It is necessary for him to secure quarters in which to maintain his office that must be easily accessible to his patrons and consequently of the highest rental value. He must also purchase fixtures, the cost of which will vary according to the civic pride he takes in the fact that he is an official representative of his Government. He must have the office properly heated at all times as well as adequately lighted so that business may be transacted in the early and the late hours of the day. Carriers of rural routes running from his office must also have space assigned to them in which to sort their mail and make preparations for departure over their routes, and space must be furnished them to do their work.

Mr. Work's statement is an accurate presentation of the situation as it existed in 1922, and conditions have since grown worse on account of the tremendous increase in the volume of incoming second, third, and fourth-class mail, greatly adding to the responsibility and work of the fourth-class postmaster without adding a penny to his compensation.

There were on January 1, 1928, 34,401 fourth-class offices. On July 1, 1913, there were 49,614. The extension of rural free delivery has eliminated a great number of fourth-class offices. From this it will be seen that the appropriation needed to reimburse these postmasters for necessary expenditures to conduct their offices will decrease from year to year.

At the time hearings were held on this bill by the subcommittee of which I am a member, a report was submitted by the secretary of the National League of District Postmasters, as follows:

States reporting	47
Number of post offices reporting	2,769
Amount of salaries	\$1,783,544
Rental value of post-office quarters	\$214,605
Amount expended for fuel and light	\$114,666
Value of equipment	\$372,122
Average salary of those reporting	\$644
Percentage of salaries expended	21.8

Now, here is a condition of Government employment that manifestly needs correction. Those of us who represent rural districts, wholly or in part, know that the value of the services of the country post offices is not alone as agencies for handling the mails in their respective communities. In thousands of these places the postmaster is the sole connecting link between the people and the Government. He is the guide, counsellor, and friend of those whom he serves and is called upon to be the leader in the social, civic, and patriotic activities that help to make good and substantial citizens.

The percentage of stamps on outgoing mail upon which his compensation depends is no index of the amount of work he must do nor the space required and equipment needed. As

Postmaster General Work said, the day has passed when a post office of the fourth class could be conducted in the rear of a store as a side line to the business. Since their induction into the civil service the regulations require that they give their personal attention to the post office during business hours, which means anywhere from 10 to 14 hours daily.

It is true that the Postal Laws and Regulations permit fourth-class postmasters to engage in other business, limited in character. If this were not true there would be no post offices of this class because no man or woman could live on the small compensation received.

While the Postal Laws and Regulations permit a fourth-class postmaster to engage in other business, after an office has reached a grade of \$500 salary it requires all the time of one person to attend to it. Either business or post office must be neglected, and the postmaster must hire some one to run his private business or some one to help him run the post office, of course, at his own expense. This was not true prior to 1912, because incoming and outgoing mail were more nearly equal. Since the introduction of parcel post and rural free delivery this service has undergone a complete change. The incoming mail, due to parcel post, requires much greater space, more work, but yields not one cent of revenue to the postmaster.

The laws says that third-class postmasters shall be granted an allowance for rent, fuel and light, and clerk hire. So a postmaster with postal receipts of \$1,490, with a salary of \$1,090, gets no allowance, but is entitled to it when he has receipts of \$1,500 and a salary of \$1,100. Though the office equipment and help are the same, in the latter case, he, as third class, may get what he is denied as a fourth class.

A difference of \$10 in his receipts and \$10 in his compensation will make a vast difference in his condition, because he then gets the allowances enumerated. There are a great many postmasters who are on the edge of the third class, and some of them have been on the edge of it for a number of years, but can not quite reach the mark required with regard to receipts. They have no allowances, but if they could jump that little hurdle, which may involve only an additional \$10, or \$20, or \$30, of receipts they would be entitled to these allowances. So it is my contention that there is too big a spread there, and I think that this allowance based on compensation would bridge that gap.

In no other branch of the Government service is it required that its officers or agents furnish equipment necessary to carry on the Government's business. The great bulk of parcel post goes from city to country; hence the country postmasters are the distributing agents of this great volume of mail, performing the work and bearing the expense, but receiving no compensation for it.

Immense postal revenues are secured from the great mail-order centers. The contract entered into by the Post Office Department insures delivery through the country post office. As the distributing agent it is unfair to deny him compensation for his work, his building, equipment, heat, and light—all necessary to complete the contract.

It used to be said that these postmasters were glad to get the offices because it brought trade to the store. This is no longer the case, owing to rural free delivery, the mail-order business, and the automobile. Even if it did, that would be no justification for the Government to require the postmaster to donate rent, fuel, light, and equipment. While department regulations permit the fourth-class postmaster to engage in certain business activities, if he allows his other business to interfere with the proper discharge of his post-office duties, an inspector speedily recommends his removal.

Now, the fact is, that the storekeeper, by virtue of his position as postmaster, invites competition from outside. He is the Government agent of the mail-order houses in distant cities and near-by department stores, both of which use the parcel post and C. O. D. to take the trade from the locality served by the fourth-class office. Further proof that it is not a trade bringer is found in the fact that the annual turnover in the fourth-class postmaster service is approximately 20 per cent.

None of us, I believe, is proud of the fact that we have 34,400 men and women listed as officers of the Government—the only Government official with whom many of our citizens come in contact—whose average compensation is a little more than \$500 a year. None of us, I feel assured, is content to permit these people to equip and maintain these Government agencies out of this pitiful wage. I firmly believe that it is the duty of the Government to be concerned with the welfare of its humblest citizens. How, then, can we permit a system to exist that makes it mandatory for this class of postal workers to donate part of their compensation in order that a necessary Government business be properly conducted?

MUSCLE SHOALS AND BOULDER DAM

Mr. BECK of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record relative to Boulder Dam and Muscle Shoals.

The SPEAKER. Is there objection?

There was no objection.

Mr. BECK of Wisconsin. Mr. Speaker, I feel that in effect I have been gagged in the matter of discussing the Power Trust and its effect upon the life of the American people. As it is a question of supreme importance, and as I realize that a considerable number of my constituents, being vitally and immediately affected, have expected me to go into this matter; and as the chairman of the Rules Committee is refusing to allow the Muscle Shoals bill, already passed the Senate, to come up in the House, I am hereby extending my remarks in the Record. I wish there were some more effective course, but no way is open to a Member of the House of Representatives, except by the unanimous consent of all Members present, to discuss a governmental policy, no matter how grave may be the necessity for such discussion, unless a bill or resolution involving that policy is actually pending before the House, no way except by "extending" his remarks in the CONGRESSIONAL RECORD. An "extension of remarks" means, of course, that what is contained in that "extension" has not been any part of oral debate, not a word of it has been uttered in the hearing of anybody, either in or out of Congress; but that it merely has been printed in the RECORD, where, if any Member is interested and has the time, he may read it.

This is one of the rules of the lower House of Congress. In the Senate, with its smaller membership, no such rule is necessary. Unlimited debate is permitted. A Senator need not wait until a bill or resolution is under consideration to discuss a subject. A Senator has the privilege of addressing his colleagues "on the state of the Union" which, of course, may include any public policy, any tendency or drift in affairs that may be of public concern. But in the House of Representatives with its 435 Members, it is necessary, in the very nature of things, that debate shall be limited to those subjects actually before the body in the form of a bill or a resolution.

However valuable this rule may be in expediting the business of the House, it nevertheless is not without its disadvantages to the public and not without its hardships upon the Members of the House. For it operates not only to prevent the discussion of many important matters which are very properly of concern to the legislative branch of the Government, but it compels any Member of the House who would escape being gagged to print and publish at his own expense any matter he may feel it his bounden duty to bring to the attention of the people of his district or of the country.

Now, this condition at times operates tremendously against the public interest, for it not infrequently happens that the things which Congress does not do and does not consider are of infinitely greater importance than anything it does or considers at that particular session.

It is because there has come to my attention a matter of the gravest public concern and of the widest possible effect—and yet a matter which is not before the House—that I am resorting to the only avenue left open to me—the "extension of my remarks" in the RECORD and paying from my own pocket, as the law requires, the expense of paper and printing that I may report to the people of the district I represent the conditions I have found and that, in my judgment, require the immediate consideration of voters generally and of Congress particularly.

Electricity is assuming daily a larger and more important part in the industrial and domestic life of the American people and daily is exercising a greater influence in Government—Federal, State, and local. With it we light our streets, churches, theaters, offices, stores, homes. It supplies the motive power for great transportation systems, street railways, interurbans, and even for great stretches of transcontinental railroads. On the farms it turns the cream separator, it grinds the feed, it pumps the water, it milks the cows. In the home we use it to run the washing machines, to do the ironing, to do the cooking, and to sweep the floors. Now we are beginning to use it for heating the homes.

Some recent disclosures show that it is being used to elect Senators and Congressmen and governors and members of the legislatures, mayors and members of the city councils, and county boards, and that it has secured the appointment of men to high official positions in both the Federal and State Governments.

As yet the people are without adequate control over the rates charged for electrical current. The charges are exorbitant, the profits of the power companies are enormous.

BOULDER DAM AND MUSCLE SHOALS

The question as to whether the people of the United States, who built the dams and power plant at Muscle Shoals, shall operate that project for their own benefit or shall be compelled by Congress to turn it over to the Power Trust to operate for its benefit is not before the House.

Neither is the question before the House as to whether the Government shall build Boulder Dam and thus protect the farmers in the Imperial Valley against floods and sell the power developed by this dam so that the Government may reimburse itself for the money expended.

And if we are to accept what the chairman of the Rules Committee said to this House a few days ago, neither of these questions will come before the House, simply because he himself does not believe in "putting the Government in business."

Nevertheless, I propose to discuss both Muscle Shoals and Boulder Dam. I shall endeavor to show why and how the power company is making this fight against Government operation of the Muscle Shoals plant and against the Government producing and selling power at Boulder Dam.

First, I want to direct attention to the highly organized and generously financed publicity campaign, the insidious and almost desperate attempt to control public opinion.

The Power Trust has organized the most gigantic publicity and propaganda machine ever conceived by the brain of man. It started with the organization of the National Electric Light Association, headed by George B. Cortelyou, formerly secretary to President Roosevelt and later Secretary of the United States Treasury. This association now has linked up with it the railroads, the gas and traction companies, insurance companies, banks, and trust companies. In addition to its original function of false propaganda and publicity, they are pointing out to the power interests where they can gobble up local power sites and power plants. Their specialty is the securing of municipally owned plants and water-power sites that might be developed to the advantage of the Power Trust. This association issues a "Handbook for Speakers," and it sends out an army of women and men who must literally commit this book to memory and give it to the people in the form of lectures, and they worm themselves in on every program of every farmers' meeting and every meeting of women's clubs and parent-teachers' associations where it is possible to get.

They lecture before classes in our common schools, high schools, colleges, and universities. Their chief purpose is to dangle the uses of electricity before the eyes of the people at an attractive rate until they get them hooked, and then they jerk them out like a boy catching suckers. They want to get the people in the frame of mind of letting the Power Trust stick its hands into their pockets and help itself and have them say they like it. Another purpose of these speakers is to sell the people the idea of private ownership of public utilities as opposed to municipal ownership.

ORGANIZED GREED OF THE POWER COMBINE

Raushenbush and Laidler, two nationally known and recognized authorities on public-utility matters, have written a book called "Power control." In this book they tell the story of how the National Electric Light Association has organized its campaign to control public opinion. This organization not only has its speaking committee but it has its customers' ownership committee, committee on educational institutions, information bureau committee, women's committee, committee on banking institutions, a committee on public relations, and a committee on national utilities.

Through these committees it reaches every conceivable institution and organization; none escape. The membership of the association is composed of men and women in every locality in the United States, every one of which must be recommended by the local head of a privately owned utility before he can become a member of the organization. It is made the duty of the managers of local utilities to join local civic and fraternal organizations. He is instructed to make friends with the doctors, lawyers, bankers, professors in schools and colleges, farm and labor leaders, both men and women, and to make an accurate report of every one of these to the National Electric Light Association. Then along will come one of the association's smoothest agents and begin selling those who are amenable to reason a few shares of stock, and if he finds a few he can not hook any other way he will give them a share or two. He will then proceed to the college professor and say to him something like this: "Professor, you have a wonderful knowledge of the economics of electricity and power. You ought to write a book on the subject. You could render no greater service to the people of the country than to write such a book. If you will do so and will treat 'us' fair, our association will subscribe for

50,000 or 100,000 copies and sell them for you," and some of the professors fall for it.

This association also has committees largely composed of professors of colleges of agriculture and farmers who "are right" which it uses to encourage farmers to use electric current, but in no instance have I been able to learn where these committees have tried to get cheaper rates as a means of increasing the use of current among them.

