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SEVENTY-FOURTH CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 19, 1936

The House met at 12 o'clock noon.

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

Our Father, most merciful and gracious, we praise Thee that it is Thy will to bear with men, to be patient with them, to be gentle toward them, and to be forbearing with them. O hear our Savior's prayer: "Thy will be done in earth as it is in heaven." Untaught, undisciplined, and ungrown as we are, open our understanding to Thy truth. Be our light in the darkness, our strength when we walk in weakness, our food when we are hungry; when we are friendless, bless us with an outpouring of divine love. We rejoice, our Heavenly Father, that Thou dost for us exceeding abundantly more than we ask or think. Work through our affections, cleanse and purify them with Thine own nature. We beseech Thee that divisive influences may be overthrown and that the things that make for peace and uprightness may be richly and freely multiplied. Through Jesus Christ our Lord. Amen.

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

FARMERS WILL BE PAID

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, the news that first steps have been taken to insure payment of obligations to farmers under the production-adjustment programs of the Agricultural Adjustment Act will be welcomed by tillers of the soil everywhere.

In response to many letters and telegrams from agriculturists of my congressional district, I have repeatedly expressed the confidence that the present administration would see to it that no farmer suffers any loss and that the payments would be made with scrupulous care and sincerity. It is gratifying to know that my prophecy is being vindicated.

The President has just approved H. R. 10464, providing $296,185,000 for payments to producers in accordance with the adjustment program. This action was made necessary because of the Supreme Court's decision declaring the production-control provisions of the Agricultural Adjustment Act unconstitutional.

Farmers throughout the country will be grateful because of the earnest effort being made by the Federal Government to have every farmer paid the sum due him under the A. A. A. law. There certainly can be no doubt about the good faith and integrity of the administration in this regard. In spite of the adverse action of the Supreme Court, and in spite of the numerous obstacles placed in its way by plutocratic interests, the agricultural class will be paid in full. The Government is discharging an obligation conscientiously and painstakingly, although the Supreme Court has laid down barriers that have made the undertaking extremely difficult.

A statement from the Agricultural Adjustment Administration which has just come to my attention says:

The major portion of the $296,185,000 will be expended to discharge unpaid obligations resulting from contracts entered into during the 1935 and prior adjustment programs. The appropriation also included funds for discharging moral obligations to producers who, conforming to adjustment programs for 1936 crops, had complied with the requirements of these programs, although they had not actually entered into contracts prior to the decision of the Supreme Court on January 6. The measure signed by the President also made available approximately $700,000 for the completion of agricultural projects, including insect and rodent control, in Hawaii and Puerto Rico. The money already had been collected and set aside for these projects. Additional legislation, however, was necessary after the decision of the Supreme Court.

MAGNITUDE AND IMPORTANCE OF THE DAIRY INDUSTRY IN THE UNITED STATES

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some statistics relative to the dairy business.

The SPEAKER. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, the proposed farm legislation which will soon be considered in the House makes no specific provision to aid the dairy farmer.

Inasmuch as dairy products constitute 19.729 percent of the total gross farm income of the United States, this branch of agriculture ought not to be ignored, impaired, nor sacrificed under any proposed plan to aid agriculture.

To the end that Members of the Congress may obtain a picture of the magnitude and the importance of the dairy industry in this country, I am presenting statistics obtained largely from governmental sources dealing with this subject; also statistics relating to competition, direct and indirect, from foreign nations.

I believe that legislation that has for its purpose a solution of problems affecting the dairy industry, so far as it can be done by legislation, should be formulated in the light of the true facts existing here and abroad and divorced from all political consideration.

Number of farms in the United States—Acreage and value, by States

State	Number farms, Jan. 1, 1935	Acreage, Jan. 1, 1935	Value of farms (land and buildings), Jan. 1, 1935
Maine	41,907	4,721,842	$143,539,330
New Hampshire	17,695	2,115,548	66,936,940
Vermont	27,061	4,042,658	115,996,472
Massachusetts	35,094	2,195,714	257,676,839
Rhode Island	4,327	307,725	35,237,660
Connecticut	32,157	2,097,933	283,883,908
New York	177,027	18,708,581	1,046,365,510
New Jersey	29,375	1,914,110	234,313,485
Pennsylvania	191,284	15,855,429	861,849,905
Ohio	255,146	22,874,667	1,278,575,572
Indiana	200,835	20,532,803	1,041,192,366
Illinois	231,312	31,668,028	2,208,013,198
Michigan	196,517	18,497,681	827,138,102
Wisconsin	199,817	23,466,629	1,247,352,260
Minnesota	203,302	32,822,259	1,383,137,534
Iowa	221,986	34,361,158	2,462,465,384
Missouri	278,454	35,083,839	1,100,514,768
North Dakota	84,606	39,129,478	707,685,025
South Dakota	83,303	37,108,451	693,322,881
Nebraska	133,616	46,644,221	1,564,515,534
Kansas	174,589	48,033,581	1,479,029,708
Delaware	10,381	921,251	51,475,728
Maryland	44,412	4,383,641	241,064,142
District of Columbia	89	2,801	7,183,087
Virginia	197,242	17,635,274	592,767,036
West Virginia	104,747	9,423,655	237,514,420
North Carolina	300,967	19,970,002	622,834,983
South Carolina	165,504	12,386,698	286,967,057
Georgia	250,544	25,306,056	429,853,766
Florida	72,822	5,936,253	317,335,618
Kentucky	278,298	20,698,570	620,408,700
Tennessee	273,783	19,088,208	555,769,791
Alabama	273,455	19,655,484	368,094,212
Mississippi	311,683	19,655,487	371,418,757
Arkansas	253,013	17,751,909	376,228,375

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Number of farms in the United States—Acreage and value, by States—Continued

State	Number farms, Jan. 1, 1935	Acreage, Jan. 1, 1935	Value of farms (land and buildings), Jan. 1, 1935
Louisiana	170,299	10,444,288	$295,515,197
Oklahoma	213,325	35,401,560	784,534,341
Texas	501,058	137,918,745	2,582,664,909
Montana	50,562	47,536,118	376,035,255
Idaho	45,113	9,956,085	308,187,147
Colorado	17,487	28,161,911	166,773,697
New Mexico	41,369	34,397,205	170,150,410
Arizona	18,824	14,018,540	132,088,163
Utah	30,695	6,239,318	158,303,329
Nevada	3,696	3,621,769	42,568,709
Washington	84,381	14,694,933	550,392,832
Oregon	64,826	17,302,127	449,861,857
California	150,360	30,519,194	2,329,050,986
Total	6,812,049	1,055,180,009	32,884,342,378

Source: Department of Commerce, Bureau of Census. Release of July 26, 1935.

Value of dairy cattle in the United States, by States

State	Cows and heifers 2 years old and over, kept for milking, 1935	Value per head, 1935
Maine	147,000	$38.00
New Hampshire	82,000	48.00
Vermont	276,000	43.00
Massachusetts	136,000	68.00
Rhode Island	21,000	70.00
Connecticut	115,000	71.00
New York	1,359,000	55.00
New Jersey	133,000	84.00
Pennsylvania	931,000	45.00
North Atlantic	3,200,000	52.53
Ohio	985,000	31.00
Indiana	795,000	31.00
Illinois	1,178,000	34.00
Michigan	893,000	35.00
Wisconsin	2,124,000	33.00
East North Central	5,975,000	32.90
Minnesota	1,734,000	26.00
Iowa	1,545,000	28.00
Missouri	922,000	22.00
North Dakota	596,000	23.00
South Dakota	587,000	22.00
Nebraska	712,000	27.00
Kansas	855,000	24.00
West North Central	6,951,000	25.18
Delaware	36,000	41.00
Maryland	192,000	39.00
Virginia	398,000	28.00
West Virginia	239,000	27.00
North Carolina	343,000	29.00
South Carolina	156,000	28.00
Georgia	382,000	20.00
Florida	103,000	32.00
South Atlantic	1,849,000	28.02
Kentucky	554,000	24.00
Tennessee	521,000	21.00
Alabama	434,000	19.00
Mississippi	558,000	16.00
Arkansas	463,000	15.00
Louisiana	297,000	24.00
Oklahoma	733,000	18.00
Texas	1,388,000	19.00
South Central	4,498,000	19.21
Montana	194,000	26.00
Idaho	196,000	28.00
Wyoming	64,000	28.00
Colorado	264,000	25.00
New Mexico	65,000	27.00
Arizona	44,000	40.00
Utah	104,000	26.00
Nevada	21,000	37.00
Washington	324,000	37.00
Oregon	270,000	36.00
California	631,000	45.00
Western	2,177,000	34.92
United States	25,100,000	30.38

25,100,000 times $30.38 (value per head) equals $762,538,000. Value of dairy cows and heifers 2 years old and over, kept for milk.

In addition, there were, in 1935, 4,286,000 heifers between 1 and 2 years old being kept for milk cows and 4,653,000 heifer calves under 1 year old being kept for milk cows.

(1) Preliminary.

Source: U. S. Department of Agriculture Yearbook, 1935: table 380.

For the year 1935 the total gross farm income, as reported by the United States Bureau of Agricultural Economics, which includes unmarketed crops, rentals, and benefit payments, amounted to $8,110,000,000, of which, income from all dairy products amounted to $1,600,000,000. Dairy products equaled 19.729 percent of the total gross farm income.

Name of countries competing with the United States in dairy products and from whom the United States imported during the calendar year of 1934 over $2,000 worth of dairy products in the aggregate

Country	Value	Products
Argentine	$275,052	Cheese, casein, butter.
Canada	147,163	Cream, whole milk, skim milk, buttermilk, dried whole milk, butter, cheese.
Albania	39,432	Cheese.
Austria	11,220	Do.
Bulgaria	9,910	Butter, cheese.
Czechoslovakia	10,365	Cheese.
Denmark	452,181	Butter, cheese.
Finland	138,199	Cheese.
France	1,235,709	Do.
Germany	129,758	Butter, cheese, casein.
Greece	232,799	Butter, cheese.
Italy	5,973,716	Do.
Latvia	13,966	Do.
Netherlands	235,792	Evaporated and condensed milk, cheese.
Norway	95,683	Cheese.
Poland and Danzig	2,096	Do.
Spain	4,656	Butter, cheese.
Sweden	10,639	Cheese.
Switzerland	1,873,458	Butter, cheese, condensed and evaporated milk.
Russia	3,705	Dried milk.
United Kingdom	41,274	Dried whole milk, butter, cheese.
Yugoslavia	6,899	Cheese.
Uruguay	2,423	Do.
Persia	2,012	Do.
Syria	2,164	Butter, cheese.
New Zealand	53,270	Butter, cheese, caesin.

Source: Foreign Commerce and Navigation for the United States, 1934, U. S. Department of Commerce.

Dairy products admitted at lower tariff duty rates under trade treaty with Canada, showing old rate and new rate

Product	Old rate	New rate
Fresh and sour cream	56.6 cents per gallon	35 cents per gallon.
Cheddar cheese	7 cents per pound but not less than 35 percent ad valorem.	5 cents per pound but not less than 25 percent ad valorem.
Cows weighing 700 pounds or more or not more than 20,000 head annually.	3 cents per pound	1½ cents per pound.
Cattle weighing 700 pounds or more on 155,799 head.	3 cents per pound	2 cents per pound.
Cattle weighing less than 175 pounds on not more than 51,933 head.	2½ cents per pound	1½ cents per pound.

QUOTAS APPLICABLE IN TRADE TREATIES WITH OTHER COUNTRIES CONCERNING DAIRY PRODUCTS

Canadian treaty: A quota of 1,500,000 gallons, sweet and sour cream, applied on the aggregate imports of sweet and sour cream coming from all countries, not only Canada. When the quota is reached the tariff rates on sour and sweet cream automatically revert to the old tariff rate of 56.6 cents per gallon.

There is no quota on importation of Cheddar cheese, a product of which Canada produces much.

There are quotas on cows and cattle as mentioned in no. 10.

Switzerland treaty: No quotas, unlimited shipments.

Netherlands treaty: No quotas, unlimited shipments.

Imported fats and oils compete direct with butter through the replacement of butter sales by oleomargarine. There is no other dairy product with which these fats and oils come into direct competition excepting through the replacement of butter by oleomargarine which causes a shift from butter.

COUNTRIES FROM WHICH THE UNITED STATES IMPORTS FATS AND OILS THAT COMPETE WITH DAIRY PRODUCTS

Imports entering United States during 1934 and country of origin (most important sources are in italics):

Oleomargarine: Norway, Netherlands.

Coconut oil and copra: *Philippine Islands*, Canada, British Honduras, Panama, Jamaica, *British Malaga, Netherlands India, French Oceania*, British Oceania, Australia.

Palm oil: *Netherlands India, Belgian Congo, Nigeria, Canada,* Belgium, Netherlands, United Kingdom, British Malaga, Gold Coast, Liberia.

Palm-kernel oil and nuts: *Germany, United Kingdom,* Netherlands, *Nigeria,* Brazil.

Sunflower oil and seeds: *Kwangtung, Netherlands, Russia,* United Kingdom, China, Germany.

Sesame oil and seeds: *China, Hong Kong,* British India, Irak, Japan, Kwangtung, Australia.

Barbassue oil and seed: *Brazil.*

Mustard seed and oil: *Netherlands, United Kingdom, China,* Denmark, Italy, Rumania, Russia, Germany, Hungary.

Oils and fats of domestic origin used in oleomargarine production but which have competition from imports and the countries competing:

Cottonseed oil: *United Kingdom, Mexico,* Egypt, Japan, Brazil, Denmark.

Peanut oil: *China,* Netherlands.

Soybean oil: *Japan,* China.

Corn oil: *United Kingdom, Netherlands, Germany, Belgium, Japan,* Mexico, France.

Oleostearin: *Argentina,* Canada, Uruguay, Australia.

EXTENT TO WHICH IMPORTED FATS AND OILS ENTER INTO MANUFACTURE OF BUTTER SUBSTITUTES

Keen competition exists between import fats and oils and butter. These foreign fats and oils used in the production of oleomargarine constituted in the first 11 months of 1935, 57.36 percent of the total fats and oils used. For the same period of time in 1934 this percentage was 57.74 percent. These foreign ingredients consisted of coconut oil, palm-kernel oil, sesame oil, derivatives of glycerin, barbassue oil, with a host of others to fall back on, if those most frequently used became too high in price.

Of the 346,000,000 pounds of oleomargarine produced in the United States for the first 11 months of 1935—this was a production increase of 67.3 percent over the same period last year—42.87 of the total ingredients used were of foreign origin, of which coconut oil contributed 42.13 percent, leaving 0.74 percent divided among other foreign ingredients used. Of the domestic ingredients used to produce oleomargarine, 57.13 percent for the first 11 months of 1935, milk and butter combined constituted slightly over 21 percent.

Other ingredients domestically produced and used to make oleomargarine were oleo oil, oleostearin, oleo stock, cottonseed oil, peanut oil, soybean oil, neutral lard, and salt.

There is such a high degree of interchangeability in the use of fats and oils in oleomargarine production that a low price of one of the oils or fats usable in such production tends to depress other oils and fats prices, and all prices tend to seek the level of the lowest price.

Hence, if the price of coconut oil was materially reduced, the manufacturers would turn from the use of cottonseed oil—a domestic oil—to coconut oil. This replacement of cottonseed oil would have a depressing effect on the price of cottonseed oil, and so on down the list of oils and fats a price reduction would follow.

For Federal and State taxes imposed on the manufacture of butter substitutes see pages 100 and 101 of The Farmer Looks at the Oleomargarine Picture, tables 40, 41, 42.

Canada passed legislation in general assembly in 1914 forbidding the importation, manufacture, and sale of butter substitutes.

COUNTRIES HAVING TAX ON OLEOMARGARINE (BUTTER SUBSTITUTES)

Norway: The internal revenue on margarine was recently increased from 13 to 15 ocre per kilogram (2.20 pounds). Based on the rate of exchange for December 1935, this tax is equivalent to approximately 1.7 cents per pound.

Hungary: Imposed consumption tax, effective October 15, 1935, on margarine and margarine cheese amounting to 3.4 cents per pound.

Sweden: Increased their excise tax on oleomargarine August 1, 1934. This change was from 0.2 to 0.3 crown per kilogram. Determined from the December 1935 rate of exchange, this tax is equivalent to 3.85 cents per pound.

Finland: On May 9, 1934, the Finish Government imposed a tax of 6 marks per kilogram on the production of margarine. This tax is equivalent to 5.92 cents per pound in United States currency. Comparing with this tax of 5.92 cents a pound, the total tax received from all sources in the manufacture and sale of oleomargarine in the United States which for 1935 averaged slightly over one-half cent per pound, one can see that there is a wide variance.

Czechoslovakia: A notice of the Czechoslovak Ministry of Commerce, dated December 17, 1935, obligates every local margarine producer to buy 0.51 kilograms (approximately 1 pound) of the 1934 and 1935 soybean crops for each 100 kilograms (220 pounds) of the respective factory's margarine production contingent for 1935. These soybeans must be worked up into oleomargarine. Also, all soybean growers are obligated to buy back from such factories soybean cake in a ratio of 83 to 85 percent of quantities of soybeans supplied.

The list is complete so far as I have been able to obtain available information.

The most complete data available in regard to dairy tariffs are in a report to the Senate of the first session of the Seventy-third Congress, document no. 70, entitled "World Trade Barriers in Relation to American Agriculture." How many of these conditions in effect in 1933 and still exist today is not known.

The British Empire operates a tariff on a three-layer basis; the lower rates apply to their own possessions; the second level or preferential tariff level applies to preferred countries; and all countries not classed as preferred must pay the general or higher tariff. These rates are subject to revision in the different possessions by the action of the legislature in those possessions.

Germany as of November 15, 1932, extends a quota on importations of butter not to exceed 121,000,000 pounds yearly. Each pound of this butter entering Germany must pay an import duty equivalent to 8 cents per pound.

France also adopted the idea of establishing periodically certain import quotas on butter, effective September 28, 1932, to apply for 1 year. The general tariff on butter was increased to the equivalent of 24.09 cents per pound at the rate of exchange as of that date. With the minimum tariff at 12½ cents per pound, the additional charge of 15 percent ad valorem on butter from countries that had left the gold basis is unofficially reported as having been returned under the new tariff rates. Under these rates no import quota was established.

Belgium set up increases in tariff in late 1931; also imposed an import license requirement—what the requirements were is not known—but the effect had increased the butter price 30 percent on Danish butter. This increase was as of September 1932.

To encourage better conditions in Switzerland, a fixed price was guaranteed for a certain quality of table butter. Even with this guaranty the Swiss producers could not supply the demand, and butter still had to be imported. On April 1, 1932, butter could be imported only under license. This, along with higher tariff rates, helped decrease importations of butter.

The Netherlands, from March to January 1932, limited butter importations to 1,295,000 pounds for the 4-month period. Whether they still maintain a quota basis we are not able to say.

Effective March 4, 1932, Italy greatly increased the tariff on butter. Under the present upset condition of their country and lack of information we cannot say whether this policy has been changed.

Besides the above-mentioned foreign countries, there are some others, namely, Australia, Irish Free State, Union of South Africa, the Netherlands, and Finland, that as of 1932 paid export bounties to those butter producers who sold in a foreign market. There are one or two countries at the present time, we understand, who are paying export bounties to their producers. Switzerland maintains such a program for the exportation of cheeses, and although no definite infor-

mation can be found it is reported that Italy maintains some form of this export butter system.

From incomplete reports of the progress made by various bovine diseases, mainly tuberculosis and Bang's disease, one must draw the conclusion that other countries are far from comparable with the United States on this issue.

First, let us consider the advancement made by the United States. It is estimated that by September 1, 1936, all the cattle in the United States will be tested for tuberculosis. This great eradication program, it is estimated, has already cost the farmer and Federal and State Governments over $400,000,000 for indemnities, veterinarians' services, and so forth.

Second, a Bang's disease eradication program is beginning to show favorable results and is now accepted as past the experimental stage. The Federal Government is proceeding with the Bang's eradication program, reporting that rapid progress is being made in freeing herds of Bang's reactors.

The country whose tuberculosis eradication campaign, which more nearly equals that of the United States, is Canada. The advancement made does not nearly equal the advancement made in the United States. Canada, having not over 30 percent of her cattle under the tuberculosis test, is testing cattle at the rate of 500,000 yearly, which is equivalent to approximately 6 percent of her total cattle numbers. There have been practically no cows tested in Canada for Bang's with the possible exceptions of a few large cattle breeders whose American market demands cattle free of such disease.

Incoherent reports and a lack of statistical data make the task of giving first-hand information on foreign disease-control programs difficult. No governmental department in this country has at their finger tips a résumé of the foreign situation pertaining to cattle testing for either bovine tuberculosis or Bang's, but certain general information is known.

Bulgaria, Germany, Czechoslovakia, particularly Finland, Denmark, and Sweden, are more in advance of other countries. With the possible exception of Denmark and Sweden, these countries do not compete for the United States dairy market.

The large exporters of dairy products, which include Argentine, Australia, New Zealand, Switzerland, France, and Italy, are the laggards in any kind of disease-control measures. They have failed either through a lack of interest because such steps were never necessary to insure them a foreign market or because those countries had a lack of money to institute such disease-control programs as the United States and Canada. Switzerland apparently has done more constructive eradication work than any of the above-mentioned export countries.

Additional information has just been received from the dairy industry commissions of Australia and New Zealand. The Australia report is not up to date, being issued in 1929, but indications point to very little activity either in eradication of bovine tuberculosis or the Bang's disease, but admitted in the report are the facts that both diseases exist although infection is not so great as in other countries where cattle are stabled for indefinite periods. The Australian cattle are on pasture the year round day and night, only brought into a shed to be milked.

The report goes further, to say that the contagious (streptococcic) mammitis infection appears to be a serious trouble in dairy cows and is causing considerable economic loss. There seems to be a very close correlation between Bang's disease infection and mammitis infection in the same animal. Bang's disease so weakens the udder that mammitis infection takes place easily; the mammitis streptococcic bacteria then multiplies and continues living in the udder. Such infection causes poor quality milk that is practically unmarketable besides reducing the amount of milk a cow is able to produce, through the break-down of udder tissue.

A report dated 1934 and issued by the Dairy Industry Commission of New Zealand indicates that bovine tuberculosis infection among dairy cattle to be approximately 9 percent. This report goes further in saying:

In Denmark a considerable amount of tuberculin testing has been carried out in recent years, and although the average incidence has been estimated to be 40 percent, instances are on record showing that many badly affected herds have been effectively cleaned up, and that the general position in Denmark is improving.

Those people connected with the New Zealand dairy industry are anxious to start a disease-control program for both the eradication of bovine tuberculosis and Bang's disease. Their reason is because of the fear of losing their foreign markets in the United States and the United Kingdom through the placing of embargoes on those dairy products originating from herds infected with the mentioned diseases.

POLITICAL FOG

Mr. ROMJUE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROMJUE. Mr. Speaker and Members of the House of Representatives, when I think of the eagerness with which Mr. Al Smith and Mr. Herbert Hoover are continually assailing the administration of our President, Franklin D. Roosevelt, I know of no better name to ascribe to their endeavors than designating them as "fog", political fog.

For the past few years we have been going through a period and experience which calls for more clear thinking, more fair conduct, and more concern for the general public welfare than it does for mere billingsgate, slander, falsification, misrepresentation, and criticism.

It is the easiest matter in the world to find fault and criticize, but the critics should offer something equally as good or better than that which has been done or is being done by those who are being criticized. This is no time to get excited; it is a time to weigh well and ponder well what the condition of the country is and what it has been and was a few years ago. It is not an easy matter to be President of the United States, and, of course, it is not possible for any man to please everybody; but there is one rule which, if adhered to by any man in public life, whether he be President, other public official, or whether he be an official at all or not, will prove to be of greater help than any other, and that is to weigh all the facts and information that can be obtained and then act in accordance with what one's own judgment dictates to be right, proper, and fair; and those who follow that rule will at least be of greater peace of mind and be more nearly right than by adopting any other plan or policy.

Among the major problems that have confronted the country for the past few years, one of very outstanding importance, is the agricultural question. I feel like I know something of the farmer's problems and the task he has had to meet. My father before me was a farmer and livestockman, and so also were both of my grandfathers, and my life has been identified with and interested in it from childhood; and I have yet to meet the first critic of Mr. Roosevelt and his program in trying to help the farmer who was really as much materially interested in the farm problem and livestock as I am myself.

Now, what are the facts about which all this fog is being raised by the critics of the President? To begin with, I remember once upon a time one, Herbert Hoover, was President of the United States, and I know very well that during the last year of Mr. Hoover's administration, in the autumn of 1932, corn was selling all over the congressional district which I represent as low as 15 cents per bushel, and while the territory in the First Congressional District is mostly devoted to corn, hogs, sheep, cattle, horses, mules, and oats and other crops—it is not so much a wheat country as many other sections of the United States—oats were selling for 10 cents per bushel at the same time and during the last year of Mr. Hoover's reign.