Another way the public utilities have of spreading their alluring propaganda before the public is through the newspapers. The Electrical World, the organ of the utility interests, quotes an executive of the industry as saying, "Take the newspaper fellows into your confidence." "Buy white space in as many newspapers as your appropriation will permit." "Use that space. * * * Emphasis is given the newspapers because it affords the cheapest and quickest means of getting the utilities' story to the people. This executive then goes on to say that if this policy is consistently followed "the fellow on the 'outside' who wants to put the 'public be damned' words into the utilities' mouth will not find it quite so easy to get his 'letter to the editor' printed at the top of the column with a display head." In 1927 the electric light and power companies of the United States planned to spend \$28,000,000 for newspaper advertising, according to Raushenbush and Laidler. That is an average of over \$583,000 for the newspapers in each of the 48 States in the Union.

Nor is that all. They have got in their work in every radio bill that has passed this House. Under the radio law it has organized the National Broadcasting Co. which is connecting up with an ever-increasing number of stations, and owns two of the largest in New York. Its president was at one time publicity director of National Electric Light Association. One of the speakers of the Edison Electric Co. of Boston recently said:

This company feels that its establishment of a broadcasting station with a well-planned program of entertainment has had a marked influence in reaching and obtaining public attention and good feeling.

Nor is this all. The public-speaking committee of this association succeeded in placing its speakers on 18,000 programs of civic bodies in 1927, where they claim to have reached 2,000,000 people.

In all the speeches and propaganda placed before the people through all these avenues open to the Power Trust, no opportunity to magnify the failures and berate the success of municipally owned power plants was overlooked, while the latter is practically without means of placing the advantages of municipal ownership before the public. Some interesting facts as to the extent to which the Power Trust will go to discourage and throttle the advocates of public ownership of utilities is being dug up by the Federal Trade Commission in its investigation of the Power Trust, authorized by a resolution recently adopted by the Senate, according to a recent article appearing in the Washington Herald by M. S. Ramsay.

It appears from this article that the Illinois Committee on Public Utility Information, fathered by Samuel Insull, the man who contributed something like \$165,000 to elect both a Republican and a Democrat to the same seat in the United States Senate, is sending broadcast an anonymous document linking up with the communist and bolshevist forces those civic and religious organizations which refuse to become avenues for spreading Power Trust propaganda or which advocate public ownership.

Among these are the American Farm Bureau Federation, the American Association of University Women, the United Society of Christian Endeavor, the National Woman's Christian Temperance Union, the Central Conference of American Rabbis, the American Federation of Teachers, the National Education Association, National Council of Jewish Women, National Board of the Young Women's Christian Association, and the Religious Society of Friends. This article also said that the evidence showed that this same committee supplies over 600 high schools in the State of Illinois with Power Trust propaganda; that—supplies of liquor twice were ordered from New York by another Illinois Power Trust official to forward lobbying activities in the State legislature.

In a recent address in this city a speaker, employed by this gigantic organization of public utilities, said the organization never took any part in political campaigns. Yet, according to Raushenbush and Laidler, when the water and power act passed by the California Legislature was submitted to the people for approval, the utilities of that State spent over \$500,000 to defeat it. In that campaign two men, Eustace Cullinan, head of the so-called Greater California League, and John S. Drum, a former president of the American Bankers' Association and

head of two utility companies, met in some back room and organized the Greater California League, and Mr. Cullinan appointed himself as its head at a salary of \$25,000. That is the only meeting this organization ever had, and no one had access to its accounts except Mr. Cullinan himself.

One of the first things this two-man organization did was to prepare a leaflet, to be sent out by the bond houses opposing the water power act. It employed leaders of various groups and communities to work against the act. P. H. McCarthy, for many years president of the Building Trades Council, was employed for three months at a salary of \$10,000 to educate the members of the building trades against the bill. George Skaller, secretary of the Civic League of Improvement organization, received \$6,000 to educate his group against the act. Another man was paid \$26,000 for his work against the act. Another received \$5,000. Other thousands of dollars were spent on automobiles to haul known opponents of the act to the polls. Still other thousands were spent on junketing trips for members of the legislature visiting power plants where future attractive jobs at good salaries were dangled before their eyes.

MACGREGOR WRITES A SPEECH

Now, this incident in California might be considered as being truly representative or typical of the Power Trust's methods. What was done in California may have been a little crude, because it was an effort to meet an emergency. But let us look at Illinois, the home base of the celebrated Samuel Insull. There is nothing temporary about the Illinois program. The organization is permanent. Its committees have anticipated every possible emergency. Hear the name:

The Illinois Committee on Public Utility Information.

B. J. Mullaney is the director and R. R. MacGregor is assistant director. Mr. Mullaney and Mr. MacGregor recently engaged in an interesting correspondence in relation to a political campaign. Evidently some of Mr. Mullaney's candidates had opposition and needed coaching. Mr. Mullaney sent a note to Mr. MacGregor asking for help. The note was straightforward and matter of fact. Here it is as it now appears on page 7330 of the CONGRESSIONAL RECORD for April 27, 1928:

Mr. MACGREGOR. If you were running for a nomination for United States Senator against a man whose speeches have indicated that he favors Government ownership generally, and you had to get up a speech or series of speeches tackling him on that line, what have we that you would find pertinent and useful?

In his reply (which also is found on page 7330 of CONGRESSIONAL RECORD) Mr. MacGregor proceeds to write a speech for Mr. Mullaney on how to brand a candidate for office who believes in public ownership of public utilities as—

a socialist, a pink, a red, or a Bolshevik.

He then says—

It's a disease, and the best preventive for a general infection is not to let it get a start. Kill the first germs before they multiply and kill.

He then says:

What is wrong with Government ownership? The answer is, it doesn't and it won't work. It's been tried time and time again. And every time it has caused the downfall of the government which tried it. Workers refuse to be dogged by an endless chain of bureaus until they can't even raise their families the way they wish. They revolt.

That statement would be all right if it were true. But the fact is that there is not a line, word, or syllable of it that is true. Public ownership of public utilities did not cause the downfall of Germany. It has not caused the downfall of England. It has not caused the downfall of Canada. It has not caused the downfall of a single government on earth, and it never will cause the downfall of any. But the forcing of the will of the financially powerful few upon the many, aided by government officials controlled by the powerful few, has caused the downfall of governments. And that is what men of the MacGregor stripe will go the length to do, to accomplish their ends.

Fortunately, however, the founders of this Government placed its control in the hands of the people themselves by giving them the ballot. Through the use of the ballot the people can have the kind of government they desire and all the MacGregors in the country will not be able to contribute to the downfall of this Government unless they are first able to take away the voting power of the people. They know this, and that is why a general assault on primary election laws is being made.

But one needs not take Mr. MacGregor very seriously when he reads the closing paragraph of his speech to Mullaney. It says:

This, of course, is not an attempt at writing a speech. My idea would not be to try logic or reason but to try to pin the Bolshevik idea on my opponent. I do not believe that the theories of government ownership would be much use except before a hand-picked audience.

Translated into English, this paragraph simply means: "There is no argument against public ownership of public utilities. The only thing that the combine can do to retain its financial grip on the people is to throw mud, mix things, smear everybody who gets in its way, lie to some and buy others, use the terms socialist, pink, red, Bolshevik to prejudice people against those who favor public ownership."

Big business interests adopted that method during the war and then proceeded to make profits off the people to the extent of \$38,000,000,000. The Power Trust thinks it can adopt the same policy and exact still more billions in profits off the people.

THE POWER COMBINE IN POLITICS

Again, if this organization does not take any part in politics, how does it explain its activities against the water and power act of California at an expenditure of over one-half million dollars? If it is not in politics, how does it explain Insull's contribution of over \$160,000 in a senatorial campaign in Illinois? How does it explain its activities in the election of officials from President of the United States down to members of school boards? If it is not in politics, how does it explain the fact that it worms its way into every department of government and places those in these departments on its pay rolls whom it feels can be used to the best advantage of the trust? If it is not in politics, how does it explain the fact that the first step it invariably takes to head off any governmental proposal to in any way curb or limit its activities is to invite all the reporters of the leading newspapers of the country to a great banquet where speeches are made by Government officials, lawyers, and even ministers of the gospel, and where sometimes wine flows like water? If it is not in politics, how does it explain the fact that it has practically secured control of all the avenues for disseminating information to the public, including the radio, newspapers, and the lecture platform? If it is not in politics, how does it explain its opposition to Senator HOWELL's renomination to the Senate in the recent primary in Nebraska? If it is not in politics, how does it explain the fact that I received 28 telegrams within the space of 15 minutes from voters in my district protesting against the Boulder Dam bill on the very day that bill was scheduled to come up in the House? If it is not in politics, how does it explain the fact that every scheme is used that is possible for human ingenuity to invent to crush those it can not control and to exalt and place in attractive, influential positions those who yield to their blandishments?

THE POWER COMBINE WATCHES LEGISLATION AND OFFICIALS

I venture the assertion that no Government agency makes a move in the direction of public interest but what a utilities official is on hand to scrutinize its acts. When the question of flood control in the Mississippi Valley was first raised the utility interests were on hand to see to it that whatever Congress does in the matter of flood control should not, in the remotest degree, border upon the development of power. One of the Army engineers, a man who had been appointed to West Point from Superior, Wis., by Senator Lenroot and educated at Government expense and drawing a salary from the Government, was sent into the Mississippi Valley to investigate the feasibility of building reservoirs along the tributaries of the Mississippi River as a means of holding back the flood waters. When reservoirs are built it is only a short step to the utilization of the water in such reservoirs for power purposes. This engineer made his investigation chiefly in his swivel chair in Washington and reported back to the Government that reservoirs are not feasible as a means of flood control. Later, before the Flood Control Committee of the House, this same engineer testified under cross-examination that he at one time had been connected with the National Electric Light Association and that he is now on the pay roll of a private electric light and power company in New York and is its vice president, while at the same time he is drawing a salary from the War Department of the United States Government. So the bill for the relief of stricken humanity in the lower Mississippi Valley and the prevention of such catastrophes as occurred in that valley last year came to us tainted by the Power Trust.

The United States Chamber of Commerce, through its recent changes in offices, has fallen completely under the domination of the National Electric Light Association and henceforth will become the chief lobby and propaganda mill of the Power Trust. It is tied up either through direct membership or business relations with local chambers of commerce and similar organizations throughout the United States.

During the war, as everybody knows, the Government—the people themselves—built the giant dam and power plant at Muscle Shoals to manufacture explosives to be used in the war. Some statements say this entire plant cost the people \$250,000,000. Others put it as low as \$150,000,000. But whatever it cost, it belongs to the people to do with as they please. It belongs to them to do with it as they please, just as much as does any other Government-owned property.

When it was felt that this plant would no longer be needed for the purposes for which it was built, ways and means were sought to dispose of it. There are those who would sell it for whatever can be obtained for it, or lease it for a term of years to private power interests at a nominal rate of interest. Among these are those known to be financially connected with the power interests. Then again, there are those who insist on the people operating their own plant and selling the power for enough to recover the entire cost.

The stock argument against public ownership is that it is a failure—is proving a failure wherever tried, chiefly because of politics. Mr. Cortelyou puts it on a little broader ground. He says:

We shall try, among other things, to demonstrate that the entry of Government, whether National, State, or local, into this field, is constitutionally unsafe, politically unwise, economically unsound, and competitively unfair.

Yet they all emphasize what a great failure public ownership is and has been, and they particularly lay stress upon this in their opposition to Government operation of Muscle Shoals.

Now, what is the truth about this? According to Bradstreet, over 90 per cent of those who enter private business fail, while the percentage of failures of municipally owned utilities is insignificant in comparison. They point to the fact that there are relatively more bank failures, privately owned, than municipally owned utility failures during the last few years. The same is true, they say, of other lines of private business. On the other hand, they point to the fact that the largest business in the world, the post-office business, is being cheaply and successfully operated in everybody's interest and no one is afraid, like those who own stock in large private corporations can well afford to be afraid, of being sold out by the "higher ups" and the people left holding the bag. That has been the situation with reference to banks, with manufacturing establishments, mercantile establishments, railroads, and with every other kind of business. It has not been true with Government-owned utilities.

It is true that some small municipally owned power plants here and there have felt the same "squeezing process" of the larger privately owned ones, just as other small business institutions have felt at the hands of big business whose object is to squeeze out the competition offered by the "little fellows." But no one can successfully maintain that the hydroelectric plant owned by Ontario has been anything but a complete success, and it furnishes electric current for less than one-third the average price charged the people of the United States by the private power interests. The city-owned power plant at Tacoma, Wash., charges about the same rates as are charged in Canada. The significance of this becomes all the more apparent when it is known that the average rate in the United States is 7½ cents per kilowatt-hour while in Canada and Tacoma it is 2 cents or less. This becomes all the more significant when it is understood that every half cent reduction in the price per kilowatt-hour means a saving of \$300,000,000 per year to the people of the United States, and a reduction from 7½ cents to 2 cents would mean a saving of \$3,300,000,000 a year. That is over 1 per cent on the value of all the property in the United States, or is about equal to one-half of the amount the people pay in direct taxes.

Senator NORRIS, who has been making a stubborn fight for Government development of Muscle Shoals for generating electricity and for harnessing Great Falls on the Potomac to furnish light for the United States Government, tells of a woman in Toronto, Canada, who lives in an eight-room house who does her sweeping, cooking, washing, and ironing, heats her water for both kitchen and bath, has twice as many light bulbs as a similar home in Washington, and it costs her an average of \$3.55 per month. In the city of Washington, D. C., same service would cost her \$23.18 per month; in Birmingham, Ala., \$32; in Nashville, Tenn., \$40; and in some cities in the United States, \$60 per month.

Nor is this all. Part of the \$3.55 this woman pays is an amortization fee which, in 30 years, will entirely wipe out the capital account in the plant and from that time on Canadians will not have to pay rates based on capital invested, while here in the United States private utilities are continually adding to

their capital account and are charging rates on reproduction cost.

Senator NORRIS visited the farm home of B. L. Sible. His home was lighted by electricity; his farm buildings were lighted by electricity; his house and barns were furnished water pumped by electricity; he filled his silo and ground his feed by electricity; he milked 17 cows by electricity; his wife did her cooking, washing, sweeping, ironing, and ran the cream separator by electricity, and was free from drudgery; the total cost for this service was \$115.49 for a year and by its use they saved the cost of a hired man and a hired girl. This instance is typical of thousands of other farmers in Canada, and was not picked out as an especially favorable case.

But I am not looking at this question merely from the point of view of Government ownership. In fact, I believe I would prefer private ownership if some effective means can be devised to protect the people against unjust and outrageous charges of private utilities. Many States have attempted such control and did very well at it until holding companies with headquarters in New York and Chicago sprang into existence. These holding companies will go into a locality and either buy or build a plant at various strategic points and oftentimes sell preferred stock to people in the vicinity to more than pay for it and then issue themselves common stock equal in amount to the preferred stock and reserve to themselves all managerial and voting rights, giving the preferred stockholders no voice whatever in the management of the business they really own, and the courts have held that unless fraud can be proven, State commissions have no power over them. Commissions do, however, exercise some indirect powers over holding companies, but how long the courts will stand for that remains to be seen.

There is no question but what the hydroelectric plant in Ontario exercises some beneficial influence over charges in northeastern United States, and if New York succeeds in establishing a public-owned plant along the St. Lawrence River, a still greater influence will be exercised in that territory. If this House will pass the Norris bill for Government operation of Muscle Shoals, no doubt but the people in the southeastern portion of the United States will be benefited by lower rates. The same will be true in the southwestern part if the Johnson-Swift bill becomes a law. These developments, together with those of Tacoma and Seattle in the Northwest, will no doubt have a most wholesome influence.

That influence may not be all that could be desired and, if not, I am for extending Government ownership and operation of power over the country until the desired effect is obtained. I recognize that this is an age of "big business" and big businesses with large amounts of capital can probably render service more cheaply than an aggregation of small businesses with small amounts of capital. But the people will not tolerate large combinations of wealth organized under the pretext of rendering cheaper service, and then using the power of organization to squeeze exorbitant profits out of them.

The high rates charged by privately owned electric utilities in the United States not only exact an unjust tribute from the people, but they stand in the way of the use of electric current for heat and power. The utility companies of the Pacific coast discouraged the use of electricity for heating and power until they became bold enough to give it a trial and found it a very profitable adventure. Since then electric heating is becoming more and more general.

Frank Putnam, an authority on the subject, says of the use of electric current in heating, lighting, cooking, and other domestic uses in the homes in San Francisco:

The average rate per kilowatt-hour for all energy used in such homes shades down to a little over 2 cents; the bills, depending on the size of the house and energy used, range from \$7.50 to \$18 monthly average through the year.

Continuing, Mr. Putnam says that architects and builders say that 6 per cent on the saving on the cost of homes to be electrically heated by the elimination of heating basements, chimneys, fireplaces, and the like will pay the home owner's entire electric-current bills, "where heating rates comparable to those on the west coast are obtainable." He also points to the fact that a large apartment hotel in Los Angeles is completely electrified and paid \$7,300 for current for the first 10 months of 1927, and that the installation of this system cost about half the amount a coal, oil, or gas system would cost, and that 6 per cent interest on the saving in construction cost of this hotel, together with the saving in operating and maintenance, pays about half the electric bills and higher rentals secured probably pay the other half with some to spare.

In discussing the advantages of using electricity for heating, cooking, and lighting to the people of Seattle, Mr. Putnam says:

These folks are as free from heating toil, dirt, and worry as the guest of the most expensive hotel—and their yearly bills for all-electric service average only \$7 to \$15 monthly, depending on the size of the home and the habits of its occupants.

He then tells of an all-electric service of a 28-room house, worth a quarter of a million dollars, costing a little over \$42 per month, or about \$500 per year. Mr. Putnam says that electric current can be produced as cheaply or cheaper by modern plants using coal as fuel as it can in plants using water power. (See "Electric Service Enters New Era," by Frank Putnam.)

The city of Tacoma probably has more electrically heated homes than any other city in the world, the number being about 3,000. Homer T. Bone, port counsel of the port of Tacoma, writes me that for the month ending December 15, 1927, he paid \$16.53 for all-electric service, including heat, for a 10-room house. This amounts to something like \$200 a year. The average price for current is but little over 1 cent per kilowatt-hour, while the rate falls as low as one-half cent.

In an article written for the Locomotive Firemen and Engineers' Magazine for January, 1927, Mr. Bone has this to say:

During a comparatively recent period of 12 months light and power users in a neighboring city of 20,000 inhabitants, supplied by a private power company, using hydroelectric power, paid an average of 4.19 cents per kilowatt-hour for all current used in that city.

If Tacoma had exacted that rate from its people, the revenues of the Tacoma light department would have been increased \$3,014,360.67 during the 12-month period.

The total tax that will be levied in Tacoma to run the city government for 1927 is \$2,482,217.80.

In other words, the light department of the city of Tacoma is saving the people over \$500,000 more than the entire city tax bill.

The mayor tells me that the light department of the city of Kaukauna, Wis., is saving its people in electric rates an amount equal to the cost of the entire city government plus the cost of its public schools outside its continuation school.

These are the things that trouble the power monopoly, and it does not purpose to have any more examples as to how cheaply electric power can be generated. In order to enlist the farmers in this fight it just had to discover that Government operation of a power plant at Boulder Dam was going to ruin them. When it made that discovery it made a rush for the agricultural press of the country and, using the argument of large contracts for advertising in these papers, convinced many of the editors that Boulder Dam means irrigation, irrigation means more land under cultivation, more land under cultivation means more crops, and more crops mean lower prices, and lower prices mean ruination for the farmers. They, however, failed to convince the editors of these papers that they were willing that the Government should irrigate the whole Southwest if it would turn over the power to the Power Trust. As a matter of fact, Boulder Dam does mean irrigation, but it does not mean any more irrigation than now. Imperial Valley is already irrigated with water from Mexico, and the only change Boulder Dam would make is to enable the farmers of that valley to get their water from the United States. But even if it did increase the land under cultivation, the crops raised in this valley are chiefly tropical and semitropical fruits and vegetables that do not compete with crops raised elsewhere in the United States. Besides, the fact that such crops are raised in this valley enables the people to obtain them cheaper than they could if they had to be imported from some foreign country.

I have given here and at this time only a general review of the methods and purposes of the Power Trust, but enough. I hope, to show the necessity for a careful study of this subject by the Federal Government, by every State government, and by every political subdivision which has any control over the service, the rates, or the financing of public utilities.

True, an inquiry into one phase of their activities is now under way by the Federal Trade Commission. But that investigation has nothing to do with the kind of service or the rates charged or the methods of financing. It is solely an inquiry into their methods in molding public opinion. And while these publicity methods are a stench in the nostrils of the people, the Federal Trade Commission scarcely can be expected to do more than to bring to light multiplied instances of a kind which already are known to the people. The inquiry will do good—lots of it—but it will not meet the problem. For, after all, what the people want is cheaper rates for light and power. I purpose to go back to my own State and present to the people a much fuller discussion of this matter than I have attempted here.

I purpose to discuss costs and rates, comparing the rates paid by Wisconsin people with those paid elsewhere, and especially with municipally owned plants.

I purpose also to discuss the methods of financing employed by each of the big holding companies operating lighting and power plants in Wisconsin. I purpose to discuss common stock, watered stock, and the profits on such stock and their relation to the rates paid by Wisconsin consumers.

I shall do this in the hope that the people of my State, at least, will take the necessary steps to prevent predatory interests from acquiring control or possession of the last great natural resource left to the public.

FLOOD CONTROL

Mr. REID of Illinois. Mr. Speaker, I submit a conference report on the bill (S. 3740) for the control of floods on the Mississippi River, its tributaries, and for other purposes, for printing under the rule.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 13, 17, 18, 19, and 20.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 21, 22, 24, 25, 26, 27, 28, 29, 30, 32, and 33, and agree to the same.

Amendment numbered 9: That the Senate recede from its disagreement to the amendment of the House numbered 9, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "but nothing herein shall prevent, postpone, delay, or in anywise interfere with the execution of that part of the project on the east side of the river, including raising, strengthening, and enlarging the levees on the east side of the river"; and the House agree to the same.

Amendment numbered 14: That the Senate recede from its disagreement to the amendment of the House numbered 14, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by said amendment, insert the following:

"(c) provide without cost to the United States, all rights of way for levee foundations and levees on the main stem of the Mississippi River between Cape Girardeau, Mo., and the Head of Passes.

No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place: *Provided, however,* That if in carrying out the purposes of this act it shall be found that upon any stretch of the banks of the Mississippi River it is impracticable to construct levees, either because such construction is not economically justified or because such construction would unreasonably restrict the flood channel, and the lands in such stretch of the river are subjected to greater overflow and damage by reason of the construction of levees on the opposite banks of the river it shall be the duty of the Secretary of War and the Chief of Engineers to institute proceedings on behalf of the United States Government to acquire either the absolute ownership of the lands so subjected to overflow and damage or floodage rights over such lands."

And the House agree to the same.

Amendment numbered 15: That the Senate recede from its disagreement to the amendment of the House numbered 15, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

SEC. 4. The United States shall provide flowage rights for destructive flood waters that will pass by reason of diversions from the main channel of the Mississippi River: *Provided*, That in all cases where the execution of the flood control plan herein adopted results in benefits to property such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid."

And the House agree to the same.

Amendment numbered 16: That the Senate recede from its disagreement to the amendment of the House numbered 16, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following: "which, in the opinion of the Secretary of War and the Chief of Engineers, are"; and the House agree to the same.

Amendment numbered 23: That the Senate recede from its disagreement to the amendment of the House numbered 23, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by said amendment insert the following:

"including levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on the outlets and tributaries of the Mississippi River between Rock Island and Head of Passes in so far as such outlets or tributaries are affected by the backwaters of the Mississippi: *Provided*, That for such work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., and on such tributaries, the States or levee districts shall provide rights of way without cost to the United States, contribute 33 1/3 per cent of the costs of the works, and maintain them after completion: *And provided further*, That not more than \$10,000,000 of the sums authorized in section 1 of this act shall be expended under the provisions of this section.

"In an emergency, funds appropriated under authority of section 1 of this act may be expended for the maintenance of any levee when it is demonstrated to the satisfaction of the Secretary of War that the levee can not be adequately maintained by the State or levee district."

And the House agree to the same.

Amendment numbered 31: That the Senate recede from its disagreement to the amendment of the House numbered 31, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by said amendment insert the following:

"The sum of \$5,000,000 is hereby authorized to be used out of the appropriation herein authorized in section 1 of this act, in addition to amounts authorized in the river and harbor act of January 21, 1927, to be expended under the direction of the Secretary of War and the supervision of the Chief of Engineers for the preparation of the flood-control projects authorized to be submitted to Congress under this section: *Provided further*, That the flood surveys herein provided for shall be made simultaneously with the flood-control work on the Mississippi River provided for in this act: *And provided further*, That the President shall proceed to ascertain through the Secretary of Agriculture and such other agencies as he may deem proper, the extent to and manner in which the floods in the Mississippi Valley may be controlled by proper forestry practice."