I remember I bought a few suckling mules that very fall, and the highest price I paid was $25 per head, and generally they could be bought for less. The farmers' condition had become almost unbearable among a great many of them,

and a good many of them were going to the wall and losing their possessions because of the low prices they were getting on the livestock and crops they were producing.

This is a diversified country, and it is not expected to be run, and should not be run, solely for the benefit of one class of people against all others; neither should it be run in a way to be detrimental to one class with the benefits going to other industries, and so it is the purpose of the Government to balance and put in proper relationship one business with another throughout this country so that all legitimate business may have a reasonable return for the honest endeavor, patient toil and labor that is spent in connection with any particular line of legitimate business.

What money many a bank depositor had deposited in the bank during the administration of Mr. Hoover was swept away. Banks were breaking not by the few or by the dozen or by the scores, but by the hundreds, and in fact they had closed by the thousands throughout the United States during Mr. Hoover's administration, and this was the picture that President Roosevelt and the Congress who had been elected along with him met and had to face when he took charge of affairs of Government.

Almost immediately—in fact, it was immediately—upon his assumption of power the first act of Congress was to pass legislation that enabled the President and empowered him to stop the closing of the banks throughout the country. Soon after that Congress enacted and the President signed and approved the guaranty bank deposit law, which guaranteed and made certain that a man who had his money in the bank, up to $2,500—and later increased to $5,000—would stand not to lose it, but would be guaranteed to be paid to him upon his call and upon his demand; and while these critics of Mr. Roosevelt are raising so much fog against his administration, what answer have they to make to that legislation? Was it wise or unwise? Of course, there is only one answer. It was legislation of the most valuable character, and many a man would have some money today if that law had been enacted when Mr. Hoover first came in office instead of its being delayed by him and his Congress until after many of the deposits were lost; and it was left to Mr. Roosevelt and his Congress to enact it. To say the least, it is helpful to the future—a guaranty to the depositor against his future losses.

It is worth while for one to sit down occasionally and meditate and let the head work some as well as the tongue, because it enables one to recall some things that have happened in the past and gives one a better view and better understanding of the future.

I remember in the campaign of 1924 when John W. Davis was candidate on the Democratic ticket for President; Mr. La Follette was also a candidate at the same time, and Mr. Coolidge was a candidate. The leaders of the Republican Party were then saying it is necessary to elect Mr. Coolidge in order to save the Constitution. They then said that the election of either Mr. Davis or Mr. La Follette would imperil the Constitution, so they went through that campaign handing that sort of stuff out to the people. The Literary Digest, at that time, went so far as to indicate that Mr. La Follette would probably be the second man in the race. Of course, any man could put his own interpretation on the cause or the purpose of that, and so in the campaign of 1928, when Al Smith was a candidate for the Presidency, the Republican leaders again came forward and indicated all over the country that poor Al would wreck the Constitution if he were elected, and so now here and there some person who probably never read more than 15 lines of the Constitution flutters about with the great fear that it is likely to be destroyed, and the funny part about it now is that these same Republican leaders, who lack a lot of being the Republican Party, by the way, because there are a lot of people in the Republican Party doing their own thinking, despite that which is being dished out by Mr. Hoover and a few other recognized party leaders, just because Mr. Davis and Mr. Smith do not endorse Mr. Roosevelt's plan to aid the farmers they sight them now as great frontiersmen in the interest of the Constitution. Well, everybody knows Mr. Davis is practicing law, and Mr. J. Pierpont Morgan is one of his chief clients, and most everyone seems to know what is the matter with Mr. Smith.

When Mr. Roosevelt came into the Presidency, he set about in an effort to rectify—I will not say so much the abuses as the neglect on the part of Mr. Hoover's administration to care for—and properly legislate in behalf of the greatest industry in the United States and, for that matter, in the world, and that is agriculture; and legislation was enacted.

No President, from the foundation of this Government down to now, has had as much work to do as has Mr. Roosevelt. No President has confronted so gigantic and momentous questions as he has had to handle. Bankruptcy was stalking in the land; unemployed people by the thousands were walking the streets; farmers were losing their homes, which in many instances it seemed impossible for them to hold—then legislation was enacted that was calculated to aid the farmers of the country and put men back to work. Now, what has been the result? What has happened since the passage of the A. A. A. legislation? Keep in mind that the President was struggling valiantly to bring the country out of the depressed condition in which it was; also keep in mind that the country was in the worst condition that any man now alive in America had ever seen. Instead of everybody joining in and trying to aid the President in having a general recovery for the benefit of the entire country, here and there bobbed up leaders of sordid and selfish interests that wanted to strike the President down and break down his influence and power with the people.

It now remains to be seen whether the leaders of the Republican Party, which same leaders are led, in my opinion, by the same sordid, selfish interests that have never been willing that the agricultural interests of the country should have any reasonable show to receive and maintain its proportionate and proper place in the successful affairs of this Government, can lead the farmers of this country to condemn the President, who has been their greatest benefactor, and turn the Government back to those who had it in charge when it was thrown into collapse under Mr. Hoover's administration.

Mr. Hoover was President of the United States during the time this tragic drop in farm prices took place. I regret that he has been the only ex-President that I can recall who raced all over the country after he was defeated for office, getting on the radio at every opportunity, and offering nothing except criticism and vilification.

Well, going forward to just what change has taken place among the farmers from the days of Hoover to the days of the present time, I am not talking by guesswork; I am talking from experience, because on my own farm I have cattle, horses, mules, hogs, and sheep, and most all kinds of farm crops, and I recall that during the first year of Mr. Roosevelt's administration prices had advanced considerably over what they were in 1932, and they have continued to advance until everything the farmer produces on the farm is from two and one-half to four times higher than it was when Mr. Hoover went out of office.

It is my judgment and opinion that the legislation which has been enacted by this Congress and Mr. Roosevelt's administration has put this country so far on its way to recovery that the continued benefits will be felt for considerable time to come, regardless of all the criticism that may be launched against President Roosevelt and his policies, and also regardless of the decision of the Supreme Court.

This Congress expects before the close of this session, and that very soon, to enact other legislation that will approach the program which will greatly sustain the benefits that have been brought to the farmers by the A. A. A. legislation.

It is almost unbelievable that a few certain individual groups have worked themselves up into such fever heat until it would seem they must lie awake at night grieving over the possibility of the administration's doing something for the farmers of the country. It is unbelievable that they could be so blind as not to realize that they can never manufacture and sell their goods unless they have purchasers, and in

order for there to be purchasers the purchaser must have an opportunity for gaining a livelihood and an opportunity to dispose of the products of his labors at a reasonable compensation.

The root of the whole evil is basically selfishness, and every legitimate calling, agriculture as well as industry, is entitled to be respected in its rights. The industries certainly ought not forget in this short time that when the farmers lost their prices for their products, and were unable to meet the interest, and in many instances were in debt and lost their homes, that now since President Roosevelt and this Congress have enabled the farmers to get back on their feet, with much higher prices for what they produce, and just getting them set up for some years of prosperity, they cannot afford to strike down agriculture again as it has been done in the past.

Notwithstanding the selfish interests that vilify and criticize President Roosevelt and his policies, he is going forward with his work, and I have every belief and confidence that the common man, the average man, the worker, the farmer, and, in fact, the level-headed businessman will so understand the beneficial fruits of this administration that they will register an overwhelming approval for Mr. Roosevelt and his efforts next November, and all the political fog stirred up for one purpose, and one purpose only, will be brushed aside.

LEAVE OF ABSENCE

Mr. FIESINGER. Mr. Speaker, my colleague the gentleman from Ohio, Mr. HARLAN, is detained in Dayton because of a slight cold. I ask unanimous consent that he be excused for 3 days.

The SPEAKER. Is there objection?

There was no objection.

INVESTIGATION OF OLD-AGE-PENSION SCHEMES

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 418, which I send to the desk and ask to have read.

Mr. BOLAND. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. BOEHNE. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Allen	Dear	Hoeppel	Parks
Ayers	Delaney	Hollister	Perkins
Barden	Dickstein	Kee	Peterson, Fla.
Bolton	Dingell	Kelly	Pettengill
Brennan	Doutrich	Kennedy, Md.	Pfeifer
Buchanan	Duffey, Ohio	Knutson	Powers
Buckbee	Dunn, Miss.	Kvale	Randolph
Buckley, N. Y.	Englebright	Lambertson	Russell
Bulwinkle	Fenerty	Lesinski	Sabath
Burch	Gasque	McMillan	Sanders, La.
Cannon, Mo.	Gassaway	McSwain	Sandlin
Casey	Gearhart	Maloney	Schneider, Wis.
Chapman	Goldsborough	Mason	Somers, N. Y.
Clark, Idaho	Gray, Ind.	Mead	Steagall
Clark, N. C.	Greenway	Merritt, Conn.	Sullivan
Connery	Harlan	Merritt, N. Y.	Taylor, Colo.
Corning	Hartley	Montague	Thomas
Cox	Hennings	Mott	Tinkham
Crowther	Hill, Ala.	O'Day	Underwood
Curley	Hill, Samuel B.	Oliver	White

The SPEAKER. Three hundred and fifty Members have answered to their names, a quorum.

Mr. O'CONNOR. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The gentleman from New York calls up a resolution, which the Clerk will report.

The Clerk proceeded to read House Resolution 418.

Mr. MONAGHAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONAGHAN. Mr. Speaker, at what stage would an amendment to this resolution be in order?

The SPEAKER. The gentleman from New York [Mr. O'CONNOR] has the floor and is in control of the resolution. It is not in order to offer it now. The Clerk will continue the reading of the resolution.

The Clerk resumed and concluded the reading of House Resolution 418, as follows:

House Resolution 418

Resolved, That the Speaker appoint a select committee of eight Members of the House and that such committee be instructed to inquire into the acts and conduct of any person, partnership, group, trust, association, or corporation claiming or purporting to promote, organize, or further old-age pension schemes and that such committee be further instructed to inquire into the history and records of the various operators, promoters, or schemers now engaged in promoting such schemes and to inquire into their various methods of raising and collecting money, and to examine their books, papers, and records and inquire as to the disposition, holding, spending, or appropriation of such moneys so collected. The committee shall have the right to report to the House at any time the results of its investigations and recommendations, if any.

That said committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony, as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States, second edition, 1878.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a resolution reported from the Committee on Rules authorizing the appointment of a special committee to investigate what are called old-age-pension rackets. Before the Rules Committee we invited whoever we thought might be interested, and there was no opposition from any source whatever to the passage of the resolution.

Mr. DUNN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. DUNN of Pennsylvania. Does this apply only to those who solicit funds for old-age pensions?

Mr. O'CONNOR. It pertains to the collection of money and the methods used in collecting it and the disposition of the money.

Mr. DUNN of Pennsylvania. Does it pertain to what Father Coughlin is doing?

Mr. O'CONNOR. I could not say. If the reverend father is engaged in an old-age-pension racket, it would pertain to him.

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

Mr. O'CONNOR. Yes.

Mr. CELLER. The resolution undoubtedly aims at the Townsend plan promotional scheme.

Mr. O'CONNOR. Not solely, but all such plans. There are several other plans, we were informed.

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

Mr. O'CONNOR. Yes; for a question.

Mr. MONAGHAN. To ask whether or not this resolution will be opened up for amendment under the 5-minute rule so that we may include everything, the Liberty League and others as well.

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

Mr. O'CONNOR. Yes.

Mr. WARREN. I call the gentleman's attention to what I think is probably a defect in the resolution as presented. The resolution provides that the report may be made to the House at any time. If the House is in adjournment, there is no provision made for receiving this report, and with the permission of the gentleman from New York, I ask if he would agree to the following amendment on page 2, line 2: To add a comma at the end of the sentence and insert the following:

and in the event the House is not in session, such report may be submitted to the Speaker for printing as a public document.

Mr. O'CONNOR. I think that amendment should be placed in the resolution, and I have no objection to the gentleman's offering it now.

Mr. WARREN. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

On page 2, add a comma at the end of the sentence and insert the following: "and in the event the House is not in session such report may be submitted to the Speaker and be printed as a public document."

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

Mr. O'MALLEY. Will the gentleman from New York yield?

Mr. O'CONNOR. I yield for a question.

Mr. O'MALLEY. That amendment being adopted, I was under the impression that the resolution was open for amendment. Why is it that only an investigation of old-age pensions is provided for? Why not open it up so that the Liberty League can be investigated and other organizations raising money for any legislative purpose? Why pick on old people alone?

Mr. O'CONNOR. The resolution was introduced with that one purpose in mind, to investigate the old-age-pension rackets. The committee did not think it should bring in other organizations which had no connection with or similarity to such rackets.

Mr. Speaker, I yield 15 minutes to the gentleman from Missouri [Mr. BELL].

Mr. BELL. Mr. Speaker, Members of the House, I have been allotted a limited amount of time to speak, and I should like to pursue my subject without interruption. For that reason, I respectfully request my colleagues not to interrupt me or ask me to yield.

I am sure that nothing which I shall say today will be construed as a reflection upon any Member of this House. The introduction of this resolution is intended only for the purpose of throwing light upon a subject in which every Member is interested in knowing all the facts. There are those here who have, in their judgment, seen fit to endorse the Townsend plan. Members have a right to differ, and I certainly have no word of censure for any one of them.

For generations the American people have dreamed of the day when a just and beneficent Government would make adequate and proper provision for its aged and infirm citizens. We have ever recognized the fact that in the hard and uneven struggle of life while some have had the good fortune to be able by industry, by ingenuity, by frugality, or perhaps by good luck, to lay aside a competence for their declining years, many of our citizens have never been able to do so. They have reached the winter of life after years of honest toil and labor only to find that they were dependent upon their children or upon relatives, or possibly upon the unkind and uneven whims of charity. Every right-thinking man long has felt that provision should be made by the State so that the necessities of life, the right to live with reasonable creature comforts, should be guaranteed to those who have outlived the active and aggressive period of their lives.

Administrations came and administrations went, but during the last session of this Congress for the first time in all the history of America the passage of the Social Security Act brought about the beginning of a well-planned, organized system of old-age pensions. Many of us felt that the act perhaps was not everything that it should be; we felt that there were defects and errors in the plan, but we felt that it was a good start, a splendid beginning, the nucleus from which eventually would be worked out a satisfactory plan for the proper care and maintenance of the aged and infirm. I have always been an advocate of and a believer in the necessity for old-age pensions.

From time immemorial the human race has been subject not only to its social ills but its physical ills. The service of the medical profession, with the noble, untiring efforts of the great throng of self-denying, hard-working doctors and surgeons has been a glorious chapter in the history of the human race. But even the medical profession has had its quacks, its charlatans, and its imposters. There have been those doctors who unselfishly gave their lives, with every ounce of energy of mind and body, to the service of the human race; and there have been those charlatans and vultures who thought only of personal profit, who would adopt any method, advocate any theory, practice any deception, so long as it offered the possibility and the opportunity to enrich themselves. Thank God these men have been few and far between.

And so it has been in the field of social service. There are thousands of those who have sincerely and earnestly worked for and advocated real and constructive programs of human betterment. We also find our charlatans and quacks who are willing to offer anything, no matter how impossible or fantastic or extravagant, so long as it catches the fancy of the public and so long as it means a personal profit and enrichment of themselves.

The late years of depression, with the widespread human want and suffering and unemployment, have been a fertile field in which these quacks and charlatans, these false prophets of social reform, have promoted their schemes and rackets, representing vast sums in unholy profits at the expense of tens of thousands of good and faithful but deluded followers. Like the typical quack in the medical profession who advertises and guarantees a cure for everybody and everything, some of these quacks in the social world have offered to their followers a utopia which we know is impossible of fulfillment.

It was not more than 2 years ago that the first of these quack doctors of social progress, Dr. J. E. Pope, came forward and proclaimed himself as a prophet of better conditions and as an advocate of old-age pensions. He claimed to operate the National Old Age Pension Association. He was its president and permanent chairman. He also claimed to be a doctor, and it turned out that he had spent some time as a foot doctor.

He advertised widely through the mails, established an old-age-pension paper, organized his so-called clubs, collected monthly dues, and at the time that a congressional committee began investigating him he publicly claimed that he had a membership of 750,000 members, and although his books and records were in a thorough state of confusion, he admitted, according to his statement, that he had collected more than $60,000, as of February 15, 1934, from people who could ill afford to donate for this or any other purpose.

He made glowing statements to the members of his clubs about looking after their interests and seeing that Congress enacted pension legislation. The great volume of literature that he sent out was of the usual type utilized by people of his kind. It was designed to bring in the money, and it accomplished that result.

An inquisitive congressional committee found that over a long period of years in spite of the fact that he claimed to be a doctor he had made his living by fraud and crookedness; that in 1904, at Houston, Tex., Pope was sentenced to serve 18 months in the United States penitentiary for using the mails to defraud; that in 1919, at Tyler, Tex., Pope was arrested for using the mails to defraud, was convicted at Dallas, Tex., and sentenced to pay a fine of $500. In 1923 Pope plead guilty to another charge of using the mails to defraud, and he was sentenced to serve 60 days in jail and pay a fine of $500. In 1927 Pope again was indicted by the United States grand jury at Denver, Colo., for using the mails to defraud. At that time he agreed to reform and to quit engaging in such practice, and upon this promise the case against him was dismissed. But he is still at large and still preying upon the faith and credulity of the old and infirm people of this country as are other pension-plan promoters. Within the past week I have received letters from some of his victims, who have sent him money for subscriptions to his old-age-pension paper and have never received a copy of the paper.

It has always been true in our history that when some man discovers a scheme or racket which returns large profits to its promoters that others, envious of his good fortune, seek to enter the field in competition with him. And so true to form it was not long until Dr. Pope had an active and aggressive competitor.

Another doctor far out on the Pacific coast was heard from as an advocate of the Old Age Revolving Pension Association. Soon the country began to hear of the organization of Townsend clubs and the establishment of the Townsend Weekly, of the charging of initiation fees and monthly dues.

At this point I pause for a moment to say I cast no reflection whatsoever on Dr. Townsend as a medical doctor. I assume that when he was in pursuit of his duties as a doctor of the physical ills of humanity he was a good doctor, but as a doctor of the ills which afflict our social structure he is a charlatan and a quack. [Applause.]

While Dr. Pope had not been very definite in his promises to the people whom he contacted in his wide and mail-order campaign, Dr. Townsend was very precise and definite in the promises that he made to his followers.

While he followed the same scheme of organization in a general way, he introduced some innovations, and in the ordinary parlance of the street, he "went Dr. Pope one better." His plan seemed simple in its general outline. He proposed to give every man and woman in the United States past 60 a pension of $200 a month, or $2,400 a year as a minimum, with the understanding that they should quit work, if still employed, and spend the entire amount every month. He and his associates claimed that their plan would do everything short of bringing the millenium itself, that it would restore national prosperity without inflation; that it would reduce crime, reduce taxes, and balance the Budget.

Dr. Townsend, in his testimony before the Senate Finance Committee, admitted that in order to put his scheme into effect it would take the vast sum of twenty-four thousand millions of dollars a year. This he proposed to raise largely by a transactions tax levied upon the people of the United States.

According to Dr. Townsend's admissions in the congressional hearings—and his estimate is backed by figures from the United States Census Bureau—there would be somewhere between ten and twelve million people in the United States old enough to come under the Townsend plan. Dr. Townsend said that the probabilities were that some of those who had reached sufficient age would not care to come under the plan and others might not be eligible. But it was generally estimated that at least 10,000,000 would claim their rights under the plan. Ten million times $2,400, of course, is twenty-four thousand millions.

Now, how do they propose to raise every year this vast sum of money? They propose, among other taxes, to levy a transactions tax in such a percent as will be large enough to raise this huge sum. They propose to levy a tax against the daily earnings of every worker in the United States. They propose to levy a tax upon every article of food and clothing, upon every luxury and necessity that changes hands in the marts of trade and commerce.

There is nothing new in the forms of taxation. Every kind of taxes known to modern government was used by the Roman Empire 20 centuries ago. They had real-estate taxes, personal taxes, poll taxes, tariffs, estate taxes, collateral inheritance taxes, and excise taxes, sometimes now spoken of as transactions taxes. Centuries of experience have taught those who have read the pages of history that a people can endure only about a certain percent of taxes, and governments have generally taxed about as much as people could stand.

During the reign of Augustus Caesar, after the civil wars, he levied a 1-percent transactions tax against the people of the Roman Empire. This tax placed such a grievous burden that nothing but the well-drilled Roman legions were able to prevent a general rebellion over the Empire. Even the 1-percent transactions tax levied for the purpose of maintaining the army was soon repealed, because a despotic Roman Government found that it placed so great a burden that it could not be collected.

The Townsend crowd proposes a tax at least twice as heavy as the infamous excise tax of Augustus Caesar. Caligula, one of the Emperors of decadent Rome, raised the collateral inheritance taxes from 5 to 10 percent and quickly rescinded the tax on account of an incipient rebellion that immediately began to form all over the Empire. Generations have learned that 5 percent is about all that people can stand in the way of a collateral inheritance tax. Why should we ignore every lesson to be learned by studying the past history of the race? Mind you, the Townsend tax is to be a transactions tax, not a simple sales tax that we are so familiar with.

Governments have always seen fit in a large measure to levy taxes upon those who could best afford to pay. Never before has any group of unthinking men proposed a tax so cruel and iniquitous until Dr. Townsend and his group proposed their plan.

Taxes have always been planned and levied with a kindly fairness to those least able to pay. The tax on corporations touches the earnings of organized industry; the estate tax collects its tribute from the property of those who have passed to the Great Beyond; a tax on real estate hits only the owners of the soil; the income tax gives its merciful exemptions to people of small means; the tax on personal property and on stocks and bonds is levied largely against those most able to pay; but the Townsend tax, like a blood-sucking octopus with countless tentacles reaching into every home, would be no respecter of persons. No living human being is so poor and humble as to escape its exactions. Every man, woman, and child who labors or who eats would have to pay. The carpenter, the mechanic, the stenographer, the clerk, the mill hand, the street sweeper, the waitress, the taxi driver, the railroad worker, and the street-car man will all be caught in the relentless undertow. The factory girl, with pale face and aching brow, will find that in order to work she must pay her daily tribute to the Townsend fund. The struggling widow with her hungry brood about her knee—she, too, will have to pay, if her children are to eat. Even the man upon the dole must pay before he can eat his crust of bread. The farmer will be taxed every time he sells a pig. He will pay a tax on every bushel of wheat, corn, oats, or rye that leaves his bins. When his wife sells a pound of butter or a dozen of eggs, she will have to pay a tax.

If the Townsend plan should become a law, no one may hope to escape its throttle hold. You men will pay a tax upon the shirts you buy, upon your shoes and socks and ties and suits and hats. You will pay a tax upon the coffee you have for breakfast, upon your ham and eggs, and upon the bread you eat. If you buy a home, the tax will hit you; and if you put a mortgage on your home, they will tax you again. If you ride a street car, you will pay the tax. You will pay a tax upon the gas and light and water that you use about your home. They will tax you for the candy that your child would buy. In fact, there is not anything that you can buy or sell in all the daily walks of life that can escape this all-inclusive tax for funds.

You people who are groaning under taxes that you think are heavy stop and listen to this: "You haven't seen anything yet." According to the 1930 census figures, there were, in round numbers 30,000,000 families in the United States. Any schoolboy can tell you how much tax that means per family. If you will get your pencil and do a little figuring you will learn that to raise the sum of money that Dr. Townsend admits must be raised in order to put his plan into effect you will find that the average for every family in America will be $800 a year. Is it any wonder that sane, conscientious, thinking people from coast to coast are branding the Townsend plan as "fantastic, impossible, and fraudulent"?

Can the average family in America afford to pay $800 a year in addition to taxes they are already paying? Why, you know and I know there are literally thousands upon thousands who must eat and drink and wear clothes and have shelter whose total incomes never reach the sum of $800 a year.

In subsequent testimony Dr. Townsend claimed that possibly many of those who are old enough to come within the pension plan might fail to take advantage of it and that the total number of people might not be more than 8,000,000, and that the sum necessary to be raised might be reduced thus to twenty thousand millions of dollars a year. In that event the sum of $600 per year per family would pay the bill. But let me ask you, my friends, how many American families

today either can or will stand an additional $600 a year in taxes?

Let us look at this proposition from another angle. Let us get down to a smaller group and see what each group would have to pay. The population of the United States is about 130,000,000. That includes men, women, and children of all ages and conditions; 130,000,000 people to pay $24,000,000,000. And we find that every group of 130 people in the United States would be required to pay $24,000 a year. Just visualize before you the average audience of 130 people, men with their wives and children making up the group; and when you understand that the Townsend crowd would require every such group in America to raise, before they could eat, the vast sum of $24,000 a year, you realize something of the enormity and of the impossibility of the Townsend scheme. Why, the total income of all the people of the United States from all sources and for every purpose for the year 1932, for which we have the last available figures, was less than fifty billions.

According to the census figures, those over 60 years of age represent only 8½ percent of the entire population, yet this small group would receive this sum of money raised by taxation upon all the people.