And the House agree to the same.

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,

Managers on the part of the House.

W. L. JONES,
DUNCAN U. FLETCHER,
CHAS. L. McNARY,
JOS. E. RANSDELL,
HIRAM W. JOHNSON,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3740) for the control of floods on the Mississippi River and its tributaries, and for other purposes, submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report, as to each of such amendments, namely:

SECTION 1

On No. 1: Strikes out the Secretary of War as a member of the planning board.

On No. 2: Provides for one civil engineer as a member of the planning board instead of two, as proposed by the Senate.

On No. 3: Provides that the civil engineer shall be chosen from civil life.

On No. 4: Provides that the planning board shall consider the plans recommended by the Mississippi River Commission.

On No. 5: Inserts the language proposed by the House, providing that the planning board shall recommend to the President such action as it may deem necessary to be taken in respect to the engineering differences between the two flood-control plans, the President's decision to be followed in carrying out the project. The planning board is to have no other authority in regard to the project except as set forth in this section.

On No. 6: Strikes out the word "further," as proposed by the House.

On No. 7: Strikes out the word "as," as proposed by the House.

On No. 8: Strikes out the words "as those protected by levees constructed on the main river," as proposed by the House.

On No. 9: Inserts the language proposed by the House, with the additional insertion, after the word "of," in line 22, on page 3, of the words "that part of." This is in the nature of a perfecting amendment and does not change the sense of the House amendment.

On No. 10: Inserts the new paragraph at the end of section 1, as proposed by the House, providing that all unexpended balances of appropriations heretofore made for flood control on the Mississippi River under the flood control acts of 1917 and 1923 shall be available for expenditure under this act, except section 13.

SECTION 2

On No. 11: Strikes out the word "additional," as proposed by the House, from the phrase "no additional local contribution to the project herein adopted is required."

SECTION 3

On No. 12: Strikes out the words "local interests" and inserts the words "the States or levee districts," as proposed by the House, in line 8, on page 5.

On No. 13: Strikes out the words "the title to," proposed to be inserted by the House, in line 15, on page 5.

On No. 14: Inserts the language proposed by the House, but changes the latter part of the last paragraph of the section so as to clarify the meaning.

SECTION 4

On No. 15: Strikes out the first paragraph of the section as proposed by the Senate, and inserts the language proposed by the House providing that the United States shall provide flowage rights for the water that is diverted from the main channel of the Mississippi. Strikes out the last clause of this paragraph, providing that the United States shall control, confine, and regulate such diversions. Conferees were of the opinion this language not needed, as amendment 8, section 1, fully covers the situation, and insert a proviso to the effect that where the flood-control project results in benefits to property, such benefits shall be taken into consideration by way of reducing the amount of compensation to be paid. This provision is similar to existing law.

On No. 16: Inserts the language proposed by the House, to the effect that the opinion of the Secretary of War is to decide what lands, easements, or rights of way are necessary to be acquired; and adds that the opinion of the Chief of Engineers is also to be followed.

On Nos. 17, 18, 19, and 20: Strikes out the language proposed by the House, and restores the language of the Senate, in the last proviso in section 4, the House amendments not having been considered essential or important.

SECTION 6

On No. 21: Strikes out the language proposed by the Senate and inserts the word "Funds," as proposed by the House, in line 10 on page 8.

On No. 22: Inserts the words "section 1 of," as proposed by the House, in line 11 on page 8.

On No. 23: Strikes out the language proposed by the Senate and inserts the language proposed by the House, with the additional provision that for levee work on the Mississippi River between Rock Island, Ill., and Cape Girardeau, Mo., the States or levee districts shall provide rights of way, pay one-third of the work, and maintain the levees when completed.

SECTION 7

On No. 24: Strikes out the words "below Cape Girardeau, Mo.," as proposed by the Senate, so that the emergency fund may be used for rescue work or repair or maintenance on any of the tributaries of the Mississippi.

On No. 25: Inserts the language proposed by the House, which would authorize the emergency fund to be used to repair levees destroyed by the flood of 1927.

SECTION 8

On No. 26: Inserts the new paragraph at the end of the section, as proposed by the House, providing that the salary of the president of the Mississippi River Commission shall be \$10,000 and the salary of the other members of the commission shall be \$7,500.

SECTION 9

On No. 27: Strikes out the entire section, as proposed by the Senate, and inserts the language proposed by the House providing that the provisions of sections 13, 14, 16, and 17 of the river and harbor act of March 3, 1899, shall be applicable to all

lands, waters, easements, and other property and rights acquired or constructed under the provisions of this act.

SECTION 10

On No. 28: Inserts the language proposed by the House, providing that the surveys authorized by the river and harbor act of January 21, 1927, in addition to those set forth in House Document No. 308, Sixty-ninth Congress, first session, shall be prosecuted as speedily as practicable.

On Nos. 29 and 30: Strikes out the language proposed by the Senate and inserts the language proposed by the House, naming the tributaries for which flood-control projects shall be prepared.

On No. 31: Inserts the new paragraph at the end of the section, as proposed by the House, with the additional provisions that the flood-control projects on the tributaries of the Mississippi shall be submitted to Congress and that the forestry investigation may be undertaken by such other agencies as the President may deem proper, as well as by the Secretary of Agriculture.

SECTION 11

On No. 32: Strike out the language proposed by the Senate and inserts the language proposed by the House, to the effect that if the levee between Tiptonville, Tenn., and the Obion River, in Tennessee, is found feasible and is approved by the President it shall be built.

SECTIONS 13 AND 14

On No. 33: Inserts the two new sections proposed by the House, section 13 providing for a modification of the flood-control project on the Sacramento River, Calif., and section 14 providing that contracts for the sale of land shall contain a provision that no Member of Congress is interested in the sale.

FRANK R. REID,
C. F. CURRY,
ROY G. FITZGERALD,
RILEY J. WILSON,
W. J. DRIVER,

Managers on the part of the House.

Mr. GARNER of Texas. Mr. Speaker, can the gentleman inform us when he expects to call up this conference report?

Mr. REID of Illinois. On Saturday.

MISSOULA NATIONAL FOREST

Mr. SINNOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 126, respecting the Missoula National Forest, with Senate amendments thereto, and concur in the Senate amendments.

It is a very simple matter. It is a bill that was introduced by Mr. EVANS of Montana, the ranking minority member of my committee. The Senate amendment simply preserves the rights to certain homestead entrymen.

The SPEAKER. Has the matter been taken up by the committee?

Mr. SINNOTT. I can not say that the matter has been taken up by the committee, but the gentleman from Montana [Mr. EVANS], the author of the bill, requested me to call it up.

The SPEAKER. The gentleman from Oregon asks unanimous consent to take up the bill referred to and agree to the Senate amendment. The Chair is informed that similar requests have heretofore been made to agree to Senate amendments when the committee was opposed to that action; not on this particular bill, but as a general proposition. At this time the Chair does not think he should recognize the gentleman to call up the bill. Will the gentleman postpone his request?

Mr. SINNOTT. I will.

POISON IN DENATURED ALCOHOL AND MODERN MEDICAL VIEWS CONCERNING THE USE OF ALCOHOL

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating two articles on the medical use of alcohol—one written by Dr. Howard A. Kelly, gynecologist, of Johns Hopkins University, and one written by Dr. Morris Fishbein, editor of the Journal of the American Medical Association and of Hygeia.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SIROVICH. Mr. Speaker and fellow Members of the House, on Friday, March 2, 1928, I addressed the House for almost 40 minutes, speaking on the subject of poison in denatured alcohol. In the course of my address I said:

There are two views in the United States concerning beverage alcohol. One is that of a group of honest, sincere, loyal American citizens, who contend that beverage alcohol is detrimental for human

consumption, and is responsible for all the wickedness found in our Nation, and that from a social, physical, economic, and political standpoint beverage alcohol has destroyed the home, interfered with the economic welfare of our country, destroyed the physical welfare of our fellowmen, and is chiefly responsible in corrupting the body politic of our Nation.

On the other hand, there is the equally sincere and honest wet element of our country, who believe in moderation and in temperance, and who contend that those who believe in moderation and temperance should not be crucified upon the altar of the drunkard. The wets, so called, deny that from a social, from a physical, and from an economic standpoint temperance has ever harmed any human being; but, on the other hand, they contend that from a political standpoint modern prohibition has brought more corruption to-day in Government than has ever existed in the history of our Nation. [Applause.]

On the medical side we have two groups of physicians. One who are firmly convinced that beverage alcohol serves no remedial purpose to human beings, while on the other hand we have equally great authorities on the other side who contend that beverage alcohol taken in moderation is a tonic to the system, is converted into carbon dioxide and water and heat and energy without leaving behind any refuse whatsoever.

To confirm these opposing views I would respectfully like to quote from an article written by Prof. Howard A. Kelly, the distinguished surgeon and gynecologist on the staff of Johns Hopkins Hospital, as well as the eminent and brilliant editor of the *Journal of the American Medical Association*, and of *Hygeia*, Dr. Morris Fishbein. One wrote upon the abuses of alcohol as a medicine, while the other wrote upon alcohol as a necessary part of the doctor's kit, for the *World's Work Magazine*:

THE ABUSES OF ALCOHOL AS MEDICINE

There is no single disease in the world of which alcohol is the cure. This fact is well known to science, is now generally admitted by progressive members of the medical profession, but is rarely made clear to the layman. The purpose of medicine is to cure disease. Since alcohol cures no disease it is not a medicine. It has no place in medical practice.

These facts have not been established so very long. They run counter to beliefs that have been held for generations and are hard to displace. Yet a bit of straight thinking on them is of importance to all the people of the world. The effects of alcohol upon the mind and body of man have had very careful study during this generation. That study crowded alcohol first from the field of curative medicines into the realm of stimulants, then from the field of stimulants to the company of depressants. It is now well known that alcohol does not cure, does not stimulate. It decreases, lessens mental or physical vitality. It creates only an illusion of vigor that does not exist.

All this has been proved by innumerable tests. A tylist of known speed and accuracy has taken alcohol in graduated quantities. His speed and accuracy decrease in proportion to the alcohol he takes. Two men may play tennis or chess equally well. Give one of them a single glass of beer and he will be easily defeated by the one who abstains. Start 10 men of comparable vigor up mountain side, 5 of whom have taken drinks as stimulation. These five will fail in the climb. So mild a drink as a pint of beer will lessen their physical and mental prowess by from 10 to 15 per cent. Innumerable tests have proved that alcohol does not stimulate them or make them capable of greater accomplishment. Instead, it depresses them, lessens their power.

Railroads learned a long time ago that it would not do for their operation employees to drink at all. The menace of drinking by drivers of automobiles, as has been often demonstrated, takes its toll of life every passing week. It has been shown that one spoonful of liquor lessens the ability to form quick judgment and to act on that judgment. That lessening of mental and physical ability can and has been measured. Split seconds in this strenuous age may mean life or death. Giving a driver alcohol endangers life.

Yet the drinker believes himself stimulated. To him his faculties seem much alive. As a matter of fact, they have been clouded, and it is the haze of them that mingles all about him. The power of reasoning, of quick judgment, of effective action, has been inhibited, but he knows it not.

In the days of our grandfathers nearly all physicians prescribed liquor. Even a generation ago the practice was still general. Those physicians among us who are getting on in years and who now refrain from doing so may have given our patients a bit of alcohol in the days of our youth. So general was the practice that it was almost universal. Each doctor was likely to have a favorite wine or brandy that was the specific intoxicant that he prescribed. This fact throws light on the psychology of his act. The alcohol is the effective element in all these liquors and was the same in all of them. If the alcohol had a medicinal effect it would be as well to prescribe one liquor as another. It would be as well to prescribe pure alcohol administered as is other medicine. When a doctor prescribed port or sherry he was,

in fact, going out of his way to give his patient what he considered a very pleasant drink. He was presenting alcohol in what, to him, was its most pleasant guise. It was not a medicine but a pleasure he was furnishing. His prescription was likely to please the patient and hold his patronage.

This alcohol was in the form most likely to breed a habit. Raw alcohol diluted with water, if it possessed any medicinal value, would have served the same purpose but would not have equally pleased the patient. Likewise, it would not have been nearly so dangerous to him from the standpoint of forming the habit of taking it. This practice on the part of doctors of prescribing palatable liquors for their patients has done yeoman service in recruiting for the army of inebriates.