I dare say there is not an aged person in the United States who is eligible for this pension that would like to collect the pension and find that their sons and daughters could not provide themselves and their families with the necessities of life. Yet this would be the inevitable outcome if such burdensome taxation was placed upon them as the Townsend plan provides.

Dr. Townsend has surrounded himself by a group of shrewd promoters, skillful organizers, and able spellbinders, and under the stimulus of their glowing promises and aggressive organization the movement has swept the western part of our country like a great forest fire.

The SPEAKER. The time of the gentleman has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 10 minutes more.

Mr. O'MALLEY. Will the gentleman yield?

Mr. BELL. I have requested that I be not interrupted.

Mr. O'MALLEY. Then I make the point of order, Mr. Speaker, that the gentleman is not speaking to the resolution. The resolution is for the investigation of old-age pension schemes, and the gentleman is not speaking to the resolution.

The SPEAKER. The Chair thinks that the resolution is broad enough to include a discussion of any plan of old-age pensions.

Mr. BELL. Mr. Speaker, with a keen understanding of human nature they have sought to appeal to the best and noblest sentiments in the hearts of those they planned to victimize. They have opened their meetings with prayer. They have whipped great audiences to a religious fervor by singing hymns and holy songs. In the beginning they attracted numbers of high-minded, able men to their ranks as organizers.

But as time went on and people began to think and analyze, from almost every community where the movement had gained a foothold, there were those who began to inquire what was becoming of the vast sums that were being collected, sent in through the generosity of those who were ill able to pay. Demands were made for an accounting, inquiries were made as to the character and history of the key men who were backing the Townsend movement, and within the last week Members of Congress have received petitions and letters and resolutions from groups of citizens and from people who were former followers of the Townsend movement demanding that a congressional investigation be made.

It might be of interest to pause for a few moments and examine some of the ways and means of raising money. To begin with, the O. A. R. P. is a closed corporation. According to report, the officers and directors and stockholders are Dr. Townsend, Mr. Clements, and a brother of Dr. Townsend. I am told by former associates of the Townsend group that the brother is merely a straw man and that Townsend and Clements are the owners of the corporation. The initiation fees, dues, gifts, and voluntary donations and profits from the sale of buttons, badges, and pictures and medallions all find their way into this central depositary.

Early in the history of the movement the Townsend Weekly was established. We are told the money to put this paper on its feet was taken from the ill-gotten gains from the followers of Dr. Townsend, and yet when Dr. Townsend testified before the Senate Finance Committee he stated that the Townsend Weekly was the property of himself and Mr. Clements, lock, stock, and barrel. I have in my files a letter from Dr. Townsend addressed to one of his former associates who was demanding an accounting, in which he uses this language:

> Now, as to the Townsend Weekly (more information for your great intellect) it is owned lock, stock, and barrel by Mr. Clements and myself.

One of the great daily newspapers of the city of Baltimore recently quoted Mr. Elgin, the editor of the Townsend Weekly, as admitting that Townsend and Clements have a private rake-off out of the paper in excess of $195,000 a year.

Various statements have been made by Dr. Townsend as to the extent of the general income from dues and initiation fees. For instance, at the so-called Chicago convention it is reported in the public press that Dr. Townsend, on his arrival at Chicago, had told newspaper reporters that the organization had taken in approximately $1,200,000, but the report to the delegates at the convention only admitted $636,805.

Dr. Townsend, in a sworn pleading filed in a lawsuit in Federal court in Colorado, set forth the number of Colorado members, the amount collected in initiation fees and dues and voluntary contributions, and it is calculated that at that time they ran more than $200,000 a year in the State of Colorado alone.

Although the Townsend Weekly has claimed at various times to have as many as 30,000,000 signers to the plan, they have at other times claimed from six to eight millions of pay members. If these claims are true, then the initiation fee of 25 cents a member alone would produce from a million to two million dollars a year. The 10 cents a member dues would produce from six to ten million dollars a year; so that it seems well within the realm of possibility that according to their own claims they are taking from the people of the United States many times the amounts admitted in their offhand statements or reported to their delegates at the so-called convention.

It is not strange that we hear of revolts from all parts of the country in the Townsend ranks from people who are demanding to know what has become of the money.

But the initiation fees and monthly dues and profits from the newspaper are not the only sources of revenue from which funds pour into this well-oiled machine.

Frequently, I am told, the meetings are held in churches and in public buildings, and at the entrance to the meeting hall are to be seen great piles of Townsend medallions looking like gold coins, with Dr. Townsend's picture engraved upon the surface like that of the Caesars of old. Those attending the meetings are urged to buy these at a dollar apiece, and I am told that great numbers of them have been sold. Coat lapel buttons are sold for a dime apiece. Photographs of Dr. Townsend were sold at varying prices, ranging from 50 cents to $5.

Mr. BURDICK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BURDICK. How much time is allotted for this entire debate?

The SPEAKER. One hour. The gentleman from New York has the floor and is entitled to an hour, and he yielded one-half hour to the gentleman from Pennsylvania.

Mr. BURDICK. I do not think the gentleman should take one-half of the entire time.

Mr. BELL. Mr. Speaker, in the Western States, where the Townsend movement has gained great foothold, storekeepers are required to place Townsend placards in the windows, and they have to pay for those. Townsend Clubs are urged to raise money by picnics, barbecues, dances, card parties, socials, and rummage sales. It has been the custom in Townsend meetings for exhorters to urge upon the audience the giving of voluntary contributions, and the hat is passed.

But all of these devices, sometimes referred to as the Townsend 57 varieties, seem prosaic until we get down to the Townsend National Legion. The Townsend promoters, relying upon the enthusiasm and the generosity of their victims, have decorated them with a showy badge, which evidences that they belong to the "National Legion." For this honor they pay from a dollar to five dollars a month, depending upon the locality in which they live. And this is not all.

When H. R. 7415 was introduced into Congress by our distinguished colleague from California, although this bill did not guarantee $200 a month as advertised in the Townsend Weekly, yet the promoters had thousands of copies of this bill printed covering both sides of a couple of sheets of paper. They captioned it as the "Revised Townsend Old Age Pension Revolving Pension Plan", and sold these copies to great numbers at 25 cents apiece.

From various sections of the country where the Townsend plan has gained a foothold Members of this body have been receiving communications from former associates of Townsend and Clements charging that a number of the key men in the organization are people of questionable character and that some of them have been indicted for various crimes and have been guilty of fraudulent practices and that others are aliens in our midst. In fact, some of these charges have even appeared in the public press. They give the names and state the charges.

I feel, however, that it would be unfair for me to publicly state the names of these people until the question of their guilt or innocence is settled beyond any possibility of a doubt by proper and thorough investigation, and for that reason I am not going to make any of them public at this time. The charges are, however, a matter of such common talk that most of you are familiar with them.

If these men who were charged with these things are innocent, they should be the first to welcome a public investigation in order that their names might be cleared of suspicion.

If they are guilty and the unquestioned proof and records are obtained, then it is only just and fair that the innocent victims of the Townsend movement should know the truth in regard to the character of men whom they are following.

Briefly, in conclusion, let me say the people of this country are demanding that an explanation be made, demanding that an investigation be made, in order that they may know what is becoming of the vast sums of money that are being raised. The other day I received a petition and resolution which were adopted by a group of 1,100 people from the State of Minnesota. They are people who had originally joined the Townsend plan. They said, in effect, "We have been looking into it and we find it is fraudulent, and we want the people of the United States to know what is going on." They sent that resolution down here. I have it in my files.

This morning in a special-delivery letter I received from the State of Massachusetts another communication from a group up there, stating that the promoters back of this thing are not doing the right thing by the followers. The other day a man came into my office from the State of Texas. He is a man who started out as a Townsend organizer. He said, "I have been going into this thing and I found out something about the character and records of the men who are promoting it", and he said, "I do not want my name connected with it any longer. I have withdrawn my name from the movement."

Just yesterday I received a letter and petition from another group out in California, urgently demanding that the Townsend crowd be investigated. They said: We want an investigation so that the people of the United States can know." These things are coming in from all over the country. I think every Member of this Congress will be glad to know the real facts behind this thing. [Applause.]

The SPEAKER. The time of the gentleman from Missouri [Mr. BELL] has again expired.

Mr. BELL. I submit, Mr. Speaker, that the demands of these groups of citizens from various parts of our country to have a fair and impartial investigation and disclosure of all the facts regarding the various pension plans and rackets should be granted. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Washington [Mr. SMITH].

Mr. SMITH of Washington. Mr. Speaker, I am glad to have the privilege of saying, in behalf of the Members of the House who favor the Townsend plan, that we welcome the proposed investigation.

I appeared before the Rules Committee and stated that the Townsend organization had no objection to the proposed investigation, although they took the position that there was no justification for the investigation.

At a convention of Townsend clubs, which was held in Chicago last October, which was declared by the newspapers of that city to be probably the most representative gathering ever held in America, nearly every hamlet, village, town, city, and community in the country being represented by delegates numbering nearly 7,000, a complete audit by certified public accountants of all the books, records, and files of the Townsend organization from its inception down to that time, the end of the month of September, was submitted to that convention, ratified, and approved by the unanimous vote of that great conclave of American citizens. While we are acting here today there are probably between four and six million American citizens in every one of the 48 States of the Union who have been holding these Townsend meetings for the past 2 years in the schoolhouses, in the grange halls, in the churches, in the city halls, in the county courthouses, in the large auditoriums in the great centers of population in America, and they believe in the integrity and good faith of the leaders of this movement which, as the gentleman from Missouri [Mr. BELL] has correctly stated, has swept this country. These citizens probably resent this investigation, and it is certainly open to serious question, I think, whether we are doing ourselves any credit when we single out a movement like that, favored by so great a body of our constituents as are interested in this movement, and at the same time fail to investigate the grave problems which confront the American people, out of which has arisen the Townsend movement and many other movements which are appealing to the people in this country today.

Mr. CELLER. Will the gentleman yield?

Mr. SMITH of Washington. I am sorry, but I only have 5 minutes.

On one side of the picture we have an increase in bank clearings, in postal receipts, in freight-car loadings, in electricity consumption, in steel production, in pay rolls, and a general improvement in business as the result of the efforts of this administration, but to our utter dismay and disappointment, on the other side of the picture we find we have today over 11,000,000 American citizens, honest, God-fearing, stalwart men, who are bowed down with grief, walking the streets idly, because they cannot even secure employment to support their families and little children. We have, according to the last statement of Harry Hopkins, Works Progress Administrator, over 20,000,000 citizens who are on relief, eating the bitter bread of charity provided by our Government. We have over 5,000,000 young men and women who have graduated from the high schools and colleges of this country with their diplomas under their arms, who have never as yet been able to secure any employment in our Nation since they were graduated from the schools. According to Miss Perkins, the Secretary of Labor, we have nearly 8,000,000 undernourished, underfed children in this country. Yet we are proposing to investigate what has become of the nickels and dimes that these citizens have freely and voluntarily contributed to a cause in which they believe, which would provide a solution for the social and economic problems of our country. We welcome the investigation, Mr. Speaker, but we fear that we are fiddling here while America is burning. [Applause.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. MAIN].

Mr. MAIN. Mr. Speaker, the gentleman from Missouri [Mr. BELL], talking upon his own premises, made out a very good case. In talking upon the supposed merits of the bill, but not upon the merits of the resolution, he proved to his own satisfaction that the idea is absurd. Because he proved this absurdity to the evident satisfaction of so many Members, we have some explanation for the frequent adjectives which have been applied in the press and upon the floor of this House to the idea such as "fantastic", "absurd", "witches' dream", "fairy tale." When the results of the special primary and election in Michigan were announced in November and December 1935, the press said that the politicians in Washington had been afflicted with a severe case of political jitters.

At that time I did not know the symptoms of political jitters, but when I got down here and found a Democrat from Texas jumping around and shouting that a Democrat could not be elected in the Third District of Michigan, no matter what he advocated, and, on the other hand, a Republican from Michigan accusing a fellow Republican of fraud and misrepresentation in his campaign, then I commenced to recognize the symptoms of political jitters. [Laughter.] Now, I realize that a majority of the present Members of the House consider this idea a fairy tale without any more basis than the story of Jack and his wonderful bean stalk, and yet we repeatedly hear these gentlemen on opposite sides of the aisle blowing hot and cold and thus holding up this bean stalk as one of the most outstanding features of the political landscape. Now the critics of Dr. Townsend come before you in an effort to get Congress to appropriate $25,000 or $50,000 to find out why Jack does not fall.

Why all of this tilting with windmills? Now, if, as I suspect, you are attempting to stem the rising tide of sentiment in favor of a just and generous pension for our law-abiding elderly citizens, then, in that case I suggest that you are attempting to do that which Canute of old failed to do when he made his futile gesture of commanding the ocean tides to recede.

I am in favor of the investigation, but I am not in favor of spending $25,000 or $50,000 to send eight Members of this House junketing about this country merely to find out why Jack does not fall.

Why should we ask them to spend time and energy attempting to do that? Is not such a proposal a real case of fantastic and ridiculous action on the part of a legislative body that seems to think the organization to be investigated is fantastic and ridiculous?

Let us get at the merits of the bill itself and get a vote, a record vote, showing the sentiment of the present membership of this House on the merits of the plan. [Applause.]

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Montana [Mr. MONAGHAN].

Mr. MONAGHAN. Mr. Speaker, I wish at the outset to say that I favor this resolution. You cannot kill truth; you cannot destroy ideals.

A certain divine Man lived about 2,000 years ago WHO had an ideal—an ideal for humanity similar to that which the good Dr. Townsend is sponsoring. By crucifying that Man the money changers and the money lenders hoped they would destroy that ideal, but they could not destroy it, because you cannot destroy truth. That is why I am for this resolution. I wish to say, however, that an organization for promoting truth can be destroyed not from outward attack, because persecution promoted Christianity, but from inward chaos, and this I propose to discuss later by reading a letter if allowed sufficient time. Attack from without can be withstood, but corrosion from within is dangerous beyond measure.

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

Mr. MONAGHAN. Yes.

Mr. ZIONCHECK. I read from the Townsend Weekly of February 13 the following:

Of course, we, here in the First Congressional District of Washington, are particularly interested in our representatives. MARION ZIONCHECK, our Congressman, is openly and brazenly opposed to the plan. Loyal Townsendites are not going to waste any more time discussing the matter with him. They are going to see to it that someone else takes his place who is favorable to the Townsend plan when the next election is here. Loyal Townsendites of this district are going to see to it that he does not return to Congress.

Mr. MONAGHAN. The only way you can possibly destroy rackets, and there are some racketeers in this cause, is to enact a decent and adequate pension for the millions of the aged people of this country that are calling upon this Congress for action, and action now on their behalf. You will not destroy it by persecution; you will promote it.

I regret that the House was so alert in bringing in a resolution to investigate this cause but failed to have the Rules Committee bring in a resolution which might bring the McGroarty bill before this House for a vote. [Applause.] By disposing of this issue through consideration of the bill on its merits and by proper amendments to change the bill in whatever respect the Members fairly wished to change it, and then vote on the issue, in that way and that way alone can you stop the taking of money from the people of this country to promote the cause of old-age pensions.

Earlier in my remarks I said I proposed to discuss the destruction that might come from within. There is, I believe, an insidious force in the Townsend movement today that is designed to destroy this movement, not the ideal of old-age pensions, mind you, but this particular movement that is designed to back this great ideal. I propose in that connection to read this letter and ask unanimous consent that I be permitted to read it in its entirety.

MY DEAR MR. CLEMENTS: In view of the fact that you are the owner of the Townsend Weekly, the official national publication of the Townsend activities, I submit for your consideration the following questions with reference to the policy of that paper:

Why is it the policy of the paper to ignore legislative activities on behalf of the Townsend plan? Activities on behalf of the plan which have not been made known to date through your columns are: First, the original and initial organization of 63 Congressmen into a group for the purposes of promoting the plan; second, the adoption at that meeting of my resolution making the McGroarty bill, H. R. 7154, the legislative forum upon which the battle of the Townsend plan should be waged in the Congress, to which resolution Dr. Townsend officially agreed; third, at the suggestion of Dr. Townsend, upon my motion, the formation of a steering committee to promote the Townsend cause and to circumvent the assertion that the plan is sectional and confined to the West, the committee was organized by Dr. MCGROARTY so as to include one member from each State—a fact the publicity of which would have been most beneficial to the plan—let me here make grateful acknowledgment to my good friend, Congressman MCGROARTY, for selecting me as chairman of this committee; fourth, the adoption by the steering committee at one of its three meetings of the following resolution:

"At a meeting of the steering committee sponsoring the passage of the McGroarty-Townsend national old-age-pension bill, called to consider proposed perfecting and clarifying amendments and ways and means to secure the passage of the bill, the report that the Townsend organization was considering the formation of a Townsend third party was brought up for discussion and it was the consensus of opinion of the committee that any movement toward a Townsend party is unwise and against the best interests of the Townsend movement in Congress."

My second question is: Why does the Townsend Weekly ignore the dictates of common honesty and the urging of the strategy committee to come out in its columns and give the public the definite advice as to just what the McGroarty bill provides by way of an annuity and why, on the contrary, misleading statements have been made with respect to the plan? Why is it that in a redraft you submitted at the last meeting of the steering committee attended by you, you suggested the deletion of income, gift, and inheritance taxes? Are you allowing the antagonistic press which is basing its attack chiefly on the tax method proposed by you, namely, transaction tax, to get its innocuous influence into the organization of the Townsend plan by the deletion of the more progressive and fair means of taxation? If so, I protest that it is not in the best interest of the movement.

The SPEAKER (interrupting the reading of the letter). The gentleman's time has expired.

Mr. MONAGHAN. I had asked, Mr. Speaker, unanimous consent to read this letter in its entirely. At that time my request was not put to the House, but I presumed that silence gave consent.

The SPEAKER. Is there objection to the request of the gentleman from Montana that he may read the letter referred to in its entirety outside the hour fixed by the rules?

Mr. CELLER. Will this be taken out of the hour that has been allotted to debate on this resolution?

The SPEAKER. It will not, if the House consents. Is there objection?

There was no objection.

Mr. MONAGHAN (reading):

As the chairman of the steering committee, which has as its object the promotion of this plan in Congress, these questions cause me grave concern. I feel that any failure in form or in substance, in spirit or in passivity, in action or omission on the part of this official organ to cooperate with the group that has been formed to promote the plan in Congress is, in effect, a betrayal of the plan itself. Without congressional support, from whatsoever source or party or person, the plan never can be effectuated into law. More important still, if betrayal of the membership be grave, then betrayal of the leadership *a fortiori* is a still graver offense. It has been a sort of thrilling experience in my public life to be a part of any movement that was designed to put an end to the curse of want and distress amongst the elderly people of our country. I have endeavored in a humble way to become a part of this great plan to promote the cause of adequate pensions in this country. In short, my ideal in public life is the abolition of that abominable eyesore and disgrace to our American civilization, the poorhouse.

It was because of my loyalty to the cause of old-age pensions that I undertook to bring about the enactment of the railroad pension bill and twice circulated a petition to block adjournment of Congress to bring about enactment of that and other progressive legislation. It was because of this that prior to these activities, I introduced a bill of my own to provide an annuity for the aged people of this country. Before the Townsend plan was heard of by the people of this country, my activity was made known through the press.

President Franklin D. Roosevelt once said, in substance as nearly as I can recollect: "The power of public opinion, once united in a fixed purpose, is the most irresistible force in the world." Realizing it takes power of that character and a united effort of the forces of public opinion behind a movement, I wedded myself to the Townsend plan. At that time I realized that the demand for $200 a month, if not itself achieved, would lead eventually to some such pension. I have tried always in matters of state to place the welfare of my constituents, and the people above my own personal welfare as was evidenced by the part I played in the Butte strike.

Mr. SNELL (interrupting the reading of the letter). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SNELL. How did the gentleman from Montana get all this time?

The SPEAKER. The gentleman got the time by asking that he be permitted to read the letter in its entirety, and the House gave its consent.

Mr. SNELL. I guess the House did not understand the request.

Mr. MONAGHAN (reading):

I headed a group which went to the White House with a view to trying to obtain liberalization of the security legislation. Failing in that, I presented the McGroarty bill as an amendment to the Social Security Act in the last session of Congress. It was only after I went to Dr. McGroarty's office and told him it was a serious mistake not getting the weight of public influence behind the petition to bring the McGroarty bill to a vote that any support was given in the columns of the Townsend Weekly. My own efforts on behalf of the petition will be made clear by the letter which I directed to the membership of the House, a copy of which is enclosed herewith.

Mr. O'CONNOR. Will the gentleman yield?

Mr. MONAGHAN. I cannot yield. [Reading:]

During this session of the Congress, in addition to activities as chairman of the legislative steering committee for the Townsend bill, I presented the McGroarty bill as an amendment to the deficiency appropriation bill. What reason deterred the Townsend Weekly from making this fact known to the followers of the plan? On the floor of the House my good friend, Congressman McGroarty, defended the Townsend plan. No mention, to my knowledge, was made of this defense. In defense of the Townsend plan I took the floor in 1935 on April 4, April 11, April 15, April 16, April 18, and this year on January 8, January 15, January 17, and January 23. No mention ever has been made in your columns of the Townsend Weekly. On January 24, this year, Congressman McGroarty and myself, in a National Broadcasting Company hook-up, addressed the Nation in support of the Townsend plan, as we did the year previous. No previous notice was given by you, nor was any subsequent report made of either of these speeches. I challenge you to justify your actions in that those Members of the House who so loyally and fearlessly took the jeers, the jibes, and sneers now are being tossed to the oblivion of obscurity, and in many instances being abused, because of misrepresentation of what the plan actually purports to do.

The following headlines and stories accompanying occupy almost a whole page of printed matter in the Townsend Weekly: "Hoover Kept Busy," "Borah Announces," "Landon Starts His Campaign," "Knox Leads." How do these men, some of whom have termed the plan "visionary", "great illusion", etc., merit publicity in your columns? Those who have any knowledge of politics whatsoever will realize that 20 percent of the voters vote on "name familiarity." This, likewise, is a fact with merchandising. Twenty-five percent or more of the purchases are made on the basis of the publicity given to the name of the commodity. Do you think it wise strategy—do you think it is proper to ignore the men who have been the targets for the Townsend plan—or to accord them derogatory mention as, for example, Mr. Taylor of Colorado, Mr. Martin of Colorado, and Mr. Zioncheck, of Washington? It just doesn't ring true. To give conclusiveness to my argument, my secretary, as I dictated this last paragraph, asked me this question: "Mr. Monaghan, Congressmen Taylor, Zioncheck, and Martin are not for the Townsend plan, are they?" And I directed to her this question, "What gave you the impression that they were not for the plan?" To which she responded, "The Townsend Weekly."

It is most unpleasant for me to be thus compelled to inject myself into this discussion. It is unpleasant that I should have to make reference to my own personal activities. Personally, may I say, with all candor, however, I have long been of the opinion that if the Townsend plan shall ever be enacted into law, it will be enacted only when we have a leadership in the Senate that is as aggressive, vigilant, and as vigorous on its behalf as has been maintained in the House. Because I have seen a lack of leadership for the movement in the Senate, I have tossed my hat into the ring for that office. Your own leadership in my State have seen fit to respect the attitude of your paper relative to my candidacy for that position as evidence the following A. P. dispatch:

"TOWNSEND MANAGER SAYS NO CANDIDATES HAVE BEEN ENDORSED

"Great Falls, January 9.—Abe Weaver, State manager of the Townsend old-age revolving pension, announced tonight that no Montana congressional candidate will be endorsed by the group 'until such endorsement comes from the national organization.'

"Weaver said that while Joseph P. Monaghan, of Butte, United States Representative, who has announced his candidacy for the Senate, 'has been a supporter of the plan and appreciated by Townsend members of this State, neither he nor any other candidate will be endorsed until such endorsement comes from the national organization.'"

Mr. BUCK. Will the gentleman yield?

Mr. MONAGHAN. I refuse to yield. [Reading:]

An attempt has been made to give the impression that my candidacy for the Senate would be harmful to the Townsend cause. On the contrary, I challenge that view and I call to witness the founder of the Townsend movement, who on January 14 of this year directed the following telegram to Abe Weaver, Montana State chairman of the Townsend organization:

"Glad Congressman Monaghan is a candidate for the United States Senate. In view of his outstanding work for the Townsend plan in Congress, his election will be a victory for us.

"Dr. F. E. Townsend."

The SPEAKER. How much more has the gentleman to read?

Mr. MONAGHAN. I have only this last page, and I ask that I be accorded the same respectful hearing given those who preceded me.

The SPEAKER. Since the gentleman is proceeding in order, the House will please be in order.

Mr. MONAGHAN (reading):

Why is it that neither this telegram nor any mention of my candidacy ever occurred in the Townsend Weekly? To all these questions which were first directed to you at a meeting of the Townsend group held in the office of Congressman Connery, of Massachusetts, Monday evening, February 17, you gave no satisfactory response. However, in response to my question as to whether or not my millionaire opponent had anything to do with your actions, you stated boldly: "It might interest you to know that we will accept a paid advertisement from your millionaire opponent." I am certain that the Townsend forces of my State—aye, even of the Nation—will deeply resent the disloyalty embodied in your brazen remark.