Alcohol is a habit-forming drug. Its prescription to a person as a tonic when he is weakened by disease is as effective a way as could be devised for developing the alcohol habit in him. If it were possible to mass the army of drunkards in this country that has been recruited through these liquor prescriptions and march it to the next convention of the American Medical Association, this question would be settled forever. If it were possible to pile up the dead from automobile accidents that have resulted from a lessened efficiency of drivers who had been drinking prescription whisky or who have formed the liquor habit through having it prescribed by doctors, the Nation would be appalled.

Through the generations it has been the practice to prescribe whisky to stimulate flagging heart action. This is done on that same theory that it increases vigor instead of lessening it. There is the former belief, for example, that whisky is good for snake bite. The poison of snake bite throws a great burden on the heart. The idea was to stimulate the heart that it might bear that burden. It is now known by actual measurement that it decreases the heart vigor and therefore increases the probabilities of death.

That past generation that so freely prescribed whisky had another practice; that of bleeding the patient, which has now been abandoned. The reverse operation, blood transfusion, has taken its place. That generation put whisky into the patient and took blood out of him. Modern practice, reversing the process, takes the whisky out of him and puts blood into him.

The disease for which alcohol comes nearest being a remedy is diabetes. It is probable that alcohol furnishes a fuel that tends to burn out the fat that causes that disease. It may be that it is helpful. Now, however, we have insulin, which serves the same purpose much more effectively and, therefore, displaces alcohol.

Not long ago there was a case much in the newspapers. It developed that the attorney general and the governor of a Western State in which the prescription of liquor was forbidden had used whisky as a medicine. The children of the attorney general had been ill with typhoid and the wife of the governor had been ill with pneumonia. It seems that the doctor in each case had recommended whisky, which could not be bought at the drug stores. It had been procured through friends and administered. Comments on the case current in newspapers took the view that the lives of these children and the governor's wife had been saved by the whisky. They seemed to accept this salvation through liquor as fact.

Now, whisky is not a cure for typhoid fever or pneumonia. Alcohol in this whisky is, of course, the vital element. It is a depressant, and if taken by these patients undoubtedly made their recovery more difficult. Yet if the doctor in this case had considered alcohol necessary to the recovery of his patients that alcohol was procurable at the drug store. Under the laws of the State alcohol can be prescribed, but in the pure form rather than in that of the customary potable liquors. This alcohol loses none of its medicinal qualities but merely becomes less attractive as a beverage. So it is evident that much deception was used in the presentation of this case, probably engineered by some one whose purpose was a relaxation of the regulations governing the prescription of liquor.

It is hardly necessary, however, to make out so complete a case against alcohol. If it were even granted that its prescription were occasionally necessary, that it sometimes saved a life, it might still be inadvisable to use it. Against this occasional benefit there should be set down as though on a balance sheet the known harm that it does. All those inebriates who, because of alcohol, have found their way into hospitals and lunatic asylums should be put down. All those cripples who go maimed through life because they or some one else has caused an accident because of alcoholic lessening of efficiency, all those patients suffering from cirrhosis of the liver, from deranged kidneys and stomachs, from diseased hearts and blood vessels, through liquor, should be balanced against the assumed occasional benefit.

Exhaustive tables worked out by British insurance companies extending over a period of 30 years show how alcohol affects the length of life. The man of 30 who does not use liquor has a life expectancy of 39 years. The man who does use it has a life expectancy of 35½ years. Three and a half years off the lives of liquor users should be charged up against the little good that is claimed to come from prescribing it. The benefits, if any, are so small and the obvious harm so great that intelligent man, if ever brought to think the matter through, is sure to take his position against the use of liquor or its prescription by doctors.

And here is another consideration from the standpoint of the medical profession that is generally overlooked, but that is vital to its integrity. The liquor prescription places a temptation in the way of the young doctor that is tragically likely to cause his downfall. Most young doctors have to endure that lean novitiate that has long been known as the starving period. They hang out their shingles and wait for practice to come.

Such a young doctor may take out a license that entitles him to write 100 liquor prescriptions a month. Those prescriptions may be readily saleable at \$2 each. This will give this youngster \$50 a week, which is quite adequate to keep him going. Why starve, he may ask himself, when this money is so easily available? I know young doctors who chuckle among their friends and pronounce these prescriptions a godsend to those entering the profession.

But the young doctor who writes a liquor prescription under these circumstances has ceased to be a doctor and becomes a bootlegger. He has already prostituted a noble profession. Even before he has actually become a doctor he has thrown ethics to the wind. His ethical standards are gone. His moral fiber is weakened. He has lost that which is indispensable to the proper practice of the profession that he has chosen to follow.

One shudders to think of the percentage of young doctors who are every year morally broken at the very beginning of their careers. The older men have already established their standards. Fewer of them are affected by the temptation to prescribe liquor. The reports that I gather from all directions of the tendencies on the part of the young doctors, however, are such as to lead me to the conclusion that the profession is being degenerated by this practice of writing whisky prescriptions. Its abandonment would be amply justified if for no other reason than to remove the temptation it offers from the path of the young practitioner.

The Federal law as it exists to-day allows the doctor to take out a license to prescribe liquor. Under that law oculists, dentists, horse doctors, and many others who would never be called upon to prescribe medicine can, if they wish, give away or sell liquor prescriptions. The unscrupulous among them, of course, abuse the privilege. Each doctor who takes out a license to do so may write 100 prescriptions a month, each for a pint. The current charge for such prescriptions is \$2, though a charge of \$3 is often made. A return of more than \$3,000 a year from these prescriptions is possible to those doctors who see fit to exploit them.

ALCOHOL IN THE PRACTICE OF MEDICINE IS SEEN AS A NECESSARY PART OF THE DOCTOR'S KIT BY MORRIS FISHBEIN, M. D.

The wise physician is free from prejudice; he is not pledged to any single idea or system in the treatment of disease. He is entitled to use for the benefit of his patient any drug, manipulation, force, or food that he may think of benefit. There is no word in the English language so sadly abused as the word "cure." The history of medicine shows that there are no cures for anything.

There lies within the living tissue the power toward recovery, called in the Latin edition of Hippocrates the "vis medicatrix naturæ" [the remedial power of nature]. What the physician does is to attack the forces that cause disease, giving the tissues a better chance to repair the damages that these forces may have wrought. For instance, syphilis is caused by a wriggling organism known as the Spirochæta. The salvarsan or "606" of Paul Ehrlich has the power to inhibit the development of these organisms when it comes into contact with them in the human body. But the damage done by the organism on the tissues is not benefited by the salvarsan. That damage has to be repaired by the healing powers of the body, carried to the tissues by the blood.

If 100 eminent physicians were asked to vote as to the 10 most valuable drugs in the Pharmacopæia, a large majority would mention digitalis, brought prominently to medical attention many years ago by William Withering. This drug has the power of slowing the heart beat and of increasing its force. Next to rest it is probably the most valuable agent known in the treatment of the vast number of cases of heart disease that exist among our people. But digitalis is not a cure for anything. It does not restore a wasted heart muscle; it does not remove the excrescences from the heart valves that are the response to inflammations brought about by germs coming from the tonsils and the teeth; it does not attack the germs. It does produce a change in the heart function that may mean the difference between life and death, because it keeps the organ going until the healing powers that lie within the body itself have time and opportunity to exert their effects. Time is a great healer—but a slow one.

Sir Humphry Rolleston, Bart., K. C. B., M. D., Hon. D. Sc., D. C. L., and a lot of other alphabetical appendages of honor, formerly president of the Royal College of Physicians, of London, is also physician in ordinary to the King, and the holder of important teaching positions in medicine in England. In a few sentences he defines the position of alcohol as an important drug in the practice of medicine. "It may be beneficial, useless, or harmful," he says, "and, just as in health so in disease, it is the indiscriminate and excessive employment of alcohol

that has encouraged the extreme view that it is never of any value. * * * Clinical observation by innumerable medical men over long ages has brought in a verdict favorable on the whole to the use of alcohol in disease, and it has naturally been urged that there may be a fallacy in arguing from the effects of alcohol in health to those in disease."

The distinguished British physician says that the main value of alcohol is in an emergency and as a temporary remedy at the crisis of pneumonia—for example, to stimulate the heart or occasionally as a sedative to induce sleep. The good effect on the heart is immediate and reflex from the mucous membrane of the stomach, but is temporary only, being followed by depression of the power of the heart. On the other hand, the continued use of alcohol in chronic heart disease is inadvisable because the drug has itself a tendency to weaken the heart muscle.

In 1925 Dr. Roger I. Lee read before the annual session of the American Medical Association his views as to the use of alcohol in medical practice. He pointed out that unquestionably the form of alcohol given has a distinct effect on the organs of taste and smell, and the form and dilution have a definite effect on the ease with which the drug is tolerated by the stomach. The great vogue of alcohol in the past was for the treatment of acute infections. It was noticed, for instance, that in such infections large amounts of alcohol could be tolerated without alcoholic intoxication, that the drug acted as a food tending to spare the tissues of the body, and that it possibly facilitated the retention of fluids in the body, a matter of great importance in fevers, in which the loss of water is great and serious.

Without regard to these factors, however, Doctor Lee finds a certain definite use for alcohol or for alcoholic liquors in the treatment of disease. "The usual immediate effect of alcohol in human beings," he says, "is the creation of the state of artificial euphoria."

The conspicuous example cited by Doctor Lee is one that has been cited to me by numerous great clinicians throughout the United States. "An elderly patient, for example, is convalescent from a mild upper respiratory infection, whether we call it a cold, the grip, influenza, bronchitis, or bronchial pneumonia. In the convalescence, the weight of years hangs heavily on the patient. He is conscious of many mild functional disturbances: he is depressed and miserable in mind and body; he is without appetite, and has a sense of prostration and weakness. To be sure, much can be done for this patient by careful nursing, tonics, and the various so-called volatile stimulants. Nevertheless, the exhibition of alcohol in some agreeable form eases the miseries of his body, encourages him to eat, and helps in the establishment of recovery."

"There are occasional cases in the early stage of pulmonary tuberculosis," Doctor Lee says, "when the little fever, the distress of body, and the consciousness of this dread malady make life appear drab, and the judicious administration of alcohol in small amounts seems to alter the gloomy outlook on life and to make endurable the rigors of the necessary regimen."

As for heart disease, here, too, Doctor Lee finds a use for alcohol, particularly in the patient with chronic disease of the organ that will no longer respond to the drugs used. The patient is worried and distressed. He sees constantly before him impending death. Such a patient "often finds more comfort from alcohol judiciously given in moderate doses than from opiates, which are better reserved for a future period."

Alcohol is probably never directly life-saving. That term must be reserved for such effects as are brought about by diphtheria or scarlet-fever antitoxins, by digitalis, by salvarsan, by quinine, or by other remedies with specific action on the organisms that cause disease.

In most of the textbooks on the uses of drugs there is specific mention of the use of alcohol in medicine as a food. The Council on Pharmacy and Chemistry of the American Medical Association—a body composed of some 17 practicing clinicians, specialists in the diseases of children, chemists, pharmacologists, bacteriologists, and others—has prepared for the use of teachers of *materia medica* and therapeutics a book called *Useful Drugs*. This volume aims to select from the thousands of remedies in the United States Pharmacopæia and the National Formulary those drugs and preparations of greatest usefulness to the practicing physician.

In this book it is pointed out that alcohol is used externally to harden and cleanse the skin. Its astringent action permits it to serve as a mild counterirritant, and the fact that it is strongly antiseptic in concentrations of 70 per cent gives it high usefulness in surgery. Internally, according to *Useful Drugs*, "it is a narcotic, excessive doses depressing and paralyzing the central nervous system. Small doses produce euphoria, stimulate respiration, moderately dilate the cutaneous and splanchnic vessels, and modify the circulation. It is burned in the body and thus serves to a restricted extent as a source of energy." "In well-selected cases," says this guide, "especially in patients accustomed to its use, it may be very valuable; otherwise it is apt to do more harm than good."

The chief use of alcohol as a food or as a source of energy has been in diabetes. Since it is not nitrogenous it can not replace protein substances that are broken down in the body, and it can not replace insulin in the burning of sugar. It may act as a substitute for some of the

carbohydrates in the body, however, as it serves in the burning of fats. Alcohol does not become glycogen or give rise to the ketones, the substances that lead to acidosis and eventually to diabetic coma. Thus with alcohol in the diet it is possible to use a smaller amount of insulin than would otherwise be the case. The physiology and chemistry of these bodily reactions is a complicated matter.

Many competent physicians prefer to treat their cases of diabetes without the use of alcohol. No doubt an equally large number prefer to be in a position where they can use a pleasant form of this remedy if they feel the need of it. The late M. Duclaux, of the Pasteur Institute, was so much impressed by the experimental evidence on this question that he asserted that alcohol was a food surpassing starch and sugar in value, since weight for weight it contained more energy.