Approximately 20,000,000 Americans are hanging upon every word that is being said and done in this Congress to bring about adequate security, and I, for one, do not propose to sit idly by and see a great movement being made a political football to advance the personal fortune of men who have sat idly by while those 63 loyal Members who stood by us in our hour of great need are being betrayed on the cross of political aspiration. I refuse idly to permit any sort of betrayal of the aged people who are basing their hopes and aspirations and dreams and plans upon an adequate security.

In conclusion, may I say that my reason for making these facts known and public is my great belief in the wisdom of that Biblical quotation that so long graced the pages of the La Follette progressive paper of Wisconsin: "Ye shall know the truth, and the truth shall make ye free."

Very truly yours,

Joseph P. Monaghan.

Congress of the United States,
House of Representatives,
Washington, D. C., March 2, 1935.

My Dear Colleague: Insistent is the clamor for an old-age pension; not a pauper's dole but a system that will be a proper step toward national recovery; a pension reasonably high enough to encourage aged men of all trades and occupations, even in the

more remunerative walks of life, to leave their posts and thereby create opportunity for the employment of middle-aged and younger men.

As chairman of the congressional legislative strategy committee for the promotion of social security, I will place on the Clerk's desk in the House of Representatives Monday noon, March 4, a petition for the discharge of the Ways and Means Committee from further consideration of the McGroarty bill (H. R. 3977), asking that it be considered on the floor of the House on either the second or fourth Monday of April.

As you, of course, know, the signing of this petition in nowise is a commitment to the Townsend old-age-pension plan, but merely an indication of desire for free and open debate on the measure and opportunity for proposing amendments.

Machines have robbed a large portion of the American public of a decent livelihood through pursuit of normal occupations, and a sound old-age-pension system, based upon the proper means of raising the money, would go far toward solving the problem of maldistribution. Therefore I urge you to sign this petition for the purpose of establishing a sound system of pensions that will permit the aged American citizen to raise his head high to heaven and proudly walk as a man amongst men.

Respectfully submitted.

JOSEPH P. MONAGHAN,
Chairman, Congressional Legislative Strategy Committee for the Promotion of Social Security.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I shall not read from a tome or volume, as the last Speaker did, but shall simply address myself to the proposed members of this committee which will investigate the Townsend plan, because undoubtedly this resolution will pass and the investigational committee will be set up.

When Dr. Townsend attended the convention in Chicago recently he was asked, and it is so reported in the magazine Time—

How much has been collected by the Townsendites throughout the country?

Dr. Townsend readily responded that they had collected $1,200,000. Yet in that convention, and according to their auditor's statement, they only accounted for $600,000. Mr. Speaker, whose pockets have been lined with the balance of $600,000? I commend that query specifically to the eight members of the proposed committee.

When Dr. Townsend made that statement he was either a fool or a knave. If he is a fool, then this committee should show him up as such to all his innocent followers throughout the length and breadth of the Nation. If he is a knave, he should be shown up as such, as one who very likely has used the mails deliberately to defraud the poor and the aged of this Nation.

Mr. Speaker, I should like this committee to find out something about the bank accounts of this man Clements, as well as of Dr. Townsend and the other cohorts who are in league with those men. It has been stated that the Townsend Weekly yields no less than $2,000 per week clear profit to Townsend and $2,000 a week clear profit to Clements. It might be well to examine also into the operations of that paper; how it attempts to browbeat and sandbag Congressmen and unduly coerce other public officials.

Mr. Speaker, I verily believe that the list of subscribers to the Townsend Weekly is well calculated to become the best "sucker" list one can find. Very likely the owners of Townsend Weekly are trafficking in that list, because every get-rich-quick operator, every charlatan that tries to get something for nothing, every freebooter, every fake-stock promoter, has paid a good price to Townsend and Clements, the sole owners of the Townsend Weekly, for the use of this list.

Mr. Speaker, it is a tragedy, indeed, how these men have played upon the credulity of the aged in this country. May I read, for example, from Christian Century as to what is happening with reference to machinations of Townsend and Clements and with reference to the fact that these poor old deluded people are actually thinking they already have the $200 per month:

The Townsend Weekly is crowded with ads recommending cures for rheumatism, neuritis, deafness, diseases of the aged; and he will travel (Daytona Beach Townsendites were on the job handing out leaflets ready to cash in on the pension to come). His visions are very real to him. It is reported that in San Diego, where the movement has been very popular, at the time the McGroarty-Townsend plan bill was being pressed before the California Legislature, hosts of elderly people tried to buy radios, autos, furniture sets, on the credit basis of the $200 they daily expected to find in their mail. From various States come rumors of similar incredible stories.

Most Townsendites claim that about 8,000,000 persons would be eligible for the pension, and that therefore the total cost, with the expense of administration, would be about $20,000,000,000 per annum. That is two-thirds of our national debt. That yearly cost would place a burden upon us equal to about seven times the revenue received by the Federal Government in 1934. We would have to tax ourselves about seven times our present rates.

According to the August 1935 survey of current business of the Department of Commerce the national income for 1934 amounted to $49,440,000,000. Let us say fifty billion Thus, to pay the Townsend pensions of twenty billion would require 40 percent of our national income. In other words, it is proposed to give to 6 percent of the population 40 percent of the national income and leave for the 94 percent of the population the other 60 percent.

According to Dr. Walter E. Spahr, chairman, department of economics, school of commerce, New York University:

If the national income of $50,000,000,000 were distributed evenly among the 127,000,000 population, each person would receive $394. Since the Townsend plan proposes to take 40 percent of it, each person would have left $236. Thus 94 percent of the citizens of this country would have their incomes cut to an average of $236 per year so that 6 percent of the citizens may enjoy net incomes of $1,440 per year—$2,400 less the 40-percent tax—or more than six times as much.

How any man in his right senses can fall for this Townsend bosh is beyond me. Testifying before the House Ways and Means Committee, Townsend said (687 of the hearings of Jan. 21 to Feb. 12, 1935):

* * * We shall not restrict that expenditure at all * * *.

And of the pensioner, he said (ibid):

* * * Let him have carte blanche. Let him buy whisky with it if he wants to kill himself off as quickly as he chooses. That is immaterial * * *.

He was questioned:

Would it be permissible for those children to live with them, and be supported from the provisions supplied with this pension money in the home?

He replied:

* * * Why not? Why not let the elders buy commodities and give to their children, if they like? That is immaterial * * *.

What about the constitutionality of the plan? That does not apparently concern them. In cavalier fashion they toss that aside. Townsend in his testimony said he gave it no consideration. The plan is, I assure you, palpably unconstitutional, especially in view of the A. A. A. decision. It should be assigned to the place where it belongs—limbo.

What about the Southland and the gathering of the cotton crops? What about the West and the gathering in of the wheat? That presents a very serious and difficult situation. To a husband and wife in the South, or anywhere else, $4,800 a year probably would keep in the household sons and daughters and probably some shiftless relatives; nobody would want to work in some sections of the South and the West; there would be no reason or incentive to work. Pa and ma each get $2,400 a year, $95 a week between them, less the tax. Why work? What would happen to the cotton crop? To the wheat crop? See how serious the situation would be in the Southland. I advise all those who are afflicted with the rash of Townsenditis to pause a moment on that score.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

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

There was no objection.

Mr. BLANTON. Mr. Speaker, it is the exploitation of the poor by conscienceless Townsend officials and organizers I

object to, and which from the beginning of the Townsend orgy, I have tried to stop and prevent.

The admissions of Dr. Townsend himself condemn him. He admits that up to the 1st day of October 1935, when the audit of his books was made, he had then received from the poor people of the United States, exclusive of Townsend Weekly receipts, the stupendous sum of $600,000 in cash. Note that that sum was exclusive of the Townsend Weekly receipts, for the Townsend Weekly is owned by him and his partner, Clements, and they get for themselves all receipts from the Townsend Weekly. And Mr. Frank Peterson and others who have been close to and associated in business with Dr. Townsend say that Dr. Townsend and Clements are receiving $2,000 a week in receipts from the Townsend Weekly, which is their money, and is not turned into the treasury of the Townsend organization. Peterson says, also, that Dr. Townsend has been and is receiving large sums for his speaking engagements, which he puts into his own lockbox, as his property, and which is not passed upon by the auditor.

CONGRESSMAN MAIN'S THIRD DISTRICT OF MICHIGAN

Since mention was made here today about "jitters" and "Jack and the Bean Stalk", it caused my mind to revert to Kalamazoo, Mich. The officers of the Kalamazoo Humane Society are: Harry B. Parker, president; W. G. Kelley, first vice president; B. Moser, second vice president; Mrs. George V. Weimer, third vice president; John K. Walsh, fourth vice president; Rudolph Frisk, treasurer; and Mrs. B. O. Rhodes, secretary. The directors of said Kalamazoo Humane Society are: Mrs. Chapin Dewing, Don B. Sharpe, Mrs. E. M. Sergeant, William Reinholt, Mrs. Harry B. Parker, Mr. Frank Brown, Mrs. Mary Palmer, Mrs. Evelyn Pratt, Mrs. Alice Warren, Blanche Hull, Bert O. Rhodes, Miss Lucile Desenberg, Mrs. W. G. Kelley, Mrs. Nellie Rupert, Mrs. B. M. Hopper, Paul Todd, Mrs. Alice Walsh, Mrs. Pauline Ihling, Dwight Curtenius, Mrs. Carl Blankenburg, Mrs. Irene Kleinstuck, Ralph Chapman, Dr. Paul Fuller, Suzanne Todd, Mary Jane Todd, Mrs. Dwight Curtenius, Virginia Pratt, Dr. Rudolph Light, and Isadore Graff.

SOCIETY SHOWS THIRD MICHIGAN DISTRICT CANNOT AFFORD TO BE ROBBED

I have before me a letter which Mr. Harry B. Parker, president of said Kalamazoo Humane Society, on February 14, 1936, wrote to a prominent gentleman here in Washington, and, with permission of the House, I will quote a few excerpts from President Parker's letter, to wit:

> Kalamazoo County is facing the most desperate relief situation in its history with less than 5 cents per meal available in food budgets; entire families without coal, bedding, food, or facilities to reach them with medical attention.
>
> With three investigators working day and night during the past month of severe weather we have been unable to even scratch the surface, so far as rendering anything but emergency relief to these stricken families.
>
> Children are trying to travel to school over impassable roads with frostbitten feet, improperly clothed, and hungry.

The above letter is signed Kalamazoo Humane Society, by Harry B. Parker, president. Is not that an awful situation to exist in any Member's district? I had hoped that our friend would deem the present situation to be of sufficient seriousness to omit all references to "political jitters" and "Jack-in-the-bean-stalk."

INVESTIGATE TOWNSEND CONTROL OF KALAMAZOO, MICH.

I want this investigating committee to be sure to investigate Townsend manipulations in Kalamazoo. I have in my hand some very interesting documents, which, with permission of the House, I will incorporate in my remarks. Did you know that merchants in Kalamazoo have been intimidated into signing contracts to pay into the Townsend exchequer 2 percent on all sales of merchandise made to Townsendites in Kalamazoo? No wonder that Townsendites could elect a Republican in a district that has a normal Republican majority of 45,000 votes.

THE TOWNSEND 2-PERCENT TRANSACTION DONATION

I quote the following from the Townsend Bulletin, which I hold in my hand, showing the contract, and the merchants who have signed it in Kalamazoo:

BULLETIN

The Townsend movement in California is largely financed by a 2-percent transaction donation made by dealers on all Townsend purchases. The enclosed list of Kalamazoo dealers have signed the following statement:

KALAMAZOO, MICH.

To Kalamazoo Townsend Clubs:

The undersigned firm agrees to pay a 2-percent transaction donation on all purchases made by Townsendites, said donation to be computed at the end of each month from sales forms to be furnished us, said forms to be made available to all customers asking for same.

It is understood that there shall be no increase in prices to Townsend customers; that at some easily seen place a small sign "Townsend station" shall be displayed; that this agreement may be canceled by either party on written notice.

Townsend donations are not to be paid to customers, but to an authorized collector from Townsend headquarters. All such donations are to be used in helping to finance the activities of the Townsend movement in and about Kalamazoo.

MERCHANTS ON 2-PERCENT LIST

Art goods: Labadie Art Store, State Theater Building, phone 6743.

Automobile salesmen: Jack Benton, Buick Sales and Service, 449 West Michigan Avenue, phone 4350.

Bakeries: Reisch & Son, 420 North Burdick Street, phone 6636.

Barbers: Rickman Hotel Barber Shop, 343 North Burdick Street, phone 2-0241; J. L. Stevens, Oakwood, phone 4062; Wolff's Barber Shop, Portage Street at Jackson; Long's Barber Shop, 426 Portage Street.

Body work (commercial): Joseph Swartz, 117 East Water Street.

Building supplies: Lake Street Used & New Lumber Co., 1634 Lake Street, phone 2-0607.

Cistern work (also septic tank): I. Bassett, 827 Walbridge Street.

Confectionery: Dallas Sweet Shop No. 1, 336 North Burdick Street, phone 7333.

Dentists: A. D. Leitch, 803 Washington Avenue, phone 9831.

Doctors: Dr. R. T. Fuller, 422 South Burdick Street, phone 6917; Dr. J. Maxwell Jennings, osteopathic physician and surgeon, 803 Washington Avenue, phone 8411.

Dressmaking: Mrs. Mollie Cole, 824 South Rose Street.

Drug stores: Witter's Pharmacy, corner Lake and Portage Streets, phone 2-8515.

Dry goods: Power's Department Store, 111 West Michigan Avenue, phone 4155.

Fuel: Conyer Coal Co., Mossell Avenue, phone 3-1236; Creed Oil Co., 428 East Michigan Avenue (rear), phone 4612; Crystal Ice & Coal Co., 738 East Walnut Street, phone 2-3338.

Fumigators: A. J. Barker, Rural Route 5, Foley Street, phone 2-4147; L. F. Parmeley, 518 West Ransom Street, phone 2-4589.

Furniture: Goldberg Furniture Co., 340 North Burdick Street, phone 2-8625.

Furriers: P. D. Robertson, 138 West Michigan Avenue, phone 5958.

Floor coverings: Ideal Floor Covering Co., 243 North Burdick Street, phone 2-6054.

Funeral directors: Joldersma & Klein, 211 East Lovell Street, phone 3-1221.

Groceries: Joseph Dornack, 727 North Park Street; Houseknecht Grocery, Oakwood, phone 9674; Upson Grocery, 318 North Burdick Street, phone 2-2730; Upson Grocery, 333 North Burdick Street, phone 2-0772; Economy Market, 1333 Portage Street, phone 9255; Temple Market, 306 North Rose Street; Bean's Market, 1203 Mill Street; Vanderville's Fruit Store, Portage near Winsted Street.

Gas stations: Joseph Otten, 245 South Burdick Street, phone, 2-3011; Harvey Hill, 134 West Water Street; Johnson & Vollmar, corner Ransom and Westnedge; C. C. Cook, Phillips 66, corner Oakland and White's Road.

Instruction: Lockwood Art School—correspondence work, art supplies, phone, 2-9730.

Laundries: Lin Sing Laundry, 442 North Burdick Street.

Men's furnishings: T. Eisenberg, 214 North Burdick Street; Bill's Clothing Store, 214 East Michigan Avenue.

Musical supplies: Blanchard Music Shop, 175 East South Street, phone, 8921; Honolulu Studio, 320 North Burdick Street, phone, 2-7129; The Music Shop, 408 South Burdick Street, phone, 6743; Kalamazoo Musical Instrument Co., 412 South Burdick Street, phone, 7397.

Mills: Bert Spencer Feed Mill, 531 West Willard Street, phone, 4330.

Painting, paper hanging, and decorating: Ivar Anderson, 1018 Clarence Street; John Bos, 829 Walbridge Avenue; W. L. Graham, 233 East Cedar Street; A. J. Jackson, 674 Lake Street; Bert Knowles, 216 North Rose Street; Jay Mannes, 1230 Blakeslee Street, phone, 5349; J. D. Smit & Son, 722 Mable Street, phone, 2-8742; George A. Taylor, 529 Trimble Avenue, phone, 7351.

Paint stores: De Voe Paint Store, 439 Portage Street, rear of North Lumber Co. (retail only), phone 5197.

Photographers: Burton Studio, 415 North Burdick Street, phone 2-2902.

Plumbers (also furnace work and electric pumps): Leonard Thysse, 4029 King Street, phone 7925.

Printers: William Klomp, 417 North Burdick Street; Globe Press, 207 West Frank Street, phone 2-4740.

Radio sales: Green Radio Sales, 1356 Portage Street, phone 2-8610.

Restaurants: Speedway Lunch, 410 North Burdick Street; Scotty's Inn, 448 North Burdick Street; Pike's Cabin, 1347 Portage Street.

Salesmen: F. Bludhardt, 448 West Water Street, razor blades; Charles Carroll, 610 West Kalamazoo Avenue, vending machines, phone 2-2558.

Second-hand stores: W. B. Spaid, 314 North Burdick Street.

Sewing machines: E. R. Sanderson, 817 South Westnedge Avenue, phone 7823.

Shoe stores: Richardson & Louden, Dewing Block, North Burdick Street; Harry Okun, 143 West Water Street.

Shoe repairs: Ideal Shoe Shop, 440 North Burdick Street; Abe Berenstein, 414 North Burdick Street; Tom the Shoe Doctor, 1321 Portage Street; Sam Okun, 119 West Water Street; Charles L. Mead, 611 Portage Street.

Sheet-metal works: Metzger & Overloop, 119 West Cedar Street, phone 4036.

Tailors: Brown the Tailor, 420 South Burdick Street, phone 6254.

Trucking service: W. H. Romig, 412 West Willard Street, phone 2-1900.

Upholsterers: Overton Upholstering Studio, 703 South Westnedge Avenue, phone 2-1549.

Variety stores: Robinson's 5 to $1 Store, 1337 Portage Street (sales over 25 cents).

BARTER AND TRADE

If you have anything to sell or barter list it with us. Five percent on all such transactions must be handled through headquarters.

Job printing outfit, press, proofpress, stitcher, galley cabinet, Elliot addressing machine, Burroughs adding machine. Phone 4011.

Townsend members are hereby urged to patronize our local Townsend stations. If your dealer is not on the list, use the above blank and secure his name and hand same in to headquarters.

In making purchases on this plan when you go into a Townsend station ask for a Townsend purchase blank. Make out in duplicate with carbon sheet, firm name, and your name and club number, let the clerk do the rest. Keep the white blank and hand same to headquarters before the end of each month.

Then there is a printed form, to be used in duplicate with carbon copy, showing the firm's name, the purchaser's name, and the number of the Townsend Club of which he is a member, and blank lines for listing the goods bought and the price paid for same, and the total of purchases. At the bottom is printed:

NOTE.—Make in duplicate, store retains blue, customer returns white to headquarters. The above is a copy of the purchase blank. Goods purchased need not be itemized, the total amount purchased is all that is needed, and the kind of goods, such as "dry goods" or "groceries", etc.

Then on the back page is printed a file card, showing the name of the person, his ward, his precinct, his address, his phone, his age, his politics, his religion, whether or not he is registered, his occupation, his nationality, and by whom he was interviewed. And then the following:

ORGANIZATION

An effort is being made to interview and register every voter in Kalamazoo County. A 3 by 5 card, as printed above, is being used and the name of every voter is filed in his right ward and precinct, with such information as can be secured concerning his stand on the Townsend plan.

We need the help of every active Townsend Club member to get this information. Call at headquarters and secure cards and instructions for filling in same, and then make a house-to-house canvass of your immediate neighborhood.

You can also fill in cards of people you know in any part of the city or county, same will be properly filed where they belong.

A REGULAR BIMONTHLY BULLETIN

It has been proposed that we publish a bimonthly bulletin, size, 4 sheets 9 by 12. We have figured that this can be done for 10 months, 20 issues, at 25 cents subscription. To get a second-class mailing permit on this we have to present a bona-fide subscription list of at least 1,000. This bulletin is badly needed to enable headquarters to keep in touch with the membership and to furnish a means of refuting local adverse propaganda, also as a sheet for general house-to-house distribution.

If you are in favor of this, and are willing to assist by subscription to same, sign your name and address below and hand in to headquarters. How many subscriptions could you secure?

Name_____ Date_____

Address_____

SIDESHOWS, BALLOONS, POPCORN, RED LEMONADE, SHELL GAMES, MAIN SHOW, AND FINALLY WILD-WEST TICKETS FOR THE CONCERT

You will notice, Mr. Speaker, that the firm of Townsend and Clements has more schemes for separating poor people from their money than any circus staff ever devised and put over. The initiation fee is so much. Then so much for the plan pamphlet. Then the 10-cents-per-month dues. Then the $2 per year for the Townsend weekly. Then the 2 percent transaction donation. And last 25 cents for the bimonthly bulletin, which is to be used to refute local "adverse propaganda." Why do you suppose that Townsend and Clements ever discerned that adverse propaganda would arise locally? They knew it was inevitable.

I have in my hand copies of the duplicate sales tags, one blue for the merchant to retain, and one white for the customer to retain and return to headquarters, so that headquarters could check up on each merchant and be sure that the merchants were not short-potting headquarters. Why do you suppose that Townsend and Clements do not have confidence in the honesty of Kalamazoo merchants? Why should they be checked up on and watched?

TO REGISTER EVERY VOTER IN KALAMAZOO COUNTY

Why is it that Townsend and Clements deem it necessary to interview, card index, appraise, and register every voter in Kalamazoo County? Why that county is in the Third Michigan District. The Third Michigan is represented by our friend whom Dr. Townsend claims is one of the Townsend henchmen. Has something happened to make Townsend and Clements uneasy? Have they heard of a maiden speech here which at no time mentioned the Townsend plan? Do the Townsendites contemplate a change? Are they dissatisfied?

ABUSE OF MAILING PERMIT

Does the firm of Townsend and Clements imagine that they can get subscribers at 25 cents each for 10 months for a campaign circular such as they have prepared, and have the Post Office Department admit it as second-class matter and granted mailing privileges? I sincerely hope that our able and efficient Postmaster General, Jim Farley, will tell them that they have another guess coming, and that he will instruct his officials in the Post Office Department to watch such applications, and promptly refuse to grant same.

Usually, I am against wasting money on investigations. They rarely ever result in anything worth while or of value to the people. As a general thing, the money is wasted. But this is such an important question, where the poor and aged in every city, town, village, and rural community are being robbed by a house-to-house canvass by racketeers, that I shall support this resolution.

SPENDING PEOPLE'S MONEY WITHOUT BENEFITING THEM

Last year a lawyer on Townsend's pay roll went to one of my counties and persuaded an official there to draw up Townsend petitions, and circulated a dozen of them all over the county, getting my constituents to petition our two Senators and myself to support the Townsend plan. Then this outside paid lawyer on Townsend's pay roll persuaded this official in one of my counties to mail said petitions to Senator CONNALLY and to write me about them.

But instead of supporting this impossible monstrosity that would impoverish 90 percent of all the people in the United States, I made a speech against it and denounced it, and warned the people of my district that they were being robbed of their money, with no chance whatsoever of receiving any benefit.

Lately the official in one of my counties, who drew the petitions for the lawyer and who, at the said lawyer's suggestion, sent these Townsend petitions to Senator CONNALLY, has announced against me for Congress and is to be my opponent this year in the coming elections. And today he is here in Washington spending somebody's money on a useless visit here, imagining that he can accomplish more than 2 United States Senators and 21 Congressmen from the State of Texas. But I am a friendly enemy to him and have sent him an invitation to have lunch with the Texas delegation tomorrow as my guest.

RETURNING TO MY SUBJECT—KALAMAZOO

I want to warn Townsend and Clements, in closing, that however much they make a house-to-house canvass in Kalamazoo County, and even though they card-index and register every voter in the county, that the Congressman who will be chosen from the Third District of Michigan in November will

not be elected by Townsendites, but will be elected by Republicans. [Laughter and applause.]

Mr. RANSLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Speaker, 2 minutes is a very short time in which to say anything, but I want to remark here and now that I have been deeply impressed, after these days of strife, by the wonderful—nay, beautiful—harmony between the Republican and Democratic leadership in favor of this resolution.

No such harmony could be possible in this election year unless it were inspired by either patriotism or fear. And who is afraid of the big bad wolf of elections and the votes in favor of old-age pensions, I wonder.

I attempted to inquire of the gentleman who introduced the investigating resolution but who did not refer to it in his talk, just how much this investigation is going to cost the taxpayers of the United States; how much this junketing committee expects to ask of the Committee on Accounts to carry on this investigation. Of course, the gentleman from Missouri did not yield to me. Now, I am entirely in favor of this resolution. My sense of humor alone would compel me to vote for it. I am pleased that the gentleman from Texas referred to a humane society in Michigan. I think the Congress today verges on the ridiculous when it passes this resolution—a resolution strictly confined to investigating old-age-pension advocates—and thereby sets itself up as a great, big humane society whose purpose is to use Government funds and the authority of Congress to dictate how the people of the Nation shall spend their nickels and dimes. Since I have always wanted to belong to a humane society I will vote for this resolution so that I may become a member of the congressional humane society established here today.