Many experiments have been cited to show that alcohol is harmful. Every one admits that validity of those experiments that indicated its detrimental effect on precise mental operations, such as are involved in typewriting, target shooting, typesetting, and motor driving. On the other hand, mental operations are shortened, the simple reactions and reaction times quickened, mental associations (such as making words to rhyme) made easier, and public speaking indulged in with facility. This has been thought to be the result of primary mental stimulation. But Prof. W. E. Dixon, the noted British pharmacologist, emphasizes the fact that these effects are the result of inhibition or depression of the higher centers of the brain.

It is safe to say that there is not the slightest scientific evidence to indicate that alcohol taken in moderation ever appreciably shortened anyone's existence. "When it is taken in strict moderation, injurious effects are yet to be proved," says Professor Dixon. The evidence presented by Prof. Raymond Pearl, the eminent biometrician of Johns Hopkins University, can not be gainsaid. In a fairly large and homogeneous sample of the working-class population of Baltimore the moderate drinking of alcohol did not shorten life. Indeed, moderate, steady drinkers showed somewhat lower rates of mortality and greater expectation of life than did total abstainers. On the other hand, those persons who were heavy drinkers of alcoholic beverages showed considerably increased rates of mortality and diminished longevity, as compared with abstainers or moderate drinkers.

The people who create an alcohol problem are obviously the heavy drinkers. They are, after all, cases for a psychiatrist, since their problem is a mental problem. They take too much alcohol because only with too much alcohol do they feel normal. The interior of the body of the drunkard shows the effects of alcohol as a poison. The final result of alcoholic intoxication repeatedly indulged in is delirium tremens, certainly a state of disease requiring serious consideration.

Professor Pearl emphasizes the beneficial effects of alcohol on the race, since it has a remarkably sharp and precise selective action on germ cells and developing embryos, killing off the weak and defective and leaving the strong and sound to survive and perpetuate the race. The fact has been proved on guinea pigs, fowls, rats, mice, rabbits, frogs, and insects. But if this fact is applied to the human race an entirely different point of view must be held, since the care of such weak, defective, or otherwise impaired specimens as come through embryonic life to human existence is a social problem.

Professor Pearl insists that the prevalent notion that parental alcoholism tends to cause the production of weak, defective, or monstrous progeny is not supported by the extensive body of experimental work that has been done on the problem. But there is some evidence to sustain this point of view. The German scientist, H. W. Siemens, states the matter briefly: "The cultured peoples of antiquity disappeared, despite the fact that they had no syphilis and that the alcohol industry was unknown to them. No uniform explanation of the downfall of all vanished peoples is afforded, therefore, by pointing to alcohol, to syphilis, or any similar agent. Above all, we know far too little as yet with regard to the influences that cause alterations in the germ plasm to permit us to draw any conclusions that would guide us to logical action."

The American Medical Association has invariably condemned physicians who were willfully prescribing liquor otherwise than in accordance with the law. It has urged every State and county medical association to use its best endeavor to discipline such physicians and to purge the medical profession of all who willfully, under the cloak of their profession, prescribe liquor for other than medicinal purposes. A resolution to this effect was adopted by the house of delegates in 1923, and reaffirmed in 1924. On the other hand, the house of delegates has felt that the law and its regulations at present have prevented large numbers of physicians of standing and professional integrity from prescribing for their patients in accordance with their best judgment as to their patients' necessities, while the unlawful acts of unworthy practitioners have been promoted.

The Volstead Act definitely makes the medical profession the custodian of beverage liquor in this country. The custodianship is not a pleasant one. The Government does not make any single group in its domain the custodian of dynamite, revolvers, or other objects with both good and evil uses. This custodianship, it has been urged, is granted to the medical profession as a privilege because at least a considerable number of physicians are convinced that alcoholic beverages have dis-

tinct uses in the treatment of disease. On the other hand, the word "privilege" in this connection is not apropos, since the patient who receives the liquor prescribed by a physician presumably requires it in order that he may recover from disease and become a more useful member of society.

In the last annual session of the American Medical Association, the house of delegates again gave serious consideration to the limitations on the prescribing of alcohol. Several resolutions were offered relative to the limitations that ought to be placed on such prescribing. The reference committee, to which the matter was referred, pointed out that "Alcohol is thought to be helpful in the treatment of disease and is being used in the practice of a very large number of doctors, many of whom believe it to be an essential and life-saving remedy."

The committee recommended that a bill be prepared correcting the provision of the Volstead Act that limits the amount of alcohol used, and providing such regulations as will permit doctors to prescribe whatever amounts of alcoholic liquors may be needed for their patients, and subject to such reasonable restrictions as may be thought wise and best after a conference with the head of the prohibition department. The committee recommended also the passage of a resolution, which was unanimously carried, to the effect that the American Medical Association declare its adherence to the principle that legislative bodies composed of laymen should not enact restrictive laws regulating the administration of any therapeutic agent by physicians regularly qualified to practice medicine.

Thus we have two of the most eminent authorities of the highest repute in medicine differing with one another as to the therapeutic use of alcohol in medicine.

If Professor Kelly is right in his scientific contention that pure alcohol is a poison, then how much greater a poison is pure alcohol denatured by the Government with the most violent and terrible poisons known to mankind when it enters the human stomach.

On February 14, 1928, in speaking before the House on this subject, I said:

Since prohibition has come into being 60,000,000 gallons of industrial alcohol are presumed to be used annually for commercial purposes, 6,000,000 of which, however, are diverted and converted by unscrupulous bootleggers to the clandestine purveyors of bootleg whisky. It is this industrial alcohol poisoned by the Government that has sent thousands of our unfortunate American citizens to an early and unsuspected grave.

Shall we have our Government act as a Lucretia Borgia of medieval days, who poisoned all who came into intimate contact with her? Shall we in this twentieth century—this civilized twentieth century—turn back to medieval times and leave to posterity the infamous heritage of the Borgias? I for one am irrevocably opposed to the country I love committing murder. [Applause.]

Mr. Chairman and gentlemen of the House, it is this 6,000,000 gallons of diverted and converted industrial poisoned alcohol that finds its way to human consumption and is responsible for the murder annually of 12,000 of our citizens. This frightful mortality of 12,000 has the added horror of the morbidity of those who become victims of alcoholic gastritis, cirrhosis of the liver, Bright's disease, optic neuritis, and blindness, which are all attributable to the poisonous substances contained in denatured alcohol.

Mr. Chairman, as long as the prohibition law is upon the statute books of our country I believe in its complete and rigid enforcement and will vote for any measure that will carry into effect that feature of our Constitution. [Applause.]

The question before the House is not whether one is in favor of prohibition or opposed to prohibition; not a question of temperance or intemperance; not a question of those who are honest in their views or those who are otherwise; but the fundamental and only question before the House is the amendment of the gentleman from Maryland [Mr. LINTHICUM], whether the Government shall put into industrial alcohol obnoxious drugs to make it unpalatable, or to put poison in it that ultimately commits murder.

Personally, I am in favor of denaturing alcohol with such ingredients that will make it unpalatable; yes, even nauseating, for human consumption; but loving humanity as I do, especially those weak, who need the guidance and assistance of others, I plead with you Members of this historic body not to permit our country to become participants in a continuation of horrors that have come in the wake of governmental participation in the poisoning of denatured alcohol. [Applause.]

To summarize my entire views, I would say that if drinking is a misdemeanor in the eyes of the law, it should not be punishable by blindness or death. Indeed, in the eyes of humanity, the deadly denaturing of pure alcohol that is ultimately diverted for bootleg purposes, is practicing capital punishment upon our citizens, and in my humble opinion is legalized murder.

As a deterrent and preventative for drinking poisoned alcohol is ineffective and has only helped increase prohibition's poisoned casualties.

When the history of prohibition will be written—its advantages or disadvantages, whichever time will record—this tragic and unfortunate casualty list will be one of the black chapters in American history, as it will always associate our Government, insofar as poisoning denatured alcohol is concerned, with the death penalty.

In the name of humanity I therefore appeal to the conscience of the membership of this historic body to retain whatever personal and individual views they may have regarding the advantages or disadvantages of prohibition, but only to modify the law so that alcohol may be denatured by various volatile oils and other chemical ingredients that are nontoxic in their nature but that can accomplish the same result as poison, without subjecting our Government to the proposition of poisoning its innocent and unsuspecting citizens.

FOREST CONSERVATION

Mr. MORROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of forest conservation.

The SPEAKER. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. MORROW. Mr. Speaker, forestry has become a problem of the people of the United States. When we can teach our people the necessity of reforestation and inspire in them the need of protecting our water and timber supply to prevent the floods and the washing away of the soil, then we have educated our American citizens to think constructively and not destructively.

The vital need of statistics covering the world's timber resources was brought out in the world's congress upon forestry. That congress brought out the fact that two countries which had been great sources of timber supply were in danger of exhausting that source of supply, namely, the United States and Canada.

It was announced that at the present rate of use of the available supply of virgin softwood would be exhausted in 25 years. Each State should make a survey of its present supply of timber and ascertain the kind and quantity of new timber best suited for planting in the locality, in order to increase the available timber supply.

This need, as stated before, originates not only in the necessity for timber and the regrowth of the same, but likewise for water protection and flood control. State legislation should be enacted for cooperation with the Government in the drive for the growth of timber.

The spirit of timber planting and protection should be taught in the schools so the child will grow up with a desire for assisting in timber growth and its protection.

Forestry schools for the instruction of timber planting, growth, and care should be fostered in order that an interest may be created for the regrowth of a new crop of timber in the Nation.

Our people must realize that the loss of our timber has had much to do with the destruction of bird and wild life. Also that the removal of timber has permitted the soil and débris to be carried into the river channels and to destroy the fish, which have afforded man much sport and food.

Marsches and swamps which nature had placed for the home of wild life have been drained and to-day we are buying land for game preserves. Our only hope lies in reforestation and the stopping of the polluting of the streams.

Many of the rivers and streams that afforded fine fishing have become so polluted with mud that the fish have either perished or have been driven out. The student of nature realizes how stupid we American people have been in this respect. It is clear that the channels of streams are disappearing and the water supply therein is decreasing, and necessarily the life dependent upon that water supply is also decreasing.

The timber of the Nation, which was one of the elements of national wealth, should have been conserved years ago.

The same principle applies to another national source of wealth—oil. As fast as the hand of private capital can exhaust the supply so fast is that resource disappearing. We seem to adhere to the saying "Slam the door shut" after the animal has disappeared.

We have now a breathing spell, and have started principles of conservation, not alone for timber but also for the protection of the soil and water supply of the Nation.

The devastation of timber has brought about another evil in addition to destroying our timber supply and vegetation once sheltered by our forests. The President in his proclamation for Forest Week says that every year some 80,000 fires occur, which destroy our woodland.

The elements of nature cause a small percentage of these fires, but man, by careless and destructive habits, is the cause of the greatest per cent of forest fires. A cigarette smoker can cause the loss of millions of dollars in timber wealth. Besides the loss of human life, the loss from forest fires during the year in this Nation is in excess of \$27,000,000. This loss was caused by 91,793 fires which burned and destroyed timber upon twenty-four and one-half million acres of land, an area as large as the State of Iowa. Seventy-two per cent of these fires were due to man's careless habits; 12 per cent were due to nature elements; and 15 per cent to unknown sources.

The American tobacco habit of smoking caused 5,626 fires, or 16 per cent; railroads caused 13 per cent of the fires; burning brush, 12 per cent. Under our fire-protection system 61 per cent were confined to fires of less than 10 acres, and less than 2 per cent exceeded 1,000 acres. Under the protected system the acreage areas as a whole were confined to average, one-fourteen hundredths of 140 acres, and without the protected system of fire protection reduced the loss 60 per cent.

The influence that forests have upon water in the Nation is one of the most important subjects for solution to-day. The regularity of the flow of streams, the effect of erosion, must all be studied and considered in order that the prosperity of the Nation may not be endangered.

The devastation wrought by the uncontrolled flood waters of the Mississippi in the great flood of 1927 has brought the important question of flood control to our attention. Other problems than flood control are brought to mind. We turn to protecting, restoring, and conserving our great natural resources so vital to the needs, demands, and general utility of our people.

Through lack of economical use and protection, many of these resources are being exhausted. Oil and gas are fast disappearing and substitutes now are being demanded. Timber has become scarce, and we now awaken to its restoration, growth, and protection.

This form of education must continue if our soil is not to be washed away by erosion and our water supply curtailed. We must once more restore timber at the headwaters of the streams, upon the mountains, and on the hillsides. Waste land that will grow timber must be secured and utilized for that purpose.