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

Mr. O'MALLEY. I cannot yield now. I dare say there is not a Member of this House who at one time or another did not need the protection of some self-constituted policeman or guardian to prevent his investing in phoney oil stocks or betting on some doubtful race horse on a sure tip. This resolution and any investigating committee cannot prevent people from giving donations to any organization that seeks their aid if the people themselves wish to contribute toward some cause in which they have been led to believe.

I dislike, however, to be put in the position by the leadership of this House of voting for a resolution which is discriminatory and does not take in all organizations soliciting funds. I dislike also to be put in the position, as this resolution places us, of saying to the people of my State who see fit to support any organization that the Congress of the United States does not think they have brains enough to know what to do with their own money or to whom to give it. So we are going to take over the job of becoming their guardians. This, in effect, is what the resolution before us means.

However, I am going to support the legislation. I think that all organizations raising money to promote legislation or oppose legislation ought to be investigated to see what they are doing with the money they raise from the people who are members of their organization. I do not think, however, that the Congress ought to confine itself to just one type of organization. This resolution indicates that the Congress is not so much interested in investigating what becomes of the peoples' money in all organizations as they are in raising a smoke screen to put one or two particular organizations out of business. I can think of many other organizations who raise their funds in exactly the same way as those groups supporting old-age pensions. Why does not this legislation include authority to investigate these other organizations? Undoubtedly there are unsavory characters who attach themselves to all legislative movements for the purpose of enriching themselves at the expense of the people in favor of any legislation. In my own State such characters have attached themselves to various movements time and again for the purpose of fattening their pockets. Some of these ought to be in jail, because they could hide behind a corkscrew without moving a muscle. But unsavory characters have attached themselves to the Democratic, Republican, and other parties, but the only way the racketeers in any organization can be stopped and put out of business is by the united action of the members of the organizations themselves. The surest way to promote the growth of any group is to put them in a position where they may be able to justly claim they are being persecuted by the powerful and the mighty.

I have sent to the Clerk's desk an amendment to this resolution which would include all organizations raising money from the people of the United States for the purpose of opposing or supporting legislation. If I am not prevented by parliamentary tactics on the part of the leadership sponsoring this legislation, I shall ask for a vote upon my amendment at the proper time.

Mr. RANSLEY. Mr. Speaker, I yield 1 minute, the balance of the time I have, to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I know nothing about the facts behind this resolution, or about the charges or countercharges that have been made here today. The only fact that is preeminent, as put forth by all the speakers, is that every man here is in favor of the resolution. If this is true, let us adopt the resolution; and if any man has any facts, let him present these facts to the committee set up for this specific purpose. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. McGROARTY].

Mr. McGROARTY. Mr. Speaker, a number of Members have said that I should speak for 1 minute or less before this debate closes, in order that I may state, having been recognized more or less as the sponsor of the Townsend plan in Congress, how we stand. We are in favor of the resolution. I trust that every Member of the House will vote for this resolution and that the vote will be unanimous. We welcome it; we want it; we will be disappointed if nothing comes of it. [Applause.]

Mr. O'CONNOR. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 240, noes 4.

Mr. SWEENEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWEENEY. Mr. Speaker, I have a proposed amendment, which I have sent to the Clerk's desk, to investigate the American Liberty League, the Crusaders, the Carnegie Foundation, and every organization or group opposed to old-age-security legislation. Do I understand that the ordering of the previous question has precluded my amendment from consideration?

The SPEAKER. It has.

Mr. KENNEY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from New Jersey demands the yeas and nays. The Chair will count. [After counting.] Four gentlemen have risen, not a sufficient number.

So the yeas and nays were refused.

The resolution was agreed to.

On motion of Mr. O'CONNOR, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

CHANGE OF REFERENCE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that the bill (H. R. 9481) to amend title 2, section 251, of the Code of Laws of the United States of America, in force January 3, 1935, also adding thereto sections 251A and 251B, relating to offenses in elections and providing penalties therefor, which was referred to the Committee on Election of President, Vice President, and Representatives in Congress, be re-referred to the Committee on the Judiciary. I have talked with the chairmen of both committes.

The SPEAKER. Is there objection?

There was no objection.

THE FARM BILL

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 419.

The Clerk read the resolution as follows:

House Resolution 419

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3780, an act to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes. That after general debate, which shall be confined to the bill and continue not to exceed 5 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider as a substitute amendment for the Senate bill S. 3780 without the intervention of any point of order the provisions of H. R. 10835. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'CONNOR. Mr. Speaker, I yield 30 minutes to the gentleman from Pennsylvania [Mr. RANSLEY].

Mr. Speaker, this is a rule for the consideration of what is called the farm bill, and I offer the following amendment to the resolution.

The Clerk read as follows:

Page 2, line 9, before the period, insert "and such motion shall be in order, notwithstanding the fact that it may propose an amendment to an amendment previously adopted.

Mr. O'CONNOR. Mr. Speaker, the purpose of this amendment is to preserve to the minority the real purpose of a motion to recommit. It occurred to the Rules Committee and to others that under this resolution if the House bill were offered as a substitute to the Senate bill and was adopted by the House, that a motion to recommit with instructions to strike out or change a part of the House bill so adopted would not be in order. That would not be fair to the minority or to any Member who wanted to make a motion to recommit. I do not feel that we should provide as we do in this amendment I have offered, except under very rare circumstances, and I do not submit it as a precedent for any future procedure. But under the particular circumstances in this case we thought it was only fair to any Member who was recognized to offer a motion to recommit that he or she should not be stopped by a technical point of order.

The SPEAKER. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. CLARK].

Mr. CLARK of North Carolina. Mr. Speaker, I do not care to discuss the rule now under consideration. It is an open rule providing for 5 hours' debate and for amendments to the proposed legislation. I wish to speak only briefly on the bill itself.

I do not think that the proposed legislation, if enacted into law, will prove so practical or so effective or so satisfactory to the farmers of America as was the Triple A. I fear that it will not produce concrete results in a practical way, as was the case under the Triple A. And I think it is important that the country and those who will be peculiarly affected by this legislation should realize that whether this bill is as effective as the Triple A or not, whether it is more or less satisfactory to the farmers of America than the former legislation, it should not be forgotten that the proposed bill, whether it be good, bad, or indifferent, represents the maximum power of the Congress of the United States to keep removed from the American farmers the injustices which they had for years suffered prior to the adoption of the Triple A.

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

Mr. CLARK of North Carolina. Yes.

Mr. MOTT. The gentleman says that the farmers of the country should know that in passing this that Congress is doing the utmost that it can under the Constitution to help the farmer. The gentleman is not suggesting that Members of Congress generally agree that that statement is true, is he?

Mr. CLARK of North Carolina. I state that as my own opinion.

Mr. MOTT. I rose simply to suggest that in the opinion of some 209 or 210 Members of Congress another program is much better.

Mr. CLARK of North Carolina. I was undertaking to express my own views about that proposition, and I stick to it, as far as I am concerned, that under the Constitution as it now is and under the decision of the Supreme Court in the Triple A case this legislation represents the maximum that Congress can do within its constitutional powers.

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

Mr. CLARK of North Carolina. Yes.

Mr. JOHNSON of Texas. The gentleman believes that under the recent decision of the Supreme Court this bill will be constitutional, does he not?

Mr. CLARK of North Carolina. There is always uncertainty about any border-line case, but I think that the Supreme Court in the Triple A decision has significantly pointed the way to constitutional legislation for farm relief, and I believe this is the way.

Mr. MOTT. Mr. Speaker, will the gentleman yield further?

Mr. CLARK of North Carolina. Yes.

Mr. MOTT. If the gentleman now could convince Members of Congress that the bill under consideration or about to be considered meets any of the objections raised by the Supreme Court in the Triple A decision, he would go a long way toward getting the bill passed. It is my own view that the bill being introduced now, the administration bill, does not meet a single objection raised by the Court's opinion in the Triple A case.

Mr. CLARK of North Carolina. Mr. Speaker, I wish I might feel justified in taking enough of the time of the House to state my own views upon the constitutional question, but I cannot do so now. I do say this. In any legislation that even approaches the border line of constitutionality, there is always in every case doubt and division of opinion.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. CLARK of North Carolina. Mr. Speaker, the chairman of the Committee on Rules, the gentleman from New York [Mr. O'CONNOR], has placed the time at my disposal. I yield myself 3 additional minutes.

We not only find doubt upon constitutionality in this Chamber, but we find it in the Court chamber. We know that some of the greatest constitutional decisions in the history of our Nation were rendered by a sharply divided Court. It is no reflection upon any man to be in doubt upon the constitutionality of any law that approaches the border line. The line of demarcation between validity and invalidity is hard to find in many cases, but I say that the duty of a legislator who entertains an honest doubt about constitutionality is to go further and to inquire into the merits of the proposed legislation. He should ask himself whether it is economical—whether there is a widespread, genuine public demand for its enactment, and whether the results of the legislation would be beneficial to the country as a whole. If he answers those questions affirmatively in his own mind, then it seems to me his duty is to resolve the doubt in favor of the enactment of the legislation just as the courts resolve every doubt in favor of the validity of any law enacted. [Applause.]

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

Mr. CLARK of North Carolina. Yes.

Mr. CULKIN. This bill, as I understand it, which will come in as a result of this rule, offers a program of relief to the corn, wheat, and cotton farmers. It excludes from its terms the dairy farmer, but it puts out of cropping in wheat, cotton, and corn some 25,000,000 acres of land which are coming into grass crops. It is the opinion of those who are advising the

dairy interests of the country that those 25,000,000 acres will go into dairying. Does not the gentleman believe that it would be constitutional to extend this bill to the aid and protection of the dairy interests in that situation?

Mr. CLARK of North Carolina. This bill is based upon the broad policy of conservation of the soil of the Nation.

Mr. CULKIN. But it follows from that that those lands do go into dairying? That has been the history of the A. A. A.

Mr. CLARK of North Carolina. It may be so.

Mr. CULKIN. But why is it proper and reasonable to exalt three groups of farmers and destroy the fourth? Should they not all be treated equally under this legislation?

The SPEAKER. The time of the gentleman from North Carolina has again expired.

Mr. CLARK of North Carolina. Mr. Speaker, I am sorry I cannot take the time to answer the gentleman's question.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent to have a matter inserted in the RECORD. On yesterday I made a request for the insertion, but it exceeds the limit by one-half page. I have the estimate from the Printing Office, and it will exceed the limit by one-half page. I should like to have permission to extend that in the RECORD, regardless.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, it is encouraging to return to legislative sanity again and consider this measure under an open rule, which permits debate and gives the membership the opportunity of amendment. It is a refreshing change from the method employed in the passage of the neutrality bill, where no Member could offer an amendment, and only a selected few could have the opportunity of speaking on what unquestionably was the most important bill to be considered in the present session of Congress.

I had hoped it would be possible for me to support the new farm legislation. All of us appreciate there is a genuine farm problem, and we all should like to contribute to its solution. All, I am sure, realize prosperity in the Farm Belt will be reflected in the industrial sections. And those who dwell in the farm regions must not forget they can never be prosperous if the purchasing power of the urban sections of the country is not sufficiently high to permit the buying, in increasing quantities, of the products of the farm.

The pending measure will bring only relief to a comparatively few farmers. An effort will be made to make the farmer believe he is being aided, but the vast majority will find that as far as they are concerned, it will be a "dud." The dairy and livestock farmer, a very important factor in our agricultural life, may find increased competition and greater difficulties than he has been forced to face in recent years.

At its best the bill is a mere makeshift, an effort to keep on the Government pay rolls the 150,000 county political agents and to continue the shower of subsidy checks until after the next election. When November is passed it will be found the law is just as unconstitutional as the one kicked out recently by the Supreme Court. How could it be otherwise? It is the same old proposal of scarcity and high prices. Dr. Wallace has just dressed up the old A. A. A. bill in a new gown and calls it a soil-erosion act. The doctor is trying to circumvent the decision of the Supreme Court. He would do indirectly what the highest tribunal in the country says he cannot do directly. Can anyone be dumb enough to believe in the end he will be successful? Of course, the law will be thrown out, but in the meantime the Roosevelt administration hopes to pass through the political rapids. The fact it means confusion to the farmers, that it will mean higher taxes and higher costs of living is nothing to the New Dealers. All they are thinking about is their own political hides.

Talk about the delegation of power; the strengthening of the powers of bureaucracy. This bill gives more power to Dr. Wallace than the bill lately sent into oblivion. The Secretary for the next 2 years can make payments to farmers for the prevention of soil erosion and for "otherwise properly using their land." That language is broad enough to pay anyone any amount and for any purpose that might be set up. Of course, the object, "curtailment", is not mentioned, but it is just around the corner. It will be found at the right moment, for there is nothing to this farm program if it be not found in crop curtailment.

The Supreme Court has forbidden contracts. It will be a difficult task to spend $440,000,000 without some kind of a contract. But the "hot dog" boys will find a way. At any rate, they will spend the money and take a chance on what comes afterward.

When the 2 years of Federal operation are over it is planned to dump the problem back to the 48 States. The Federal Government will continue to receive Federal funds, and one need not look at the bill to be sure all of the operations must be satisfactory to the gentlemen who dominate the Agricultural Bureau here in Washington. There is no intention to loosen for one moment the grasp of Federal control over the millions of farmers. They are to be dominated and regimented for all time. No longer are they to be free men. For a few pieces of silver they are asked to give up their freedom of action.

There is no mention in this bill as to where the $500,000,000 is coming from to pay for the subsidy. The administration wants to play tag with the people. They want the power and the legislation to be enacted, and they know full well the taxes will come when it is too late for the people to protest effectively. So certain is the administration of its power to dominate this "rubber stamp" Congress that they have already passed in the Senate the appropriation for the expenditure of $440,000,000. Just think that over for a few serious moments. The bill creating the law and the expenditure has not as yet received action by the House of Representatives, but the appropriation has been made by the Senate. If the majority can stand up under that indictment, there can be no hope of any free action or independent thought.

In one respect this farm bill is worse than the one recently discarded. Under the old measure there was an effort to protect the consumers by restricting curtailment when farm prices reached a parity with industrial prices.

Of course, no one ever expected the Wallaces and the Tugwells to observe this mandate. But nevertheless, it was there. Congress at least had tried to perform its duty to the vast army of consumers; but it is missing in this proposal, and purposely so. When an effort was made to give some measure of protection to the consumers in the Senate, the amendment was rejected, and, of course, it will meet the same fate here. This is a political bill and such things as fairness and a square deal must be cast aside.

But I want to be bold enough to say the people are looking more closely into governmental activities than formerly. They no longer believe in all the honied phrases and promises. They are pushing aside the buncombe and demanding the real truth. And when the truth is fully known as to the reason for this measure, and its full significance is grasped, it will not be popular in either the urban or rural sections of our great country.

I repeat, I should like to see enacted constructive farm legislation, legislation born of the spirit of helping the farmers instead of trying to build their political opinions. I should like to see, as that able Congressman from Kansas [Mr. HOPE] suggests, action taken to preserve the great American market for the American farmer. It is a cruel joke to make the American farmer curtail his crops and throw hundreds of thousands out of work, and then import increasingly quantities of our food supplies from abroad. This is a labor and income which belong to the American farmer.

I should like to see a farm policy which would make it possible to sell more of the products of our farms abroad, instead of less. Under the Wallace plan of "scarcity and

high prices", and the Hull reciprocal treaties, we are losing our markets both at home and abroad.

Unless the American farmer is rescued from these so-called friends of his, he can contemplate the future only on a vastly smaller plane than in the past. Surely, the farmer may well exclaim: "Preserve me from my friends; I can take care of my enemies."

I should like to see the farmer who tills the soil and actually works get a larger share of what he creates. Surely, through some cooperative effort, this can be obtained. There is no question of the high prices which the consumers are forced to pay, and there must be some reasonable way to give the farmer a "better break."

I should like to see the farmer rescued from excessive interest rates. He is entitled to generous consideration and I am sure none of us would deny him his fair chance to live and prosper in this great American country.

But we have a right to demand the money which is secured from the American people through taxes shall be prudently expended. We have a right to insist that hundreds of millions of dollars shall not go for political relief, either for an administration or for 150,000 farm agents. By all means, give the farmer a chance to live happily but do not sell him into slavery. [Applause.]

Mr. CLARK of North Carolina. Mr. Speaker, I yield 9 minutes to the gentleman from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein excerpts from a brief prepared in 1917 by Hon. Charles Evans Hughes.

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

There was no objection.

RELIEF FOR AGRICULTURE

Mr. ROBERTSON. Mr. Speaker, before the Congress takes action on any proposed farm legislation it should be able to answer affirmatively three questions:

First. Does a farm problem exist?

Second. Can legislative action aid in its solution?

Third. Has the Congress power to take the action that has been proposed?

I desire to briefly discuss the pending farm bill in the light of those three propositions.

When our ancestors took over the fertile acres of this country from the Indians no farm legislation was needed, because no farm problem existed. Agriculture was the principal occupation of the Colonies, and for many years the sole occupation. Roughly speaking, for the first 200 years after the first permanent white settlement was made in this country there was no farm problem. Our farmers were prosperous and happy. Land was fertile and cheap. Cost of production was low. The needs of the farmer were simple and the price of the manufactured articles he bought was on a parity with the price of what he sold. Among the educated farmers there was leisure, both as defined by Mr. Morgan and by Mrs. Roosevelt. Out of that leisure grew a ripe scholarship that was the foundation for the remarkable type of leadership furnished by the rural sections of America during the formative period of the Nation. Agriculture, both as a means of livelihood and as the background for social and political leadership, reached its fullest fruition in the last years of the eighteenth century.

And then came agriculture's first problem in the world-wide depression, which extended even to our country following the Napoleonic wars. In the midst of that depression, land in Virginia, for instance, that had been worth as much as $100 per acre went as low as $10 per acre, and the products of the land declined in value accordingly. However, by 1830 there had been a substantial recovery, and I note from contemporary Virginia papers of that day that wheat was quoted at $1 per bushel, corn at 65 cents, and other farm products were in line with the prices of those staples. It was in February of 1830 that the condition of agriculture as a national problem was brought to the Congress in a most striking manner. I refer to the memorable debate between Hayne, of South Carolina, and Webster, of Massachusetts, which occurred in the small room recently vacated by our Supreme Court situated between this Chamber and the present Senate Chamber. In 1830 that room was occupied by the United States Senate, and it was there that Hayne in a brilliant discourse that lasted for nearly 2 days so eloquently presented the rights, the hopes, and the aspirations of southern agriculture.

As early as 106 years ago American agriculture began to feel the effects of a tariff system designed to protect and foster American industry. The inherent strength and the almost irrefragable resistance to adverse conditions of the American farmer can be no better illustrated than by the simple statement of the fact that for 100 years he was able to keep going, while throughout the period he paid tribute through a protective tariff to industry. But the Hawley-Smoot-Grundy tariff of 1930 was the straw that broke the camel's back, and between that date and the fall of 1932 American agriculture came nearer to a state of general bankruptcy than at any previous time in the history of this country. The figures on 1932 farm prices, farm mortgages, farm foreclosures, and so forth, are too familiar to justify repetition. In the 4-year period preceding the World War 15 bushels of wheat had been exchanged for a plow, and in June 1932 three times as many were required to make the same purchase. Approximately the same ratio applied to all other farm products and to all other farm implements for which they were exchanged. Farm prices dropped below anything known in the past 100 years. One would naturally assume that under such conditions there would be a material reduction in the price of what the farmer bought. But what were the facts? The production of farming implements fell off 80 percent, but the great manufacturers of farming implements were so well protected by tariffs and so closely affiliated in price-fixing operations that the price of farm implements declined only 6 percent. The same tariff laws that protected the manufacturer of farm implements from the operation of the natural law of supply and demand also prevented its operation with respect to the sale of farm products abroad. In other words, the farmer was being ground between the upper millstone of controlled prices for what he must buy and the nether millstone of a greatly curtailed market for what he must sell. And between those two adverse forces he was by the fall of 1932 brought to the verge of bankruptcy. Even in the year of 1926, a period regarded by farm leaders as one of relative prosperity, the average farm income was only $600, of which only $200 was in cash, and with the loss of a large portion of this income by 1932 there were thousands of farmers who could not earn even their fixed charges of taxes and interest.

Fortunately, during the past 3 years there has been a remarkable improvement in the economic condition of agriculture. Farm mortgages have been refinanced at the lowest rate of interest that has ever prevailed in this or any other nation. The deposits of farmers in banks have been made secure. The prices of farm commodities have tremendously increased until their ratio now stands at only 15 percent below what we are pleased to call parity. However, we still have the Hawley-Smoot tariff except in the few instances in which its rates have been lowered by reciprocal-trade agreements. We still have the disinclination of some foreign countries and the inability of others to buy our surplus farm products. We still have a large mortgage indebtedness, which means increased cost of production. We have some 10,000,000 horses and mules supplanted by tractors, trucks, and automobiles that can eat neither corn nor hay, and we have the sudden termination, by order of the Supreme Court, of cash benefits heretofore going to farmers in the yearly amount of about $500,000,000.

Under these circumstances our first question, "Does a farm problem exist?" must be answered in the affirmative. And so say all of the candidates for the Presidency.

In approaching an answer to the second query, "Can legislative action aid in its solution?" I am reminded that Goldsmith said:

> Of all the ills that human hearts endure,
> How small that part that kings or laws can cause or cure.

I have long felt that Jefferson was right when he said, in effect, that the least governed country is the best governed. Especially is that true of so vast and intricate a problem as agriculture. The farm group is the largest single group in the country. It is a group that operated, as I have indicated before, for 200 years without a problem and without restriction or control by either the Federal Government or that of the States except in some minor particulars. It is a group that has been of all groups the most independent and self-reliant. It is a group which even during the 100 years it has had a problem has merely asked that the laws of supply and demand be permitted to operate freely without the interference of man-made laws. History does not disclose that American agriculture has ever asked for special privilege or special benefits until, as my distinguished colleague [Mr. WARREN] of North Carolina would say, "it was beaten to its knees" by the forces I have described heretofore. Then it was, for the first time, that agriculture not only asked but demanded that the Congress furnish a remedy for its problem.

Those of us who represent agricultural districts and seek to furnish by legislative action assistance to agriculture would be less than frank if we did not admit that the problem has baffled the leading economists as well as the farm and political leaders of the country. On no major subject has there been a greater divergence of opinion, and all the while all proposals calculated to take from industry any of its special privilege or from the consumer his right to purchase farm commodities on the basis of world prices have been stoutly resisted by those groups. Therefore, I was as much surprised as gratified to read the recent statement of the economist of the Chase National Bank to the effect that general prosperity in this Nation was, to a large extent, dependent upon agricultural prosperity, and he urged the cooperation of all other groups to that end. This economist pointed to the fact that in the banner year of 1929 we consumed $900,000,000 of foreign-made goods, and he gave it as his opinion that we could consume that much again and $1,000,000,000 on top of it without undermining the so-called American standard of living of our industrial workers. To the same effect was a recent editorial in the conservative New York Times, quoting with approval the statement of Dr. B. M. Anderson, who said at Indianapolis:

> The real solution, and the only real solution, to the farm problem is the restoration of the export market, the thoroughly constitutional path of lower tariffs, letting a wide diversification of foreign manufactures come in to pay for our agricultural exports.

The economists have noted with interest the improvement during 1934 and 1935 in industrial lines, which followed and did not precede a corresponding improvement in the purchasing power of the farmers. In 1932 the net losses of our railroads were $139,203,821. In 1935 both gross revenue and net operating income were the largest of any calendar year since 1931, when the net income was $134,761,911. Steel mills that operated at 15 percent of capacity in 1932 were operating at approximately 50 percent of capacity in 1935. The automobile industry had its best year of any since 1929. The Manufacturers' Record, one of the greatest trade journals in the country, stated that last year the South spent in the North $1,000,000,000 more than the North spent in the South. In other words, the proceeds from the sale of southern cotton and tobacco in foreign markets went to the North for the purchase of farming implements, automobiles, and so forth, and the listed value of securities on the New York Stock Exchange increased about $20,000,000,000. During the calendar year of 1935 this increase averaged $1,000,000,000 monthly. But for the impetus given to northern industry by the increased purchasing power of southern and western farmers many a factory wheel in the North would still be idle. Farsighted businessmen in the North are at last beginning to appreciate the truth of that situation and do not wish to see agriculture slide back to the impoverished status of 1931 and 1932.

A plan was worked out in 1933 for the aid of agriculture that had the support and endorsement of all of the major farm organizations and of some industrial leaders. That plan was thrown out by the Court. Farm leaders have formulated a new plan, which is embodied in the pending bill. No one claims that it is a perfect plan, but so far no one has come forward with a better one. In my humble opinion the plan not only is not perfect but neither will it be permanent. It in nowise solves two of our major farm problems—tariff discrimination and the recapture of lost foreign markets—although section 12 of the bill is a gesture in the latter direction. However, the plan has two virtues: First, it is calculated to stop the terrific loss by soil erosion, which is estimated at $400,000,000 annually, and through the widespread planting of legumes and other soil builders the lost fertility of many acres of now submarginal land will be restored; secondly, it is proposed to distribute directly to farmers cash to the extent of $400,000,000, but not to exceed $500,000,000 per year, and farm income will be increased to that extent. In my opinion those two benefits are sufficient to justify our favorable consideration of this bill.