We may think we own the land; we may go to the mountain top and say, as did Alexander the Great, "I am monarch of all I survey"; yet this is but a life lease. It has been and is continually being passed on.

This is very ably stated in an editorial appearing in the Albuquerque Journal, Albuquerque, N. Mex., under date of April 25, 1928, as follows:

He who plants a tree does something for posterity and something for his own time as well. It is a beautiful thought that what we do to-day in the way of reforestation will benefit generations unborn, will aid in keeping our land verdant and beautiful as we know it, and will prevent erosion and kindred evils that will make of it a treeless waste, the prey of all the evils experienced by China and other countries whose forest armor has been sacrificed to greed, thoughtless improvidence, and crass indifference.

One thing that can not be stressed too strongly in this body, in public forums, clubs, and especially in the schoolroom, is the question of reforestation and protection of our timber. It means pure domestic water, the checking of floods, protection of and shelter for wild life, and restoration of proper climatic conditions.

The fact that Congress has passed legislation on this subject has stimulated an interest throughout the Nation for timber planting and conservation. This should be gratifying to those who have been foremost in this plan. The West must have timbered areas dotting its vast stretches; our mountain slopes and hillsides, which have been devastated must again be reforested. When this is properly brought about, and impounding dams have been erected, we will not be worried by drought, and certainly much of the flood disaster of the Nation will entirely disappear. Erosion will also be checked.

Scientific investigation of soil protection discloses that erosion carries away each year 1,500,000 tons of soil, and with it 60,000,000 tons of plant food. Little attention has thus far been paid to this depletion of soil which affords the sustenance for plant life in our agricultural and food-producing parts of the Nation.

Fostering education throughout the country by means of forest week, which has been proclaimed by the President and by the State executives in the Nation, is of great value in arousing interest in the observance of care and conservation of our

natural resources, particularly timber, which has heretofore been lacking in conservation.

Each person, man, woman, and child, in the United States should realize that the forest belongs to them; that they must care for and protect it; that the forest is the common heritage of all. By carrying into effect the McNary-Clark Act, in the course of half a century we can restore much of the protective watershed. Vast areas in Michigan, Wisconsin, Minnesota, and other States which were rich in pine and other forest trees can be replanted and can be classed again as timberland. The same principle can be applied with more force to the regions that were prairies; timber in such regions should be propagated and protected by State control.

The spirit of Arbor Day can not be stressed too strongly and observance of that day should be had in every school in the country.

ENROLLED BILLS SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925;

H. R. 11629. An act to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 11723. An act to provide for the paving of the Government road, known as the La Fayette Extension Road, commencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, a bill of the following title:

H. R. 10151. An act to amend section 9 of the Federal reserve act.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COMBS (at the request of Mr. SOMERS of New York), for one day, on account of illness; and

To Mr. STROTHER, indefinitely, on account of illness.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 39 minutes p. m.) the House adjourned until to-morrow, Friday, May 4, 1928, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Friday, May 4, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA

(7.30 p. m.)

To amend subchapter 1 of chapter 18 of the Code of Laws for the District of Columbia relating to degree-conferring institutions (S. 2366).

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).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize an increase in the limit of cost of alterations and repairs to certain naval vessels (H. R. 13249).

To authorize the increase in the limit of cost of one fleet submarine (H. R. 13248).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

477. A letter from the Secretary of the Navy, transmitting draft of a bill for the relief of Pedro P. Alvarez, to compensate the claimant for medical services and hospital treatment rendered to Sonora Josefa Somarriba, a native of Nicaragua; to the Committee on Foreign Affairs.

478. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Treasury Department for the fiscal year 1929, under the provision of the public building act approved May 25, 1926, \$575,000 (H. Doc. No. 258); to the Committee on Appropriations and ordered to be printed.

479. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Treasury Department for the fiscal year 1929, \$613,153; also drafts of proposed legislation affecting the use of existing appropriations (H. Doc. No. 259); to the Committee on Appropriations and ordered to be printed.

480. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Department of Agriculture for the fiscal year 1929; to enable the Secretary of Agriculture to carry into effect the provisions of the act approved April 16, 1928 (H. Doc. No. 260); to the Committee on Appropriations and ordered to be printed.

481. A communication from the President of the United States, transmitting supplemental and deficiency estimates of appropriations for the Department of the Interior for the fiscal years 1924 and 1927, \$28,939.50; for the fiscal year 1928, \$517,754.39; and for the fiscal year 1929, \$452,500, amounting to \$999,193.89; proposed authorizations for expenditure of Indian tribal funds amounting to \$51,526.90, together with drafts of proposed legislation affecting existing appropriations (H. Doc. No. 261); to the Committee on Appropriations and ordered to be printed.

482. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Justice for the fiscal year 1928, amounting to \$204,973; also drafts of proposed legislation affecting existing appropriations (H. Doc. No. 262); to the Committee on Appropriations and ordered to be printed.

483. A communication from the President of the United States, transmitting supplemental estimate of appropriations for the Navy Department for the fiscal year ending June 30, 1928, and prior years, amounting in all to \$2,429,241.59 (H. Doc. No. 263); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. TEMPLE: Committee on Foreign Affairs. H. J. Res. 268. A joint resolution requesting the President to negotiate with the nations with which there is no such agreement treaties for the protection of American citizens of foreign birth, or parentage, from liability to military service in such nations; with amendment (Rept. No. 1482). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13206. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of the Cumberland River at Burnside, Pulaski County, Ky.; with amendment (Rept. No. 1484). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13207. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Neelys Ferry in Cumberland County, Ky.; with amendment (Rept. No. 1485). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13208. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky.; with amendment (Rept. No. 1486). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13209. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Arat, Cumberland County, Ky.; with amendment (Rept. No. 1487). Referred to the House Calendar.

Mr. PEERY: Committee on Interstate and Foreign Commerce. H. R. 13210. A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at Blacks

Ferry near Center Point in Monroe County, Ky.; with amendment (Rept. No. 1488). Referred to the House Calendar.

Mr. HUDDLESTON: Committee on Interstate and Foreign Commerce. H. R. 13481. A bill granting the consent of Congress to the Alabama State Bridge Corporation to construct bridges across the Tennessee, Tombigbee, Warrior, Alabama, and Coosa Rivers, within the State of Alabama; with amendment (Rept. No. 1489). Referred to the House Calendar.

Mr. HILL of Washington: Committee on Indian Affairs. S. 1480. An act 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; without amendment (Rept. No. 1490). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOUSTON of Hawaii: Committee on Military Affairs. H. R. 13296. A bill to authorize the adjustment and settlement of claims for armory drill pay; without amendment (Rept. No. 1491). Referred to the Committee of the Whole House on the state of the Union.

Mr. FROTHINGHAM: Committee on Military Affairs. S. 3057. An act authorizing the Secretary of War to transfer and convey to the Portland water district, a municipal corporation, the water-pipe line including the submarine water main connecting Fort McKinley, Me., with the water system of the Portland water district, and for other purposes; with amendment (Rept. No. 1492). Referred to the Committee of the Whole House on the state of the Union.

Mr. REID of Illinois: Committee on Flood Control. H. R. 13484. A bill authorizing preliminary examinations of sundry streams with a view to the control of their floods, and for other purposes; without amendment (Rept. No. 1494). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12203. A bill to authorize the designation and bonding of persons to act for disbursing officers and others charged with the disbursement of public money of the United States; with amendment (Rept. No. 1497). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12249. A bill to remove the age limit of persons who may be confined at the United States industrial reformatory at Chillicothe, Ohio; without amendment (Rept. No. 1498). Referred to the House Calendar.

Mr. GRAHAM: Committee on the Judiciary. H. R. 12250. A bill to amend section 574, title 28, United States Code; without amendment (Rept. No. 1499). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 13116. A bill to provide an additional justice of the Supreme Court of the District of Columbia, and for other purposes; without amendment (Rept. No. 1500). Referred to the Committee of the Whole House on the state of the Union.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 13370. A bill authorizing the Secretary of the Navy to assign to the Chief of Naval Operations the public quarters originally constructed for the Superintendent of the Naval Observatory in the District of Columbia; without amendment (Rept. No. 1502). Referred to the House Calendar.

Mr. LEHLBACH: Committee on the Civil Service. H. R. 6518. A bill 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"; with amendment (Rept. No. 1503). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. S. J. Res. 61. A joint resolution to provide for an agricultural day; without amendment (Rept. No. 1504). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 10194. A bill for the relief of Maria Hensley Clay; without amendment (Rept. No. 1483). Referred to the Committee of the Whole House.

Mr. CARTWRIGHT: Committee on Indian Affairs. H. J. Res. 261. A joint resolution for the relief of Effa Cowe, Creek Indian, new born, roll No. 78; with amendment (Rept. No. 1493). Referred to the Committee of the Whole House.

Mr. W. T. FITZGERALD: Committee on Invalid Pensions. H. R. 13511. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of such soldiers and sailors of said war; without amendment (Rept. No. 1501). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. Res. 180. A resolution directing the Attorney General to furnish to the House of Representatives certain information concerning prohibition enforcement, and for other purposes (Rept. No. 1495). Laid on the table.

Mr. GRAHAM: Committee on the Judiciary. H. Res. 181. A resolution directing the Secretary of the Treasury to furnish to the House of Representatives certain information concerning the enforcement of the prohibition act, and for other purposes (Rept. No. 1496). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII the Committee on Pensions was discharged from the consideration of the bill (H. R. 8048) granting a pension to Margaret L. Davis, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BUSBY: A bill (H. R. 13500) to require the Civil Service Commission to make investigation and report on same in certain cases; to the Committee on the Civil Service.

By Mr. KOPP: A bill (H. R. 13501) authorizing Henry Horsey, Winfield Scott, A. L. Ballegoin, and Frank Schee, their heirs, legal representatives, and assigns, to construct and operate a bridge across the Des Moines River at or near Croton, Iowa; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDRESEN: A bill (H. R. 13502) authorizing the State of Minnesota to construct, maintain, and operate a free highway bridge across the St. Croix River at or near Stillwater, Minn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 13503) granting the consent of Congress to the State of Minnesota to construct, maintain, and operate a free highway bridge across the Mississippi River at or near Hastings, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. RANKIN: A bill (H. R. 13504) to amend the act of August 11, 1916, known as the United States cotton futures act, as amended, by investing transactions in cotton for future delivery with public interest; providing a commission to supervise cotton futures exchanges; defining and prohibiting manipulations and squeezes, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 13505) to establish and maintain one or more pecan experiment stations, one located in the State of Oklahoma; to the Committee on Agriculture.

By Mr. LEAVITT: A bill (H. R. 13506) fixing the salary of the Commissioner of Indian Affairs and the Assistant Commissioner of Indian Affairs; to the Committee on Indian Affairs.

By Mr. SWANK: A bill (H. R. 13507) to amend section 3 of public act No. 230 (37 Stat. L. 194); to the Committee on Indian Affairs.

By Mr. THATCHER: A bill (H. R. 13508) to authorize the coinage of 50-cent pieces in commemoration of the enactment of the act of Congress, approved by the President on May 25, 1926, providing for the establishment in the State of Kentucky, of the Mammoth Cave National Park; to the Committee on Coinage, Weights, and Measures.

By Mr. WAINWRIGHT: A bill (H. R. 13509) to define the promotion list officers of the Army and to prescribe the method of their promotion, and for other purposes; to the Committee on Military Affairs.

By Mr. CRAIL: A bill (H. R. 13510) authorizing the erection in the city of Los Angeles of a suitable building for the Los Angeles branch of the Federal reserve bank; to the Committee on Banking and Currency.

By Mr. W. T. FITZGERALD: A bill (H. R. 13511) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; committed to the Committee of the Whole House.

By Mr. DENISON: A bill (H. R. 13512) to amend the act entitled "An act to create the Inland Waterways Corporation for the purposes of carrying out the mandate and purposes of Congress, as expressed in sections 201 and 500 of the transportation act, and for other purposes," approved June 3, 1924; to the Committee on Interstate and Foreign Commerce.

By Mr. MERRITT: A bill (H. R. 13513) to authorize the Secretary of Commerce to convey the Federal Point Lighthouse

Reservation, N. C., to the city of Wilmington, N. C., as a memorial to commemorate the Battle of Fort Fisher; to the Committee on Interstate and Foreign Commerce.

By Mr. TILSON: A bill (H. R. 13514) authorizing citizen veterans of the World War to bring into the United States their wives who during legal infancy may have committed petty offenses; to the Committee on Immigration and Naturalization.

By Mr. SNELL: Joint resolution (H. J. Res. 294) providing for the completion of Dam No. 2 and the steam plant at nitrate plant No. 2 in the vicinity of Muscle Shoals, Ala., for the manufacture and distribution of fertilizers, for the sale of surplus power, and for other purposes; to the Committee on Military Affairs.