That leaves to be answered the third and last question, Has Congress the power to take the action that has been proposed? I do not claim to be an authority on constitutional questions. When I voted for the original farm bill I thought it was constitutional, but six of our nine members of the Supreme Court declared otherwise. Better constitutional lawyers than I claim that the pending bill is within the ruling of the Court in the Hoosac Mills case. The Federal Government not only has the powers expressly granted to it but likewise the additional powers that are the necessary implications of powers specifically granted. When legislation comes within the twilight zone where Federal power ends and State power begins it is not easy to say where the dividing line is. When legislation involves the rather abstract proposition of what is and what is not for the general welfare, reasonable and fair-minded men may well differ.

Since, therefore, I do not claim to be an authority on such difficult problems, I prefer to submit as my authority for the belief that the Congress has the power to appropriate the public money for the purpose of advancing agriculture, the Chief Justice of our Supreme Court, Hon. Charles Evans Hughes. On May 4, 1917, Mr. Hughes had under consideration, as counsel for certain firms dealing in Federal land-bank bonds, the right and power of Congress to pass legislation analogous to the pending bill. In the course of that brief he said:

> Putting aside mere method and form, I come to the question as to the power of Congress thus to appropriate the public money and provide for the borrowing of money, with the object of securing agricultural development throughout the country.
>
> The objects to which the public money may be devoted are implied in the provision of the Constitution relating to the taxing power. This is that Congress shall have power—
>
> "To lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States" (art I, sec. 8, subd. 1).
>
> There have been three views, representing serious differences of opinion, as to the meaning and scope of the clause "provide for the common defense and general welfare of the United States."
>
> One view, which at times has been advanced, is that these words do not qualify the preceding clause with respect to the laying of taxes, etc., but confer an independent power. The conclusive reason for rejecting this interpretation is that it would render nugatory the subsequent specification of the powers of Congress, as the Constitution would thus be deemed, in one sweeping clause, to confer upon Congress the authority to do anything which in its judgment might be regarded as conducive to the general welfare of the United States. Accordingly, the accepted view is that this clause does not create an independent power but qualifies the provision giving the taxing power; that is, it states the purposes for which the taxing power may be exercised.
>
> With this postulate, a second view is that the clause has no separate significance, but is limited and explained by the subsequent enumeration of the powers of Congress, to which it is a mere introduction. (See President Madison's letter to Mr. Stevenson, Nov. 27, 1830; Virginia Resolutions, Jan. 7, 1800; 4 Elliot's Debates, 236, 280–281; Tucker on the Constitution, secs. 223–238.) But, as Mr. Justice Story says, "there is a fundamental objection to the interpretation thus attempted to be maintained, which is, that it robs the clause of all efficacy and meaning. No person has a right to assume that any part of the Constitution is useless or is without a meaning; and a fortiori no person has a right to rob any part of a meaning, natural and appropriate to the language in the connection in which it stands. Now, the words have such a natural and appropriate meaning as a qualification of the preceding clause to lay taxes. Why, then, should such a meaning be rejected?" (Story on the Constitution, sec. 912). In *Holmes* v. *Jennison* (14 Pet. pp. 570, 571) it was said by Chief Justice Taney:

"In expounding the Constitution of the United States, every word must have its due force, and appropriate meaning; for it is evident from the whole instrument, that no word was unnecessarily used, or needlessly added. * * * No word in the instrument, therefore, can be rejected as superfluous or unmeaning." The arguments in support of this second view would seem to ignore this principle. Their elaboration cannot avail to obscure the fact that they endeavor to explain away the express words which qualify the taxing power; instead of expounding and applying, they seek to rewrite the constitutional provision.

The third view is that the clause does not confer an independent power and yet is not superfluous as a mere introduction to or as limited by the subjoined enumeration of powers, but has its separate significance as prescribing the limits of the taxing power, and thus, by necessary implication, defining the objects for which the public money may be appropriated by Congress. This view has most weighty support.

Mr. Hamilton, in his report on manufacturers (Dec. 5, 1791), said:

"The National Legislature has express authority 'to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare', with no other qualifications than that 'all duties, imposts, and excises shall be uniform throughout the United States; and that no capitation or other direct tax shall be laid, unless in proportion to numbers ascertained by a census or enumeration, taken on the principles prescribed in the Constitution'; and that 'no tax or duty shall be laid on articles exported from any State.'

"These three qualifications excepted, the power to raise money is plenary and indefinite, and the objects to which it may be appropriated are no less comprehensive than the payment of the public debts and the providing for the common defense and general welfare. The term 'general welfare' were doubtless intended to signify more than was expressed or imported in those which preceded; otherwise numerous exigencies incident to the affairs of a nation would have been left without a provision. The phrase is as comprehensive as any that could have been used, because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the 'general welfare', and because this necessarily embraces a vast variety of particulars, which are susceptible neither of specification nor of definition.

"It is, therefore, of necessity left to the discretion of the National Legislature to pronounce upon the objects which concern the general welfare, and for which, under that description, an appropriation of money is requisite and proper. And there seems to be no room for a doubt that whatever concerns the general interests of learning, of agriculture, of manufactures, and of commerce are within the sphere of the national councils, as far as regards an application of money. The only qualification of the generality of the phrase in question which seems to be admissible is this: That the object to which an appropriation of money is to be made be general, and not local; its operation extending in fact or by possibility throughout the Union, and not being confined to a particular spot.

"No objection ought to arise to this construction, from a supposition that it would imply a power to do whatever else should appear to Congress conducive to the general welfare. A power to appropriate money with this latitude, which is granted, too, in express terms, would not carry a power to do any other thing not authorized in the Constitution, either expressly or by fair implication." (See also Hamilton's Opinion on the Bank of the United States, Feb. 23, 1791.)

There would seem to be no doubt that President Washington took the same view (Story on the Constitution, sec. 978, note).

In the paper of President Monroe, entitled "Views of the President of the United States on the Subject of Internal Improvements" (transmitted to Congress in connection with his veto of the Cumberland road bill, May 4, 1822), which Mr. Justice Story describes as "the most thorough and elaborate view which, perhaps, has ever been taken of the subject", it was argued that the clause in question does not confer upon the Federal Government additional powers of control, but does authorize the laying of taxes and consequently the making of appropriations for purposes within the stated limits, thus enabling Congress to appropriate money in aid of enterprises which the General Government cannot undertake or directly control. (See Willoughby on the Constitution, sec. 269; Story on the Constitution, secs. 979–990.)

President Monroe said:

"If we look to the second branch of this power, that which authorizes the appropriation of the money thus raised, we find that it is not less general and unqualified than the power to raise it. More comprehensive terms than to 'pay the debts and provide for the common defense and general welfare' could not have been used. So intimately connected with and dependent on each other are these two branches of power that had either been limited the limitation would have had the like effect on the other. * * * Had it been intended that Congress should be restricted in the appropriation of the public money to such expenditures as were authorized by a rigid construction of the other specific grants, how easy would it have been to have provided for it by a declaration to that effect. The omission of such declaration is therefore an additional proof that it was not intended that the grant should be so construed * * *.

"If, then, the right to raise and appropriate the public money is not restricted to the expenditures under the other specific grants according to a strict construction of their powers, respectively, is there no limitation to it? Have Congress a right to raise and appropriate to any and to every purpose according to their will and pleasure? They certainly have not. The Government of the United States is a limited Government, instituted for great national purposes, and for those only. Other interests are committed to the States, whose duty it is to provide for them. Each government should look to the great and essential purposes for which it was instituted and confine itself to those purposes. * * * My idea is that Congress have an unlimited power to raise money, and that in its appropriation they have a discretionary power, restricted only by the duty to appropriate it to purposes of common defense and of general, not local, National, not State, benefit."

(See also Mr. Adams' letter to Mr. Stevenson, July 11, 1832; 2 Elliot's Deb., 170, 183, 195, 328, 344; 3 id., 262, 290; 4 id., 226; Jefferson's Opinion on the Bank of the United States, Feb. 15, 1791; Miller's Lectures on the Constitution, pp. 229–231, 235.)

In the course of an exhaustive examination of the question, Mr. Justice Story thus states what is deemed to be the true construction of the constitutional provisions (secs. 922–924): "A power to lay taxes for any purposes whatsoever is a general power; a power to lay taxes for certain specified purposes is a limited power. A power to lay taxes for the common defense and general welfare of the United States is not in common sense a general power. It is limited to those objects. It cannot constitutionally transcend them. If the defense proposed by a tax be not the common defense of the United States, if the welfare be not general, but special or local, as contradistinguished from national, it is not within the scope of the Constitution. If the tax be not proposed for the common defense or general welfare, but for other objects wholly extraneous (as, for instance, for propagating Mohammedanism among the Turks, or giving aids and subsidies to a foreign nation to build palaces for its kings or erect monuments to its heroes), it would be wholly indefensible upon constitutional principles. The power, then, is, under such circumstances, necessarily a qualified power. If it is so, how, then, does it affect or in the slightest degree trench upon the other enumerated powers? * * * Each has its appropriate office and objects; each may exist without necessarily interfering with or annihilating the other. * * * But then, it is said, if Congress may lay taxes for the common defense and general welfare, the money may be appropriated for those purposes, although not within the scope of the other enumerated powers. Certainly it may be so appropriated, for if Congress is authorized to lay taxes for such purposes, it would be strange if, when raised, the money could not be applied to them. That would be to give a power for a certain end and then deny the end intended by the power. * * * That the same means may sometimes or often be resorted to to carry into effect the different powers furnishes no objection, for that is common to all governments. That an appropriation of money may be the usual or best mode of carrying into effect some of these powers furnishes no objections, for it is one of the purposes for which the argument itself admits that the power of taxation is given. That it is indispensable for the due exercise of all the powers may admit of some doubt. The only real question is whether, even admitting the power to lay taxes is appropriate for some of the purposes of other enumerated powers (for no one will contend that it will of itself reach or provide for them all), it is limited to such appropriations as grow out of the exercise of those powers. In other words, whether it is an incident to those powers, or a substantive power in other cases, which may concern the common defense and the general welfare. If there are no other cases which concern the common defense and general welfare, except those within the scope of the other enumerated powers, the discussion is merely nominal and frivolous. If there are such cases, who is at liberty to say that, being for the common defense and general welfare, the Constitution did not intend to embrace them? * * * The circumstance that, so construed, the power may be abused, is no answer. All powers may be abused; but are they then to be abridged by those who are to administer them, or denied to have any operation? If the people frame a constitution, the rulers are to obey it. Neither rulers nor any other functionaries, much less any private persons, have a right to cripple it, because it is, according to their own views, inconvenient or dangerous, unwise or impolitic, of narrow limits or of wide influence."

I have quoted these observations at length, for the argument could not be stated more convincingly and, in the absence of an explicit determination by the Supreme Court of the United States, no words are entitled to greater weight.

The Supreme Court has not definitely passed upon the construction of the clause with reference to the scope of the power of appropriation. (See *United States* v. *Realty Co.*, 163 U. S. 427, 440.) There are general expressions supporting the view that the words "provide for the common defense and the general welfare of the United States" are to be taken as qualifying the power to lay taxes. The statement of Chief Justice Marshall in *Gibbons* v. *Ogden* (9 Wheat., p. 199) is so construed by Mr. Justice Story (Story on the Constitution, sec. 927). Again, in *United States* v. *Gettysburg Electric Railway Co.* (160 U. S., p. 681), it is said: "It (Congress) has the great power of taxation to be exercised for the common defense and general welfare"; and this statement was made as a part of the reasoning of the Court in sustaining the power of the United States to condemn land for the preservation of the battlefield of Gettysburg as being for a public use. When the validity of the sugar-bounty provision in the Tariff Act of October 1, 1890 (26 Stat. 567, par. 231), was challenged, the Court found it unnecessary to decide the question (*Field* v. *Clark*, 143 U. S. 649, 695). Later, when, after the repeal of that provision, Congress passed the act of March 2, 1895 (28 Stat.

910, 933), providing a similar bounty upon sugar manufactured and produced before the repeal, it was held that the appropriation was valid, as being in the discharge of a moral obligation which Congress was entitled to recognize as a debt within the fair meaning of the constitutional provision (*United States* v. *Realty Co.*, supra; *Allen* v. *Smith*, 173 U. S. 389, 394, 402).

Congress, from the foundation of the Government, has proceeded upon the view that the powers specified in the subsequent provisions of the Constitution do not limit its power to appropriate money for the common defense and general welfare of the United States under the clause relating to taxes. Appropriations have never been limited to cases falling within the other enumerated powers, whether these are broadly or strictly construed. In addition to the instances mentioned by Mr. Justice Story (sec. 991), we have numerous illustrations afforded by the action of Congress since his day. The annual appropriations show a practically continuous assertion of broad authority in the application of money, as, for example, in the support of the Bureau of Education (including the special provision for aiding the education of the blind, act of Mar. 3, 1879, ch. 186, 20 Stat. 467), of the Smithsonian Institution, and of the constantly expanding and varied work of the Department of Agriculture (sec. e. g., act of Aug. 11, 1916, ch. 313, 39 Stat., pp. 452–456, 463–467, 470). The validity of such action has not been questioned, and, as Professor Willoughby says, "the doctrine has become an established one that Congress may appropriate money in aid of matters which the Federal Government is not constitutionally able to administer and regulate" (Willoughby on the Constitution, sec. 269). Mr. Justice Story sums up the matter by saying (sec. 977): "The argument in favor of the power" (to appropriate money for the common defense and general welfare) "is derived, in the first place, from the language of the clause conferring the power (which, it is admitted, in its literal terms, covers it); secondly, from the nature of the power, which renders it in the highest degree expedient, if not indispensable, for the due operations of the National Government; thirdly, from the early, constant, and decided maintenance of it by the Government and its functionaries, as well as by many of our ablest statesmen, from the very commencement of the Constitution. So that it has the language and intent of the text, and the practice of the Government, to sustain it against an artificial doctrine set up on the other side."

It is manifest that if Congress is entitled to apply the public money for the common defense and the general welfare of the United States, it necessarily has a wide range of discretion with respect to the objects to be selected. This discretion is not vested in the courts but in Congress, and the authority of the courts to enforce constitutional restrictions does not entitle them to substitute their judgment for that of Congress as to any question of expediency or policy (*Wilson* v. *New*, decided Mar. 19, 1917; *Champion* v. *Ames*, 188 U. S., p. 363; *McCray* v. *United States*, 195 U. S., p. 55). As has been said by Judge Cooley (Taxation, 3d ed., pp. 188, 189):

"It is otherwise with the Federal Union also, for though its powers are not general, like those of the State, but are limited and defined by the Federal Constitution, yet as they concern the most important matters of government and relate to subjects not of domestic concern merely, but of international intercourse, and to other matters which sometimes require broad and comprehensive views and make a policy of liberal expenditures wise and statesmanlike, it would be neither reasonable nor prudent to subject its action in the matter of taxation to critical rules. That which it decides to be an object of public expenditure must generally be so accepted, and error in its action must be corrected by discussion and through public opinion and the elections."

And if the action of Congress in appropriating money may be judicially controlled, it is clear that this control could properly be exercised only in a case where it was perfectly plain that the broad limits of legislative discretion had been exceeded and that the appropriation could not from any reasonable point of view be regarded as conducive to the common defense and general welfare.

It will hardly be disputed that the agriculture interests of the country, broadly considered, are of national and not merely of State concern. Any view that would treat the food supply of the people as not a matter directly related to the common defense and general welfare of the United States would be so narrow as to be quite inadmissible. The deliberate judgment of Congress, as already stated, is shown in the wide range of its departmental appropriations. The objection to the validity of the action of Congress in the present case, so far as it relates to the appropriation of money—as distinguished from the actual conduct of agricultural activities within the States—(*Kansas* v. *Colorado*, 206 U. S., p. 87) must rest, it would seem, not upon the fact that the appropriation is in aid of the agricultural interest of the United States but upon the ground that it takes the form of an investment designed to provide loans to individual owners of farm lands.

It has been held to be a fundamental proposition that taxation must be for a public purpose. On this principle State legislation authorizing municipalities to issue bonds in aid of private enterprises has been declared to be invalid. (See *Loan Association* v. *Topeka*, 20 Wall. 655; *Parkersburg* v. *Brown*, 106 U. S. 487; *Cole* v. *LaGrange*, 113 U. S. 1.) It may be assumed that the provision conferring upon Congress the power to lay taxes, and hence the power to appropriate the public money to "provide for the common defense and general welfare of the United States", cannot be deemed to confer authority to do either for a purpose essentially private. The question is whether the purpose disclosed by this act must be judged to be of that character. It is established, however, that it does not necessarily follow that a purpose is essentially a private one from the constitutional standpoint simply because private individuals may secure direct benefits through its execution. When direct individual benefit is involved the question must always be, on a fair analysis, whether that benefit constitutes the object or is merely incidental to the public advantage which it is competent for the legislature to secure. Great measures of an undoubted public nature and advantage often carry with them benefits to individuals or to classes of persons whose immediate gain does not obscure the relation of the measures to the general welfare. Thus it is recognized that while irrigation and drainage plans, which have become familiar subjects of legislation in many States, many directly benefit the owners of the property which is to be watered or drained, the scheme may still bear such a relation to the public welfare as to accord with the legal conception of a public use; and, in this view, legislation providing for the organization of irrigation and drainage districts in order to improve the property within them has been sustained.

It was said by the Supreme Court of the United States in *Fallbrook Irrigation District* v. *Bradley* (164 U. S. 112, 161, 164):

"To irrigate, and thus to bring into possible cultivation these large masses of otherwise worthless lands, would seem to be a public purpose and a matter of public interest, not confined to the landowners or even to any one section of the State. The fact that the use of the water is limited to the landowner is not, therefore, a fatal objection to this legislation. It is not essential that the entire community or even any considerable portion thereof should directly enjoy or participate in an improvement in order to constitute a public use. All landowners in the district have the right to a proportionate share of the water, and no one landowner is favored above his fellow in his right to the use of the water. It is not necessary, in order that the use should be public, that every resident in the district should have the right to the use of the water * * *. Taking all the facts into consideration * * * we have no doubt that the irrigation of really arid lands is a public purpose, and the water thus used is put to a public use." (See also *Clark* v. *Nash*, 198 U. S. 361; *O'Neill* v. *Leamer*, 239 U. S. 244; *Houck* v. *Little River Drainage District*, 239 U. S. 254.)

The Supreme Court of the United States in enforcing the fourteenth amendment has recognized the propriety of giving weight to State exigencies and of regarding with great respect the judgment of the State courts upon what should be deemed public uses within the State. (See *Harrston* v. *Danville & W. R. Co.*, 208 U. S. 598, 606, 607.) And when it is contended that an appropriation by Congress of public money is for a purpose essentially private, it cannot be doubted that due respect to the judgment of Congress requires the consideration of all the circumstances and conditions which can possibly support its action; and although this action takes a form through which direct advantages are to accrue to individuals, or groups, there must still be the inquiry whether, notwithstanding this fact, the appropriation of the public money can be regarded as being for a purpose not special, private, or local, but in truth general and national. Is, then, the plan of the Federal Farm Loan Act primarily in aid of private or individual interests, as distinguished from the common defense and general welfare of the United States?

With respect to the features of the plan it is to be noted—

(1) The act provides a system designed to promote agricultural development.

(2) The loans are made only to those who are, or are about to become, actual cultivators of the soil, and are made upon the security of farm mortgages.

(3) These mortgage loans are made only for the following purposes: (a) To provide for the purchase of land for agricultural uses; (b) to provide for the purchase of equipment, fertilizers, and livestock necessary for the proper and reasonable operation of the mortgaged farm; (c) to provide buildings and for the improvement of farm lands ("equipment" and "improvement" to be defined by the Federal Farm Loan Board); and (d) to liquidate indebtedness of the owner of the land mortgaged existing at the time of the organization of the first national farm loan association within the county, or indebtedness subsequently incurred for the purposes above mentioned. No loan is to exceed 50 percent of the value of the land mortgaged and 20 percent of the value of the permanent insured improvements thereon, and the amount of loans to any one borrower is not to exceed $10,000.

(4) The system is for continental United States (save Alaska); that is, the mortgage loans are to be available to actual cultivators of the soil throughout the country.

(5) The act creates an organization for pecuniary aid alone; that is, it is concerned only with the application of money. There is no attempt to conduct agricultural activities within the State, to undertake the management of farm property, to manage or control any internal concerns of the State, or to interfere with the exercise of the authority of the States over the lands within their borders.

It may thus be conceived that the act provides for systematic aid to the development of agriculture, so devised as to be generally available throughout the country and so limited as to indicate the purpose to promote the actual cultivation of the soil in every part of the United States where cultivation is possible and where aid is needed for that specific purpose.

Nor can the legislation be condemned as being wholly outside the sphere of permissible Federal action without taking into consideration the existing exigencies within the contemplation of Congress. While the United States was not at war when this legislation was enacted and the question is not one relating to the exercise of power incident to the conduct of war, it remains true that the act was passed at a time when many of the civilized nations were at war and the question of the maintenance of the

food supply was of first importance. The exigency existing today, with respect not only to the food supply of this country but of the world—a condition generally appreciated through current discussions—it was within the power of Congress to foresee. If the words "provide for the common defense and general welfare of the United States", while certainly not creating an independent power, do qualify the power to lay taxes and to make appropriations, and are not deemed to be limited by the succeeding specification of powers; and, if proper regard be had to the scope of legislative discretion in the selection of means appropriate to accomplish permitted ends, I am unable to conclude that in this plan Congress has transcended its authority in appropriating the public money. That the power is one which may be abused is no ground for stripping Congress of the discretion with which it is entrusted by the Constitution. The question is not whether the measure is wise or expedient; that is a political question to be determined by Congress according to its judgment of the Nation's needs (*Julliard* v. *Greenman*, 110 U. S. 450).

What has been said has had reference to the application of the public money through investment in the capital of the Federal land banks to be employed in the making of the described loans on farm lands. Additional moneys required for these loans are to be obtained through the issue by the Federal land banks of farm-loan bonds, and the issue of these bonds in the circumstances stated also raises a question with respect to the borrowing power of Congress when the moneys borrowed are to be used for this purpose.

The Constitution provides (art. I, sec. 8, subdivision 2) that Congress shall have power "to borrow money on the credit of the United States." It is well settled that this power is an independent power which is given without limitation. As was said by Mr. Justice Gray in *Julliard* v. *Greenman* (110 U. S. 444): "The words 'to borrow money', as used in the Constitution, to designate a power vested in the National Government for the safety and welfare of the whole people, are not to receive that limited and restricted interpretation and meaning which they would have in a penal statute or in any authority conferred by law or by contract upon trustees or agents for private purposes."

I find no reason for the conclusion that the power to borrow money can possibly be deemed to be more restricted than the power to appropriate the public money or to lay taxes.

If Congress has the power to appropriate the public money through the investment in the capital stock of the Federal land banks in order to encourage agricultural development throughout the country by the making of the described loans, it has also the power, in my judgment, to provide for the issue of farm-loan bonds for the same purpose.

Further, if Congress has the power to appropriate the public money for this purpose, it follows that it may create a suitable organization as a means of exercising its power. It can provide officers, bureaus, and corporations to this end (*McCulloch* v. *Maryland*, supra). It can require appraisements, the taking of security, and the handling and investment of moneys received in the discharge of loans, as well as authorize the loans themselves.

So, if Congress can exercise the borrowing power to the end stated, it would seem to follow, according to accepted principles, that Congress can provide an appropriate organ so as to adapt its action in a practicable manner to the exigency with which it is competent to deal. The standards, requisites, and conditions of the action it authorizes with respect to the issue of farm-loan bonds under the approval in each instance of the Bureau established in the Treasury Department are prescribed in the act; and in view of these provisions there seems to me to be no sufficient ground for holding the act to be invalid as an unwarrantable delegation of the authority vested in Congress. (See *Field* v. *Clark*, 143 U. S. 681–694; *Buttfield* v. *Stranahan*, 192 U. S. 496, 497; *Union Bridge Co.* v. *United States*, 204 U. S. 377–388; *St. Louis, I. M. & S. R. Co.* v. *Taylor*, 210 U. S. 287; *Intermountain Rate Cases*, 234 U. S. 486.)

The question, in the aspect of the case I have been considering, is whether the provisions of this scheme for applying money in this systematic manner in aid of the cultivation of the soil throughout the country are within the power of Congress. My opinion is that they are.

That is as clear an exposition of the power of Congress to aid agriculture under the Constitution as I have seen. It sets at rest any doubts I may have entertained concerning the constitutionality of the pending measure, and therefore this bill will have my support.

Mr. MAPES. Mr. Speaker, at the request of the gentleman from Pennsylvania [Mr. RANSLEY], I yield 10 minutes to the gentleman from Kansas [Mr. CARLSON].

Mr. CARLSON. Mr. Speaker, I am glad that we are today considering legislation affecting agriculture. On January 15 I took the floor of this House and suggested that Congress appropriate the necessary funds to care for all outstanding obligations due on crop-adjustment contracts where compliance could be made previous to January 6, 1936. This appropriation has since been voted, and the Government will soon pay this moral obligation. Today we begin consideration of legislation—both temporary and permanent—that will assist agriculture in securing its fair and just share of our national income.

Senate bill 3780, to make further provision for the conservation and proper utilization of our soil resources, is now before us for consideration. There can be no question as to the need of a constructive national land-use policy. This is imperative if we are to have a prosperous agriculture; and to use the words of Gifford Pinchot, who said, "As the farmer prospers, so prospers the Nation."

Let us examine some facts which are necessary to an understanding of the problem.

Going back some 85 years and taking 1850 as a starting place, the total national income divided into individuals gave each man, woman, and child $68 per annum. But the average farm man, woman, and child got only $48 per annum. Stated otherwise, the farm worker received 67 percent of the average income of the total workers of the Nation. It must be considered that the farm income also includes the labor of his family, which is true to the lesser degree in the general average.

By 1900 the average income had risen to $204, compared to which the farmer received $96. In that year the average farmer received 47 percent as much income as the average worker of the Nation as a whole.

By 1932 the national income averaged $385 for each individual, but the average farm income was only $115 per individual. That is 30 percent of the average for the Nation. Since 1850 the farmer has equaled his proportion of that year only in 1919, when his percentage relation was 67, the same as 1850. In every other year it was less, and in 1932 it reached the absolute low mark. Agriculture in 1932 was prostrate and bankrupt and could not carry on.

No group of producers of a primary necessity of life can carry on in an industrial age when its income, taken as a group, is only 30 percent—less than one-third of the average of the Nation as a whole.

With this background, the only question is the method of approach to this great problem of national concern.

The present bill before us for consideration is the only bill that we will consider this session. I intend to support it, and I hope that we will enact it into law. To me this is not a political issue, but it is an economic issue, and the farmers and citizens of my district who are interested in the future of our national life will resent any effort on the part of any individual or party who tries to make political capital out of it.

Legislation should be enacted into law that embodies the following two principles.

First. That the American farmers be given machinery by which they may adjust supply and demand by legal means—with something like the same effectiveness with which American industry adjusts supply and demand.

Second. The right of the American farmer to receive prices for his products which will give him an average purchasing power equal to that he had in 1909 to 1914.

I do not believe the bill under consideration will give the farmer the equality he must have if we are to have a prosperous agriculture, but I do believe it is a step in the right direction and should be a part of a general program. For years we have discussed the effects of soil erosion, and when you realize that 50,000,000 acres of our total cultivated area of 360,000,000 acres have been lost by erosion, 100,000,000 acres were well on the way to destruction, and 100,000,000 acres more had started to lose its fertility, a total of 65 percent of our cultivated area, you begin to visualize the need of the program. The pending legislation has taken this problem into consideration with a view of developing it to a point where it would actually work as a regulator of crop production.

This is not a program of scarcity, but one of its objects is to maintain a continuous and stable supply of agricultural commodities adequate to meet consumers' demand at prices fair to both the producers and consumers.

Mr. Speaker, again I wish to state that I believe this measure should be only a part of a general program to assist agriculture and should not be regarded as the solution of the problem.

The price of farm commodities has greatly increased during the last 3 years because of a reduction of the surplus of

the basic crops, due largely to a general drought, and as soon as weather conditions become normal or average we will again be burdened with this surplus. The surplus of a farm product above home consumption determines the price that the farmer receives.

We must demand that everyone recognize the right of the farmer to parity, equality, and security. In order to secure this, we must have a general farm program which will attack the problem from several angles. First, we must maintain the American market for the American farmer. There is a growing fear and distrust among our farmers that the reciprocal trade agreements being drawn are working to their disadvantage. This has been especially true since the negotiation of the Canadian reciprocal trade agreement. Second, every effort must be made to develop foreign markets for the agricultural surplus. This can be brought about by adopting the policy suggested by George N. Peak, of using bilateral trade agreements. Third, the Department of Agriculture and the Department of Interior should agree on a coordinated land-use policy. Under the pending legislation the Department of Agriculture, through the Secretary, will be empowered to pay farmers for their cooperation in a soil-erosion program while the Secretary of the Interior will be spending hundreds of millions of dollars for the purpose of bringing arid lands into production. Congress should insist that these Departments coordinate their program.

Mr. CLARK of North Carolina. Mr. Speaker, at the request of the gentleman from New York [Mr. O'CONNOR], I yield the remainder of the time on this side to the gentleman from Ohio [Mr. LAMNECK].

The SPEAKER. The gentleman from Ohio is recognized for 10 minutes.

Mr. LAMNECK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein certain tables.

The SPEAKER. Without objection, it is so ordered.

Mr. LAMNECK. Mr. Speaker, we today are considering a most important piece of legislation. I remember my first session of Congress under the Hoover administration. The agricultural problem at that time was more acute than it is now. It is needless to say that the Hoover program was an absolute failure, and did not solve our agricultural problem. The question became one of the great issues of the campaign of 1932. The Democratic administration came into power in one of the greatest landslides of our modern political life, and one of our claims was that we would solve the American farm problem.

We have been in power now since March 4, 1933. We depended upon the A. A. A. for the solution of the farm problem. Our program in brief provided that in order to raise prices we should curtail production by compulsion or otherwise, thereby creating a scarcity, and as a direct result, higher prices.

Our program further provided that in order to raise the price level to the 1909–14 level quickly it was necessary to levy a tax against processors of farm commodities and pay benefits to farmers to accomplish the results.

The Supreme Court, in invalidating the A. A. A. Act, said in no uncertain terms that the Congress of the United States had no power to control production and no power to tax one class of citizens and pay to another class of citizens for not producing.

Today we are considering a bill which incorporates in its provisions, in effect, the very thing that the Supreme Court said we could not do. I know the advocates of this bill will probably say that this is a soil-conservation program and not a crop-control program at all, but the facts are that it is as much a crop-control bill as the original A. A. A. bill was. After this bill is passed, if it is passed—and I expect it will be—it is proposed to pass a tax bill which will levy a tax for the purpose of paying benefits to farmers to take out of production a certain amount of farm land estimated to be from twenty to thirty million acres. The Supreme Court has said we cannot do this; and I ask, Why do we constantly insist on passing legislation that we know or at least are reasonably certain is unconstitutional? If the original A. A. A. Act was unconstitutional the so-called Soil Erosion Act is unconstitutional, and the tax act which will follow it is also unconstitutional.

There is no overproduction of agricultural commodities in this country with 30,000,000 people hungry this very minute. In my congressional district, consisting of one county in the great State of Ohio, we have 30,000 undernourished, underfed, underclothed law-abiding American citizens, and every civilized nation in the world has a similar condition. What we should be worrying about is to see to it that 30,000,000 of our American citizens are supplied with the necessary food and clothing and also to plan that the hungry people of the world are likewise afforded an opportunity to secure a sufficient amount of food, clothing, and shelter. Why, think of it, ladies and gentlemen, at least 200,000,000 people in China on the verge of starvation, with a hundred million people in Russia similarly situated, with at least one-third of the population of Germany underfed, and with 75 percent of the citizenship of Italy suffering for the lack of food and shelter and clothing—how can we as sane men and women argue that we have an oversupply of agricultural commodities in this country?

What makes America great? It is our ability to produce new wealth each and every year. Under normal times America produces about $20,000,000,000 worth of new wealth, this being the products of the farm, mill, and mine. It is absolutely necessary that we produce this amount of wealth to promote our national prosperity and to support our debt structure. When we advocate a proposal to decrease our very source of power 25 percent, we decrease our ability of being a great producing nation by just that much. If the argument is sound that a 25-percent reduction is good for America, why not make it 50 percent? Why not make it 75 percent? Or why not for the next year or two—until we get rid of all our so-called surplus—start out on a program of not producing at all? But would anyone be so foolish and ridiculous as to advocate that we should not produce at all? I think it is equally absurd to say that we should decrease our producing power by 25 percent, or any other amount by advocating an unconstitutional bill to deal with the great farm problem after our sad experience with the A. A. A. This bill further provides that the system shall only prevail for 2 years, and then we are going to turn back the burden to the States by making State grants. I suppose the motive back of that move is that in 2 years from now the Supreme Court will probably get to the question of the constitutionality of the soil-conservation and the soil-erosion farce of 1936 and declare it unconstitutional.

I want to impress upon the Members of this House who are from the dairy districts the effect this bill will probably have upon that great agricultural activity. It is proposed that the surplus acreage taken from production is to be planted in grasses and legumes and other cover crops. Experts agree that this plan will force the farmers who are using this program to increase their dairy herds to enormous proportions. The A. A. A. program increased the dairy herds in the States of Mississippi by 41,000; Arkansas by 32,000; in the State of Louisiana 36,000; in the State of Georgia 28,000; 19,000 in Kentucky; 18,000 in North Carolina; 36,000 in Kansas; and 48,000 in Nebraska. These are cotton-, tobacco-, wheat-, and corn-producing States, and when they were required to reduce production in their regular lines they immediately infringed upon the dairy production to the extent mentioned above, and I predict that if the soil-conservation bill becomes a law, the dairy herds in such States as I have named and in others will increase to an even greater extent. What then will the dairy-producing sections of the country say? They will be here for a relief bill of their own.

The great mistake the legislative and the executive branch of the Government have made since 1930, in my opinion, is that in passing legislation they have dealt entirely with the effect of the depression and not with the cause. As I see it, the cause of this depression and most other major depressions has been a break-down in our monetary and credit system. Of course, the acuteness of the situation was added to by many other factors, but the principal cause has been the break-down of the money system and the

credit structure. Therefore, I am of the opinion that before we can cure the depression on a sound economic basis we must cure the monetary and credit structure.

Economists and money experts agree that the price level of America and the world could be controlled by a proper monetary system. A committee of the House of Representatives in 1932 pointed this out and made such recommendations to the Hoover administration. A committee of the House of Representatives since our party has been in power made the same recommendations, but it was like a voice calling out in the wilderness—no attention paid—and we proceeded to pass a lot of legislation trying to cure the condition, and in many cases the cure was worse than the disease. Wake up, Members of the House! Let us give consideration to the cure of the farmer's problem and not try to alleviate their illness by giving them a little injection of morphine. It can and must be done.

I am for the farmer 100 percent. I know there can be no permanent prosperity unless the farmer is prosperous. I know, in order to be prosperous, he must have a price level that will entitle him to more than the cost of production. Why, then, not proceed on a plan that will guarantee him this sort of thing and that will not make necessary such idiotic legislation as you are suggesting today?

In the early part of my remarks I said that the bill proposed today provided that in 2 years we are going to turn over to the States the problem of agriculture, and that the Federal Government was going to assist by giving to the States a certain amount of cash to permit them to carry on the program. On the question of State grants, I want to point out the fallacy of our tendency to tax the various States and to take from the great tax-paying States five and six times more than they get back. At this point I want to insert a table from the report of the Secretary of the Treasury showing the income taxes, miscellaneous internal-revenue taxes, and the agricultural adjustment taxes collected from the various States for the fiscal year ending June 30, 1935.

TABLE 9.—*Internal-revenue receipts, by States and Territories, for the fiscal year 1935*

States, etc.	Income taxes	Miscellaneous internal revenue	Agricultural adjustment taxes	Total
Alabama	$3,149,562.37	$2,027,327.19	$7,532,275.60	$12,709,165.16
Alaska	281,165.82	83,606.12	3,888.62	368,660.56
Arizona	711,230.67	640,677.57	393,386.85	1,745,295.09
Arkansas	1,536,006.04	1,348,206.03	294,105.86	3,178,317.93
California	69,350,379.64	87,665,576.02	19,828,891.11	176,844,846.77
Colorado	7,199,016.05	5,368,208.74	13,758,931.00	26,326,155.79
Connecticut	20,637,181.18	14,729,787.41	1,359,124.50	36,726,093.09
Delaware	19,864,154.94	7,545,684.70	536,427.01	27,946,266.65
District of Columbia	8,195,647.23	4,442,497.44	146,775.82	12,784,920.49
Florida	7,610,060.07	6,663,175.21	932,546.52	15,205,781.80
Georgia	7,866,999.49	3,998,130.83	20,678,114.74	32,543,245.06
Hawaii	4,253,875.56	1,285,028.91	153,192.33	5,692,096.80
Idaho	712,492.26	545,592.33	612,181.02	1,870,265.61
Illinois	90,382,682.74	132,267,604.74	100,488,646.17	323,138,933.65
Indiana	13,849,381.60	43,158,572.23	10,007,852.78	67,015,806.61
Iowa	6,005,405.63	4,344,154.16	20,629,504.23	30,977,064.02
Kansas	3,815,447.12	5,875,557.67	14,349,183.13	24,039,187.92
Kentucky	8,571,512.95	71,863,608.20	9,187,972.75	89,623,093.90
Louisiana	7,155,175.60	11,304,414.79	6,598,308.74	25,057,899.13
Maine	3,764,511.27	1,651,860.80	1,254,029.35	6,670,401.42
Maryland	22,055,364.36	26,034,648.29	4,831,014.87	52,921,027.52
Massachusetts	50,882,728.01	43,386,934.01	19,874,136.95	114,143,798.97
Michigan	49,435,227.07	79,990,056.98	6,428,687.36	135,853,971.41
Minnesota	13,105,321.84	16,801,392.39	27,604,498.17	57,511,212.40
Mississippi	1,101,835.32	812,871.59	619,172.96	2,533,879.87
Missouri	28,586,921.85	37,668,401.59	20,246,805.01	86,502,128.45
Montana	1,211,068.07	2,610,375.78	2,343,729.80	6,165,173.65
Nebraska	3,905,469.84	3,506,511.36	5,042,113.13	12,454,094.33
Nevada	1,711,749.90	351,964.00	62,907.41	2,126,621.31
New Hampshire	2,196,853.96	1,516,914.90	1,559,178.48	5,272,947.34
New Jersey	50,028,893.81	60,232,602.20	4,167,098.19	114,428,594.20
New Mexico	482,419.34	443,128.95	112,915.68	1,038,463.97
New York	337,866,880.88	275,763,842.24	58,842,770.85	672,473,493.97
North Carolina	14,647,490.43	235,318,455.69	33,793,393.71	283,759,339.83
North Dakota	489,532.19	321,939.28	937,186.22	1,748,657.69
Ohio	52,643,766.48	95,193,873.69	16,241,633.00	164,079,273.17
Oklahoma	9,478,969.08	29,813,120.48	4,085,404.07	43,377,493.62
Oregon	2,625,211.43	2,511,801.67	4,022,720.53	9,159,733.63
Pennsylvania	89,542,324.84	136,212,489.88	18,600,912.60	244,355,727.32
Rhode Island	7,804,085.11	5,783,456.70	1,862,519.65	15,450,061.46
South Carolina	3,090,228.81	1,281,602.12	17,126,284.94	21,498,115.87
South Dakota	495,536.52	619,693.39	425,565.58	1,540,795.49
Tennessee	8,303,599.99	6,689,888.24	6,494,674.89	21,488,163.12
Texas	24,944,952.54	36,116,158.91	13,149,693.73	74,210,805.18
Utah	1,750,246.63	1,371,886.80	3,182,087.80	6,304,221.23
Vermont	933,816.13	644,997.50	210,918.29	1,789,731.92
Virginia	10,792,203.15	119,338,901.26	11,217,495.25	141,348,599.66
Washington	5,847,749.98	7,930,112.88	5,165,708.39	18,943,571.25
West Virginia	5,305,394.59	4,391,541.65	908,229.98	10,605,166.22
Wisconsin	$12,306,618.72	$33,531,697.55	$5,720,386.42	$51,558,702.69
Wyoming	746,033.60	581,581.56	212,831.62	1,540,446.78
Philippine Islands		403,716.62	867,201.64	1,270,918.26
Puerto Rico			1,517,142.94	1,517,142.94
Total	1,099,230,382.70	1,673,982,831.24	526,222,358.24	3,299,435,572.18

The total amount collected from all the States is $3,299,435,572.18.

At this point in the RECORD, ladies and gentlemen, I want to insert a table showing the amount of money paid to the various States, under the Agricultural Adjustment Act, to show you what an unfair, uneconomic plan is being pursued by the grants to States, and there is no more glaring example of it than the agricultural program.

Rental and benefit payments through Dec. 31, 1935, analyzed by States

State	Schedule	Total
Alabama	2	$29,938,661.70
Arizona	3	2,273,696.31
Arkansas	4	35,313,740.02
California	5	13,104,109.10
Colorado	6	15,526,943.68
Connecticut	7	1,944,539.54
Delaware	8	364,717.27
Florida	9	2,852,837.16
Georgia	10	30,947,145.52
Hawaii	11	11,243,515.28
Idaho	12	12,138,628.81
Illinois	13	56,886,049.18
Indiana	14	36,126,463.50
Iowa	15	93,292,030.60
Kansas	16	86,755,192.42
Kentucky	17	20,631,910.04
Louisiana	18	29,549,383.54
Maine	19	6,065.00
Maryland	20	2,905,039.76
Massachusetts	21	1,267,126.21
Michigan	22	8,880,286.13
Minnesota	23	32,817,104.00
Miss ssippi	24	34,379,868.30
Missouri	25	42,522,601.29
Montana	26	18,733,470.82
Nebraska	27	57,634,849.86
Nevada	28	153,735.98
New Hampshire	29	63,027.45
New Jersey	30	520,899.64
New Mexico	31	3,684,740.92
New York	32	569,601.44
North Carolina	33	30,731,379.44
North Dakota	34	41,270,711.28
Ohio	35	27,885,711.07
Oklahoma	36	53,128,471.86
Oregon	37	7,808,769.08
Pennsylvania	38	3,282,107.11
Philippine Islands	39	8,648,182.79
Puerto Rico	40	3,887,480.72
Rhode Island	41	6,319.46
South Carolina	42	21,823,284.69
South Dakota	43	31,831,366.56
Tennessee	44	19,263,792.28
Texas	45	132,776,927.75
Utah	46	4,013,984.44
Vermont	47	103,851.60
Virginia	48	7,074,492.76
Washington	49	15,587,206.72
West Virginia	50	793,705.06
Wisconsin	51	12,127,606.29
Wyoming	52	3,249,538.84
Total		1,108,822,870.30

As an illustration: Alabama, in round figures, paid seven million in A. A. A. taxes and received thirty million in benefits. Arkansas paid two hundred and ninety-four thousand and received thirty-five million. Georgia paid twenty-one million and received thirty-one million. Indiana paid ten million and received thirty-six million in benefits. Iowa paid twenty and received ninety-three million. Kansas paid fourteen and received eighty-six million. Kentucky paid seven million and received twenty million. Louisiana paid six million and received twenty-nine million. Minnesota paid twenty-seven and received thirty-two million. Mississippi paid six hundred and nineteen thousand and received thirty-four million in return. Nebraska paid five million and got back fifty-seven million. North Dakota paid nine hundred thirty-six thousand and received in benefits forty-one mil-

lion. Oklahoma paid four million and got back fifty-three million.

[Here the gavel fell.]

Mr. PIERCE. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 1 additional minute. He ought to have this time; he is talking about things that are of special interest, and I should like to ask him a question.

The SPEAKER pro tempore (Mr. RICHARDSON). Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. LAMNECK. Now let us compare that sort of a record with some of our industrial States and see where they come out. New York paid $58,000,000 in taxes and got back $569,000. Massachusetts paid nineteen million in taxes and received one million in benefits. Illinois paid one hundred million and received fifty-seven million.

I think I have gone far enough to show the tendency on the part of the Government of the United States on the question of collecting taxes and paying back to the various States. In short, the result is that the manufacturing States of the East and Middle West are taxing their citizens to an unbearable degree, and the Federal Government is turning around and paying these enormous taxes to the other States without any consideration. I think the time must come when Congress must give consideration to the question of abolishing the policy of grants to States; and if this were done tomorrow the Budget could be balanced, in my judgment, and the burdens that are now being carried by Federal taxation could be carried by the various States at about half of what they are now costing. A speech that would show the enormous amount of money spent for administration purposes through the bureaucracy in Washington would be an eye opener, and some day I may take the time to infringe upon your patience to point out the evils of this system.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, the last speaker [Mr. LAMNECK] in a forceful, eloquent plea made clear to the Members of the House from the Southern and Western States that the industrial areas made grave sacrifices in order to carry out the agricultural program. May I say that I am definitely for the establishment of a parity between agriculture and industry. I believe this is due to agriculture and is somewhat belated. However, I rose to call your attention to the fact that this bill not only imposes a burden on the industrial States but affects very largely the dairymen in the Northeastern and Northern States. It strikes not only at those groups but at the dairymen who have already entered that field in the Southern States.

Mr. Speaker, the gentleman from Ohio has also pictured the intrusion into dairying by various Southern States. I will not go over that field anew, other than to say a half million additional cows have been brought into dairying by reason of the acreage-reduction plan of the A. A. A. The dairymen of the north and northeast, who paid the processing tax in large part, have been obliged to meet the competition of lands that were withdrawn from production and put into dairying by the Southern States. I do not suppose, Mr. Speaker, that ever in the history of legislation in any civilized government was class legislation so disastrous to another group of coworkers. The dairymen of the country, due to the nature of their farming, conserve soil fertility. If they take anything from the soil, they put it back.

This bill purports to be a bill providing for soil conservation. If passed in its present form, it will not effect soil conservation, because these 25,000,000 or more acres withdrawn as a result of this legislation will be used as pasture or for forage, and, of course, used largely, and almost entirely, for dairying. Soil conservation becomes a fiction under that policy.

I do not claim to be a technician in this field. I am, therefore, forced to rely upon the economists who represent the dairying interest. There is no abler agricultural economist in Washington or elsewhere in the country than Mr. Charles H. Holman, secretary of the National Producers Federation. I place in the RECORD at this point a letter from him which tells the real story. Every Congressman who wishes to vote intelligently on this amendment should read it with care. The letter is as follows:

THE NATIONAL COOPERATIVE MILK PRODUCERS' FEDERATION,
Washington, D. C., February 10, 1936.

Hon. FRANCIS D. CULKIN,
House Office Building, Washington, D. C.

DEAR MR. CULKIN: We would like to call to your attention a situation existing in the pending agricultural relief bill (H. R. 10835) now being considered by the Senate, under which the dairy farmers of this country will be heavily and unjustly penalized unless this situation is corrected by an amendment to the proposed bill.

Under the terms of the proposed bill payments are to be made out of the Treasury of the United States to farmers for the promotion of soil conservation in the United States. The program contemplates the taking out of production of cotton, wheat, corn, and tobacco, and the planting of the acreage so withdrawn in clovers, alfalfa, grasses, and other forage crops. No limitation is placed in the bill upon the use of such withdrawn acres, and we are advised that both the Secretary of Agriculture and the Administrator of the Agricultural Adjustment Act admitted before the House Committee on Agriculture that the program would result in an increase in the production of livestock and dairy products.

Only a small percentage of dairy farmers will be eligible for the benefits provided for in this bill. Dairy farmers have in the past and are continuing to practice a type of farming which promotes soil conservation and prevents soil erosion. They already have a system of rotation in effect which provides for the production of grasses and forage crops, and thus they will be unable to make shifts in their production which would entitle them to benefit payments.

The result of the program will be that corn, cotton, wheat, and tobacco farmers will withdraw part of their acreage from these crops and receive benefit payments. In addition, they will be permitted to plant the withdrawn acreage in grasses or forage and will put cows out into this acreage and increase the production of dairy products to the detriment of the more than 3,000,000 farmers engaged in whole or in part in commercial dairying.

This program will result in a substantial increase of two-and-three-cow farms, with a resultant increase in the production of butter, cheese, and other manufactured dairy products.

We believe that it is absolutely essential for the protection of the dairy farmers of this country that a provision be placed in the bill H. R. 10835 at the end of section 8 to read as follows: "and any payment or grant of other aid which is conditional, in whole or in part, upon the growth of soil restoration, soil conservation, or erosion-preventing crops on any land, or any change in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on such land."

The contention which has been made that such a condition will render the bill unconstitutional is, in our opinion, an unsound one. Certainly if money is to be paid out by the Secretary of Agriculture to farmers who meet certain conditions which are to be fixed by the Secretary of Agriculture, the inclusion in the bill of a condition to be imposed by the Congress of the United States cannot cast further doubt upon the constitutionality of the measure. The argument that conditions fixed by the Secretary of Agriculture will make the bill unconstitutional, but conditions fixed by the Congress itself will render the bill unconstitutional, is, in our opinion, fallacious.

We therefore urge, on behalf of the dairy farmers of this country, who represent in excess of 23 percent of the farm income and who will not be eligible for the benefit payments under the act, that Congress at least, in the enactment of legislation for other farmers, provide proper safeguards against the harmful effect of such legislation on the major agricultural group of the country.