By Mr. DENISON: Joint resolution (H. J. Res. 295) authorizing an investigation and survey for a Nicaraguan canal; to the Committee on Interstate and Foreign Commerce.

By Mr. BEEDY: Resolution (H. Res. 184) requesting the Secretary of State, the Secretary of Agriculture, the United States Shipping Board, and the Interstate Commerce Commission to investigate in cooperation with each other the factors which are contributing to the diversion of commerce from points in the United States to Canadian ports and practical remedies for preventing such diversion, and to report thereon to the House at the beginning of the next session of the Seventieth Congress; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREW: A bill (H. R. 13515) for the relief of the heirs of William H. Steele; to the Committee on War Claims.

By Mr. BOHN: A bill (H. R. 13516) providing for the examination and survey of Mackinac Island Passage; to the Committee on Rivers and Harbors.

By Mr. BRAND of Ohio: A bill (H. R. 13517) granting an increase of pension to Edna Olney Chrisman; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 13518) granting an increase of pension to Lance A. Chaldecott; to the Committee on Pensions.

By Mr. COLLINS: A bill (H. R. 13519) to authorize the Secretary of War to pay to R. B. Baugh, M. D., certain money due him for services rendered as a member of the local board of Smith County, Miss., operated during the World War; to the Committee on Claims.

By Mr. FAUST: A bill (H. R. 13520) granting an increase of pension to Catherine Knudsen; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 13521) for the relief of Minnie A. Travers; to the Committee on Claims.

By Mr. HOPE: A bill (H. R. 13522) granting a pension to Eva L. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13523) granting an increase of pension to Maranda F. Seals; to the Committee on Invalid Pensions.

By Mr. HOWARD of Oklahoma: A bill (H. R. 13524) for the relief of William Sheldon; to the Committee on Claims.

By Mr. HUDSPETH: A bill (H. R. 13525) granting a pension to G. P. Hodges; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 13526) granting a pension to Rosa Meyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13527) granting a pension to Sarah A. Fulksorn; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 13528) granting an increase of pension to Mima Osborn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13529) for the relief of Chick Patrick; to the Committee on War Claims.

By Mr. POU: A bill (H. R. 13530) for the relief of J. R. and Eleanor Y. Collie; to the Committee on Claims.

By Mr. REED of New York: A bill (H. R. 13531) for the relief of Irene Brand Alber; to the Committee on Claims.

By Mr. SIMMONS: A bill (H. R. 13532) granting a pension to Raymond Emmett Slocumb; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 13533) granting a pension to James J. Fitzgerald; to the Committee on Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 13534) granting an increase of pension to Elizabeth McLeister; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 13535) for the relief of Gertrude Wood; to the Committee on Claims.

By Mr. VINSON of Kentucky: A bill (H. R. 13536) granting an increase of pension to Arminna P. Rice; to the Committee on Invalid Pensions.

By Mr. TATGENHORST: Resolution (H. Res. 183) to pay Jennie K. Hunt, clerk to the late Hon. A. E. B. Stephens, a sum equal to one month's salary; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7385. By Mr. FROTHINGHAM: Petition signed by residents of Massachusetts, favoring flood-control legislation; to the Committee on Flood Control.

7386. By Mr. GARBER: Petition of Albert C. Hunt, justice, Supreme Court of Oklahoma, in support of the Tyson-Fitzgerald bill (S. 777, H. R. 500) without amendment; to the Committee on World War Veterans' Legislation.

7387. Also, petition of H. T. Petit, department adjutant the American Legion, Oklahoma City, Okla., in support of the Tyson-Fitzgerald bill without amendment; to the Committee on World War Veterans' Legislation.

7388. Also, petition of Mrs. Carl T. Wilson, department legislative chairman of the American Legion Auxiliary, Oklahoma City, Okla., in support of the Tyson-Fitzgerald bill without amendment; to the Committee on World War Veterans' Legislation.

7389. By Mr. HADLEY: Petition of residents of Sequim, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

7390. By Mr. JOHNSON of South Dakota: Petition of citizens of Day County, protesting against the passage of the compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7391. By Mr. KVALE: Petition of Mrs. E. W. Simpson and Mrs. M. N. Munson, Montevideo, Minn., urging passage of Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7392. Also, petition of Mr. and Mrs. Thomas Simmons and Mr. and Mrs. E. C. Johnson, of Buffalo Lake, Minn., urging passage of Stalker bill (H. R. 9588); to the Committee on the Judiciary.

7393. By Mr. LEAVITT: Petition of citizens of Lewistown, Mont., urging increases in pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

7394. By Mr. LINDSAY: Petition of the Cigar Makers International Union of America, Glendale, Brooklyn, N. Y., protesting against House Resolution 9195, proposing to revise the statutes permitting the importation of cigars, cheroots, and cigarettes in quantities of less than 3,000 in a single shipment or consignment from Cuba; to the Committee on Interstate and Foreign Commerce.

7395. Also, petition of Military Order of the World War, New York, urging passage of Tyson-Fitzgerald bill without amendment; to the Committee on World War Veterans' Legislation.

7396. By Mr. McREYNOLDS: Petition from citizens of Cowan and Monteagle, Tenn., protesting against the passage of the Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7397. By Mr. McSWEENEY: Petition of members of Weimer-Widder Post, No. 549, American Legion, of Beach City, Ohio, favoring Capper-Johnson bill; to the Committee on Military Affairs.

7398. By Mr. MEAD: Petition of Chamber of Commerce of Buffalo, N. Y., pertaining to farm-relief legislation; to the Committee on Agriculture.

7399. By Mr. O'CONNELL: Petition of the National Fertilizer Association, Washington, D. C., opposing the pending House substitute for the Norris Muscle Shoal resolution (S. J. Res. 46), particularly paragraph C of section 20, for which a special rule is now being sought; to the Committee on Foreign Affairs.

7400. Also, petition of the Cigar Makers' International Union of America, Local Union No. 87, Glendale, Brooklyn, N. Y., opposing the passage of House bill 9195, amending sections 2804 and 3402 of the Revised Statutes; to the Committee on Ways and Means.

7401. Also, petition of the Colorado River Commission of Arizona, Phoenix, Ariz., with reference to the Boulder Canyon Dam bill (H. R. 5773); to the Committee on Irrigation and Reclamation.

7402. By Mr. QUAYLE: Petition of Groton Chamber of Commerce, of Groton, Conn., opposing any legislative provision (as outlined in the naval construction bill, H. R. 11526), favoring ship or engine construction in Government plants; to the Committee on Naval Affairs.

7403. Also, petition of the Cigar Makers' International Union of America, of Glendale, Brooklyn, N. Y., opposing House

Resolution 9195, amending sections 2804 and 3402 of the Revised Statutes; to the Committee on Ways and Means.

7404. Also, petition of the Ellay Co. (Inc.), of New York City, favoring the old rate of postage of 1 cent on third-class matter; to the Committee on the Post Office and Post Roads.

7405. Also, petition of the American Legion, Department of New York State, headquarters of New York City, favoring the passage of the universal draft bill; to the Committee on Military Affairs.

7406. Also, petition of Gen. Harrison Gray Otis Post, No. 1537, of Los Angeles, Calif., favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7407. Also, petition of the United Veterans of the Republic, of Los Angeles, Calif., favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7408. Also, petition of Military Order of the World War, of New York, favoring the passage of the Tyson-Fitzgerald bill; to the Committee on Military Affairs.

7409. Also, petition of Post No. 169, American Legion, of the United States Veterans' Hospital of Outwood, Ky., favoring the passage of the Cutting-Blanton bill; to the Committee on World War Veterans' Legislation.

7410. Also, petition of the American Federation of Labor, favoring the passage of Senate bill 744, with certain amendments, for the establishment and maintenance of the Nation's merchant marine service; to the Committee on the Merchant Marine and Fisheries.

7411. By Mr. TEMPLE: Resolution of Department of Pennsylvania, the American Legion, in support of legislation for the retirement of emergency Army officers permanently disabled in line of duty (H. R. 500, S. 777); to the Committee on World War Veterans' Legislation.

SENATE

FRIDAY, May 4, 1928

(*Legislative day of Thursday, May 3, 1928*)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed 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. 9481) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1929, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 4 to the said bill and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 1, 10, and 11 and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and also that the House insisted on its disagreement to the amendments of the Senate numbered 7, 8, and 9.

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

ENROLLED BILLS SIGNED

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

H. R. 3216. An act for the relief of Margaret T. Head, administratrix;

H. R. 7475. An act to provide for the removal of the Confederate monument and tablets from Greenlawn Cemetery to Garfield Park;

H. R. 11482. An act to amend section 2 of an act entitled "An act to authorize an appropriation for the care, maintenance, and improvement of the burial grounds containing the remains of Zachary Taylor, former President of the United States, and the memorial shaft erected to his memory, and for other purposes," approved February 24, 1925;

H. R. 11629. An act to amend the proviso of the act approved August 24, 1912, with reference to educational leave to employees of the Indian Service; and

H. R. 11723. An act to provide for the paying of the Government road, known as the La Fayette Extension Road, com-

mencing at Lee & Gordon's mill, near Chickamauga and Chattanooga National Military Park, and extending to La Fayette, Ga., constituting an approach road to Chickamauga and Chattanooga National Military Park.

ORDER OF PROCEEDING

Mr. HARRISON obtained the floor.

Mr. CURTIS. Mr. President, will the Senator yield? I desire to suggest the absence of a quorum.

Mr. HARRISON. If the Senator will withhold the suggestion for a moment, I will then yield. I understand the Senator from Michigan [Mr. VANDENBERG] desires to call up a bill for consideration which will not entail any discussion. I yield to him for that purpose.

ADDITIONAL CIRCUIT JUDGE FOR SIXTH JUDICIAL CIRCUIT

Mr. VANDENBERG. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 980, the bill (H. R. 8229) for the appointment of an additional circuit judge for the sixth judicial circuit.

The VICE PRESIDENT. Is there objection to the request of the Senator from Michigan?

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

Be it enacted, etc. That hereafter there shall be in the sixth circuit four circuit judges, to be appointed and to have the powers, salary, and duties prescribed in section 118 of the Judicial Code, as amended.

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

RELIEF OF FARMERS

Mr. BLEASE. Mr. President, I ask unanimous consent to have printed in the RECORD certain excerpts from various publications relating to the subject of farm relief and the farm-loan system.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is as follows:

[Editorial appearing in *Cooperation Magazine*, published by the Cooperative League, New York City]

"RELIEVING" THE FARMER

Last year 2,000,000 people left the farms in the United States. More than half the population of this country is now living in towns and cities of more than 2,500 population. Only about one-fourth of the people are on the farms. The mortgages on the farms, unlike the people, are steadily increasing. The farms are slipping out of the hands of the farmers. The farmers are slipping away from the farms.

POLITICIANS STEAL BANKS FROM FARMER-OWNERS

All kinds of schemes to relieve the farmer have been promoted at Washington. And about the only thing he has been relieved of is his cash. The Federal farm loan act and the bureau which it created might have done the farmer good. But the whole machinery was turned over to the bankers, who now use it to do the farmers. The farmers have no control over the very act that was passed for them. In the meantime things with the farmers go from bad to worse.

GRANGE STANDS FOR PRIVATE OWNERSHIP OF ALL FARM ENTERPRISES

A most comprehensive plan has been developed by A. S. Goss, master of the Washington State Grange. Mr. Goss has taken his plan to Washington with a committee of the National Grange, which has endorsed it, to try to get it enacted into law. The National Grange has for many years been a bulwark of reactionary conservatism. The fact that this measure has come out of its last convention would indicate that the breath of a new life has been blown into it. It looks as though leaders who once were but the agents of the railroads are giving place to farmers of vision and capacity.

[Article appearing in *Farm and Fireside*, New York City]

WHAT THE FARM-LOAN SYSTEM NEEDS

(By Gertrude Mathews Shelby, New York writer and a careful student of cooperative credit, executive secretary of the national committee for cooperative banks)

[EDITOR'S NOTE.—We believe in the farm-loan system. We have not attacked it. We have merely called attention to policies and practices of the Federal board in Washington, which are clearly contrary to the letter and spirit of the farm loan act, which intended that management and control should be turned over to farmers.

We continue to insist upon a fair trial of the cooperative features of the law. We hold that farm-loan associations should be strengthened, not eliminated; that they should govern the land banks and participate in making a new market for bonds, while not discarding the old market.

Cooperative marketing is proving highly useful. Genuine cooperative credit will do as much, and even more. (George Martin, editor.)