Very truly yours,

CHARLES H. HOLMAN,
Secretary, the National Cooperative Milk Producers' Federation.

The distinguished gentleman from North Carolina [Mr. CLARK] discussed in some measure the constitutionality of this bill. I am not going into that feature at this time, other than to say that in my judgment an amendment to this bill which will be offered in due course, providing that these lands shall not be used for any other crop purposes, would be as constitutional as the measure itself. I say to the Members from the South that you should not by this legislation destroy this great group of farmers who have stood loyally by you in your former legislative attempts to rectify the economic condition of your people. The dairyman's condition is also most difficult. His land is being sold for taxes. He is unable to educate his worthwhile children. Now, through this legislation the Government by one fell swoop puts into competition with him 25,000,000

additional acres of land. It seems to me that in fairness, speaking as one group of husbandmen to another, you gentleman who represent the Southern States, should join with us in amending this bill so that these lands may not be used for forage crops and for dairying purposes. This seems to me to be the only fair solution of the problem.

May I suggest that there are other days coming. You gentlemen from the Southland are in command at this time. You hold the reins in the parliamentary situation now, and are the leaders in this House; but it is possible, and may I say very probable, that next year there will be a shift in the situation. Then it would be difficult, perhaps asking too much of human nature, influenced by the ordinary human instincts, for them to legislate so willingly as they have in the past for the farmers of great southern States. When the proper time comes those Members representing the dairy States will ask the Members of this House to write this proposed amendment into the bill. If that is not done, and if you use the parliamentary strength which you now have to destroy these 4,000,000 dairymen who, with their dependents, constitute a purchasing group of 14,000,000 in America, then in the future, and when power in the House is shifted, it may be difficult for the friends of the South to aid in their program.

Mr. GREEVER. Will the gentleman yield?

Mr. CULKIN. I yield to the gentleman from Wyoming.

Mr. GREEVER. Does not the gentleman believe that the amendment to which he refers should apply to all livestock as well as dairy livestock?

Mr. CULKIN. I may say to the gentleman from Wyoming that the amendment which will be offered to this bill will include livestock. What I said about dairying applies with equal force to livestock. May I say in conclusion that the majority House should not destroy these groups, the cattlemen and the dairymen, in an endeavor to aid their own conditions. We are all Americans, whether we live in the North or South.

Mr. JONES. Will the gentleman yield?

Mr. CULKIN. I yield to the distinguished chairman of the committee.

Mr. JONES. Does not the gentleman think that the cattlemen and the dairymen have fared pretty well under the program which has been in effect?

Mr. CULKIN. I think under the program heretofore in effect the condition of the dairyman has in large part been embarrassed. An attempt was made under the A. A. A. 2 years ago to nationalize milk. An attempt was made under the A. A. A. to destroy what solidarity the dairymen had gained through cooperative organizations. I waited honestly and faithfully for the A. A. A. to do something for the dairymen, but I am unable to see where they ever did anything to help or aid their condition. I voted for the A. A. A. I believe that the gentleman himself is sympathetic with the dairymen. I hope he can be for this amendment.

Mr. JONES. I am in sympathy, of course, with the dairymen. May I say, however, their prices have been increased more than 50 percent during the previous program. They have received in various ways nearly $100,000,000. They have had a program and a number of other things, and if there is any one group in America that has been given some advantages it is the dairy group. [Applause.]

Mr. CULKIN. I will say to the gentleman that the condition of the dairyman has been and remains an embarrassing one. His land is being sold for taxes, and nine-tenths of them are on the verge of actual bankruptcy. This is the dairyman's situation, I will say to the gentleman.

Mr. JONES. There have been no taxes on dairy products, as the gentleman knows.

Mr. CULKIN. Now is the time to help them, I will say to the gentleman from Texas, by supporting this amendment.

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

Mr. CULKIN. I yield.

Mr. SAUTHOFF. I want to call the attention of the gentleman from New York to the fact that the reciprocal trade agreement with Canada broke the cheese price 2 cents a pound and has cost my State of Wisconsin six and a half million dollars this year already, according to the statements of the secretary of the Cheese Association for Wisconsin.

Mr. JONES. Reciprocal trade agreements are not involved in this bill.

Mr. SAUTHOFF. One minute. I have the floor.

Mr. CULKIN. I agree with the gentleman from Wisconsin and concur in his statement. It now appears that the dairyman has been sacrificed on the altar of foreign trade by these trade agreements. The fact is based on conditions in my own district and the country generally that the dairyman today is in a more grievous situation, despite these alleged high prices, than he has been at any time in his history. [Applause.]

[Here the gavel fell.]

INVESTIGATION OF TOWNSEND PLAN

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House Resolution 418.

The SPEAKER pro tempore (Mr. RICHARDSON). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, it was my intention to oppose this resolution to investigate old-age-pension movements, until I learned that the leaders of the Townsend movement had gone before the Rules Committee and stated that they invited the investigation. Since the investigation is motivated principally against the Townsend movement, this action on the part of its leaders places a greater degree of responsibility on the investigating committee to see that the investigation is fair and impartial.

I am glad, from a Democratic standpoint, that there was no party division in the Rules Committee and that there is none in the House over the question whether the rule shall be adopted and the investigation held. Such a course appears to be unanimously agreed upon and the sponsor of the Townsend bill, Mr. MCGROARTY of California, himself, asks that it be done. This relieves the proposed investigation of any charge of partisanship. Both parties, or rather all parties, concur.

And yet, Mr. Speaker, I doubt the wisdom, the necessity, or the benefit of this investigation. I am apprehensive that it may appear to the Townsend movement at large as an attempt by Congress to exercise its powers to persecute Dr. Townsend and discredit his movement, and his followers will not be reassured by the consent of their leaders to an investigation, which these leaders well knew could not be stopped, and to attempt to stop which would have put them in bad at the outset. They acted wisely.

It will be well for the committee to act as wisely. Those Members who are familiar with this movement, who come from sections of the country where it is active and controlling, would, I think, concur in the view that Dr. Townsend cannot be discredited or the movement frustrated by anything the committee may bring out regarding the financial affairs of the movement. I believe they would concur in the view that whatever disclosures the committee may make reflecting on the founder of the movement would serve only to increase the loyalty and intensify the zeal of his followers.

Mr. Speaker, one thing is sure, it cannot be complained that Congress is being high-pressured by any lobby in Washington, paid or otherwise, to pass the McGroarty bill. All the lobbying of which I know anything, comes from home in the mails. My chief complaint thus far is that so little money is being spent in Washington. I have urged that experts be employed to study, revise, and perfect the bill. I am convinced that this must be done. Nothing of this nature is being done.

Since no money is being used in Washington on the bill, we are not confronted with a situation requiring the investigation of individuals who are charged with the corrupt use of money to promote or influence legislation. On the other hand, I am not interested in what becomes of the dimes and

quarters contributed by the followers of Dr. Townsend, and I venture the opinion that the committee will find out that the people who contribute them are not concerned.

An exceptionally considerate, impartial investigation, and with no hint of persecution or of an attempt to break down a pension plan under the pretext of concern for the aged poor who are contributing their dimes and quarters in support of it, would be the wise thing. The plan itself and the zeal of millions for it, demanding its acceptance without change or argument, is, after all, the main thing confronting Members of Congress, and this the investigation cannot go into or affect. A heavy and peculiar responsibility will rest on the investigating committee.

EXTENSION OF REMARKS

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a resolution introduced by me on January 6 and a resolution introduced by the gentleman from Missouri [Mr. BELL] on the 29th of January, an amended resolution of mine of the 6th of February, and an amended resolution of the gentleman from Missouri [Mr. BELL] of the 14th day of February.

Mr. MAPES. Mr. Speaker, reserving the right to object, I think we are getting into a bad habit here of injecting all kinds of foreign matter into our proceedings after we begin the consideration of a particular subject, and for this reason I object to the request at this time.

Mr. CLARK of North Carolina. Mr. Speaker, I move the previous question on the pending resolution.

The previous question was ordered.

Mr. ANDRESEN. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER pro tempore. The Chair will count.

Mr. ANDRESEN. Mr. Speaker, I withdraw the point of no quorum.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. KENNEY) there were—ayes 118, noes 16.

So the resolution was agreed to.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief letter from the National Cooperative Milk Producers' Association.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent at this time to extend my own remarks in the Appendix of the daily RECORD and to include therein four short resolutions on the Townsend investigation.

Mr. SNELL. Mr. Speaker, reserving the right to object, it seems to me a bad practice has grown up here of late to reprint in the RECORD public documents that are now available. All of these resolutions have been printed and are now available and the gentleman from Washington can get as many copies as he may desire, and for the present at least, and I think for the future as well, I shall object to reprinting them in the RECORD because it is against the policy of this House. [Applause.]

The SPEAKER pro tempore. Objection is heard.

CONSERVATION OF AGRICULTURAL LAND RESOURCES

Mr. JONES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3780, with Mr. FULLER in the chair.

The Clerk read the title of the bill.

Mr. JONES. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Without objection, it is so ordered.

Mr. JONES. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, from the wide range of discussion in regard to this bill while the pending resolution—House Resolution 419—was before the House, it is very evident that there is quite a diversity of opinion and many different ideas in regard to farm relief and also no doubt different opinions on this bill we are considering here today.

However, in opening the discussion of this bill on the floor of the House today, I feel that within the limit of time allotted to me that I should devote that time not to answering some of the political issues injected into this discussion and some of the extravagant statements that have been made and perhaps will be made, but to a discussion and analysis of the general farm situation, the efforts of this administration in behalf of agriculture, and the problems with which we are faced today, as well as an explanation of the bill before us to the best of my ability in the time allotted to me.

The resolution calls for consideration of the Senate bill, but we intend to adopt in a parliamentary way the House bill 10835.

It matters not what criticisms are hurled at the farm program of this Roosevelt administration, all fair and right-thinking people must admit that this administration has not only tried but has done something really worth while for agriculture.

Consider the plight of the farmer in the early days and those preceding the spring of 1933, when we began to work on this program. The farmers of this country know that they had to sell the products of their farms at starvation prices. The farmers know that after we shaped and passed in Congress the Agricultural Adjustment Act and its force began to be reflected in benefits to the actual producer he began to get a fairly good price for his crops that he sold in the fall of 1933.

Since then many obstacles have been encountered by the administration. Necessarily, in a program as broad as our farm program, many mistakes have been made; but with courage, hope, and determination we marched on, with the banner of agriculture lifted high.

The farmers were coming into their own. They were beginning to receive not only recognition but equality at the hands of their Government. Agriculture was approaching a balance with industry. Long-range programs were being fashioned in behalf of the farmer.

Under the provisions of the A. A. A., the country generally and all business throughout this Nation were on the upward grade. The pump had been primed and the flow of increased purchasing power of the farmer was beginning to spread and to be felt throughout the land. We were making progress even though under difficulties. However, as is always the case, where some are benefited others are dissatisfied. Whenever and wherever constructive forces are at work, the destructive attack is inevitable. However, all that had been said and done by those who opposed the farm policies of this administration had not stopped the great effort that this administration was making in behalf of the people engaged in agriculture.

Time rolled on. Conditions generally improved. Those favoring the organized, planned, and balanced policy of the Government regarding agriculture fought on in behalf of the farmer. Those opposed became all the more determined to stop the onward march of the administration. The opposition resorted to the courts of our land, and finally the issues were drawn along constitutional lines, and the Agricultural Adjustment Act of 1933 was fought out in a great legal battle before the highest judicial tribunal in the land—the Supreme Court of the United States.

On the eventful day of Monday, January 6, 1936, the United States Supreme Court rendered its decision in the case of United States of America, petitioner, against William M. Butler, and others, receivers of Hoosac Mills Corporation.

It was a divided opinion of the Court—6 to 3.

Mr. Justice Roberts delivered the majority opinion of the Court in which Chief Justice Hughes and Justices Van Devanter, McReynolds, Sutherland, and Butler concurred, and Mr. Justice Stone delivered the dissenting opinion in which Justices Brandeis and Cardozo concurred.

With no intention of being critical but as a statement of fact as I see it, when the Supreme Court of the land declared the Agricultural Adjustment Act of 1933 unconstitutional, agriculture and the farming interests of this country were dealt a severe blow, from which agriculture will not soon recover.

I have been interested from the beginning in this case and followed it closely. I was present when it was first argued before the Supreme Court on December 9 and 10, 1935. I was there when the opinions were rendered on January 6, 1936, and have studied both the majority opinion and the minority opinion, and I am convinced that the language of the majority decision of the Supreme Court makes it exceedingly difficult for Congress now to enact practical and beneficial legislation in behalf of the farmers, especially the small farmer—the tenant and the sharecropper.

Well do I remember what a battle we had last year to pass in this House the Doxey bill, H. R. 6424, to grant certain exemptions to the small farmer and help the tenant and the sharecropper. This Doxey bill also provided pay for the ginners, and we have only recently—nearly a year later—secured an appropriation to pay the obligations relating to cotton ginners as set forth in my bill, H. R. 6424.

I am not disposed nor do I here have the time to discuss at length the Agricultural Adjustment Act decision. Suffice it to say that as a member of the House Committee on Agriculture and also having been selected as one of the House conferees on agricultural legislation, I helped to write the original Agricultural Adjustment Act of 1933.

On March 21, 1933, while we were debating this bill on the floor of this House, I made a speech here endeavoring to explain the bill and favoring its passage. As a conferee, I attended all conferences on the bill between the Senate and the House. By invitation I was present at the White House when President Roosevelt signed the original act on May 12, 1933.

My Committee on Agriculture was working on amendments to the original Agricultural Adjustment Act when the Supreme Court, on May 27, 1935, handed down its famous decision in the Schechter case, declaring the N. R. A. unconstitutional. Immediately thereafter my committee prepared, proposed, and passed in this House amendments to the original Agricultural Adjustment Act which were known as H. R. 8492, proposing to strengthen the original A. A. A. of 1933.

On June 17, 1935, while we were considering this legislation in this House, I made a speech here favoring these amendments and this legislation and pleased to call the title of my speech "Trying to Save the A. A. A." These amendments became a law, but the A. A. A. was not saved.

What did the majority opinion of the Supreme Court recite regarding these amendments that we had worked so hard on in our efforts to strengthen the original A. A. A.? Among other things discussed in the Supreme Court's majority opinion regarding the A. A. A., Mr. Justice Roberts said with reference to these amendments to the original act, in the concluding paragraph of the opinion, that—

> Since, as we have pointed out, there was no power in the Congress to impose the contested exaction, it could not lawfully ratify or confirm what an executive officer had done in that regard. Consequently, the act of 1935 does not affect the rights of the parties.

In other words, as I interpret the meaning of this decision, it is in substance with reference to these amendments of 1935 about as follows: The original A. A. A. of 1933 is dead. Congress cannot by a subsequent act breathe life into it.

As one Member of Congress vitally interested in the welfare of agriculture, with the highest regard and respect for the courts of our land and a deep and fervent love for our Constitution, I bow submissively to the opinions of our great Supreme Court. I am sure that is the sentiment of most all of us. I know that is the attitude of my committee that at all times has had the responsibility of all legislation in this branch of Congress relating to agriculture.

So, with memories of the past and hopes for the future, the House Committee on Agriculture, in the light of the Supreme Court's decision, immediately began the task of writing and submitting to this Congress some really worthwhile legislation that will be of actual benefit to the farmers and stand the constitutional test. We realize that this is some large assignment under existing circumstances. We are not unmindful of the opposition that we have already had and will encounter as we go on. It is a long and hard road to travel to get back where we were before the Supreme Court's decision regarding the A. A. A., so that we can really help the farmer, but we have resolved to make a determined effort to do the best we can in getting a law enacted as soon as possible as a substitute for the A. A. A.

My Committee on Agriculture has been working night and day on this problem for weeks. We have brought to this House for your consideration H. R. 10835, which, for the present, at least, will serve as a stopgap.

As a friend and supporter of this proposed legislation, I do not claim it is perfect or that if it is attacked in the courts that it will be declared constitutional. I do know we have written and rewritten it. Some of us on the committee have proposed drafts of bills differing greatly from this one. Many proposals we advocated are not incorporated in this bill. There are some provisions in the bill that some of us wanted modified and changed, some—broadened, some—limited, and others—deleted, but in order to get a bill we had to give and take, yield here and agree there.

Knowing some of the weak points and complaints against the A. A. A., I tried in the draft of this bill to definitely and specifically incorporate provisions that would directly help the small farmer—the tenant and the sharecropper. However, my efforts in this regard met with little success. The general nature of the bill had to deal with generalities and leave it to the discretion of the Secretary of Agriculture as to how it would be administered. We fervently hope the small farmer will be taken care of if possible. I stand ready, anxious, and willing to cooperate with any of you in amending this bill, when we reach that stage, so as to insure, if possible, adequate and just benefits to the little farmer, the tenant, and the share cropper.

So, in the last analysis, those of us on the committee who truly wanted to help the farmer and do something constructive for agriculture, felt we must get this new farm program under way as quickly as possible if we were going to help the farmer this year. We knew it would soon be time for the farmer to pitch and plant his crop and we wanted to help him if we could. This bill may be just a basis for the approach to the future farm program. We do not know how it is going to be administered. How successful this type of legislation will be depends largely on how it is administered. Congress has nothing to do with that. The administration of the act is the responsibility of the executive branch of the Government. We, the legislative branch, can only make the laws. The executive branch administers them. The judicial branch interprets them.

As practical men acquainted with conditions, and many of us having been farmers ourselves and owning farms, we know that the benefits the farmers have received for the past few years can all be wiped out if we do not provide them as soon as possible with the best we can, even though it be a temporary and imperfect program. I for one, and I believe it is the intention of my committee, expect to go right on trying to fashion and pass other bills of a more permanent nature in the interest of agriculture. On this job we must work and cooperate, for we are still faced with a grave crisis and a serious responsibility. Right now the time element is of vast importance, and I trust we will improve this bill if we can and pass a real farm bill as speedily as possible.

My colleagues, Mr. Roosevelt is not the only President that has been in the White House during my service here, but President Roosevelt is the only President who has been sympathetic with our agricultural problems and cooperated

with the friends of agriculture in an effort to do something really worthwhile and beneficial for the farmer since I have been in Congress. [Applause.]

In my opinion, no true friend of the farmer rejoices that this agricultural program has been wrecked. Gloom and despair prevail throughout the agricultural sections of this country.

It is our duty and responsibility to go forward as quickly as possible with the best substitute program we can enact into law that meets the test of the decision in the Butler case, so far as we are able to determine.

To say the least, the immediate and future farm policies of this country will be greatly affected by our votes on this bill that we have brought before you today. My committee, in reporting this bill favorably to this House, realized we had a fight to pass it. We know it can and will be attacked from many sources. We appreciate the fact that if it becomes a law and is not wisely, justly, and properly administered, great hardships and inequalities will result not only to individual farmers but also to certain classes of farmers and certain types of farming.

I say to those of you who are opposing it, we want the very best we can get for the farmer. You have not offered us anything to better it or to take its place. Talking, wisecracking, demagoguery, criticizing, and indulging in glittering generalities do not enact laws or put into operation farm programs designed to help agriculture.

It is much easier to criticize and destroy than it is to create and build. We ask you to help us build an agricultural program that will truly rehabilitate agriculture. It will take time, and no doubt other legislation, but you will never reach the goal if you do not make a start. That is the purpose of this bill. It gives us a starting point. It is twofold: First, to serve an urgent immediate need; second, to form a basis for future agricultural permanent legislation.

The first part of the bill relating to the temporary plan is known as the soil-conservation program and is considered as an emergency to be in operation only for the years 1936 and 1937.

The second part of the proposed legislation has to do with the establishment of a permanent plan for agriculture to begin in 1938. This program will later be worked out with the suggestion that it provide for Federal grants of money to States to enable each State to carry out its own programs for agricultural rehabilitation. The respective States will have from now until January 1, 1938, to work out their own program and have their own legislatures to pass the necessary farm legislation in order to get further Federal aid. In the meantime this temporary program will be in operation only for the years 1936 and 1937, or until a permanent State farm plan can be worked out by the States and be approved by the Federal authorities.

Let us briefly analyze the general provisions of this bill, H. R. 10835, considering first the part relating to the proposed temporary agricultural program, known as the soil-conservation plan for 1936 and 1937.

This is just an amendment to the original Soil Conservation Act reported by my Committee on Agriculture and enacted into law April 27, 1935, and known as H. R. 7054, Public Act No. 46, Seventy-fourth Congress.

The bill before us amends this act by inserting after section 6 of the original act the provisions of this bill and designating the next section as section 7 and sets out the purposes of this act as—

1. Preservation and improvement of soil fertility.
2. Promotion of the economic use of land.
3. Diminution of exploitation and unprofitable use of national soil resources.
4. Provision for and maintenance of a continuous and stable supply of agricultural commodities adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers thereof.
5. Reestablishment and maintenance of farmers' purchasing power.

Three of the five general purposes relating to both the temporary and permanent features of this bill are the same. But the temporary program only gives the Secretary of Agriculture the right under certain conditions to aid and make benefit payments to agricultural producers as individuals to January 1, 1938. After that the permanent program begins, and benefits are paid and made in the form of grants to the respective States under certain conditions.

Then the States in turn deal with the individual farmers.

Under the temporary program, where the Secretary of Agriculture deals directly with the farmer, through his authorized agents, he derives his power to carry out the purposes specified as—

1. Preservation and improvement of soil fertility.
2. Promotion of the economic use of the land.
3. Diminution of exploitation and use of national soil resources.

The land conservation feature relates strictly to these three purposes and does not deal with agricultural commodities or with the farmer's purchasing power.

In other words, the farmers are paid benefits based on—

(1) Their treatment or use of their land, or a part thereof, for soil restoration, soil conservation, or the prevention of erosion.

(2) Changes in the use of their land.

(3) A percentage of their normal production of any one or more agricultural commodities designated by the Secretary of Agriculture which equals the percentage of the normal national production of such commodities required for domestic consumption.

A check-up is made by county committees or other authorized agencies approved by the Secretary of Agriculture as to just how the farmer has used and treated his land, and if he has cooperated and complied with the purposes and requirements of the program, then the Secretary of Agriculture, taking into consideration the productivity of the land affected by the farming practices adopted during the year with respect to benefit payments, can make them direct to the farmer in proportion to the extent and to the amount of land so used and treated by the cooperating producer. There is no contract. Nothing is binding on anyone. If the producer wants to cooperate, he knows the condition and history of his land. He works it and uses it as he pleases. The program is open and known to him. He can either follow it or leave it alone. If he has cooperated and at the end of the crop season he is checked up and it is found that he has treated and used his land in conformity with and according to the provisions of this bill, he is paid cash benefits in proportion to the method he used and the usual productivity of the land so affected.

There is no contractual relations between anyone, as was condemned and outlawed by the A. A. A. decision of the Supreme Court in the Butler case. The object and purpose of this program is based on a conditional expenditure, not in pursuance of a contract, which has as its object the accomplishment of the purpose of soil building by the farmer to promote the general welfare. If the farmer does it, he is paid in proportion to his efforts. If he does not, he is not paid any benefits.

Each and every farmer is completely free to do as he pleases with his land. Whether or not he receives any benefits or aid from the Government depends entirely upon what the farmer does and how he treats and uses his land.

The object of this bill is expressly stated to be soil conservation and the powers conferred are powers to carry out this purpose. If the methods proposed make it unconstitutional, then I am frank to admit it is going to be almost an impossible task to pass any benefits on to the farmer or enact any legislation that will directly benefit the man who tills the soil or owns the land.

If this bill becomes law and is properly administered and is then declared unconstitutional by the courts, goodness knows what will become of the farmer and what will happen to agriculture in general.

I realize that the success or failure of this program depends largely on the rules and regulations prescribed by the Secretary of Agriculture and how it is administered by those working under him.

Just what crops or what definite methods will be considered and employed in carrying out this temporary soil-conservation plan are of necessity left to the discretion of the Secretary of Agriculture. It would be practically impossible

in writing a law of this character to spell out the exact duties or give a yardstick to be used in the administration of the law. That necessarily has to be left to the judgment and discretion of the executive officer who is charged with the responsibility of administering the law.

Section 12 of this bill confers the power on the Secretary of Agriculture to use such sums of money as he in his discretion deems necessary out of the appropriated funds in the expansion of our domestic and foreign markets and for seeking new or additional markets for our agricultural commodities or the products thereof or for the removal or disposition of surpluses of such commodities or the products thereof.

These powers given to the Secretary of Agriculture do not relate to the soil-conservation program, but are incident to purposes 4 and 5 as set forth in section 7 of this bill, and are not classed as a temporary program, and are known as the domestic allotment plan.

Section 2, on page 8 of this bill, proposes to amend the provision adopted at the last session of Congress under which an amount equal to 30 percent of the customs receipts was devoted to certain expenditures for farm relief. The effect of the amendment is to clarify and confirm the construction that the Secretary need not find that the expenditure contemplated will both increase exportation and increase domestic consumption, and that the section contains an alternative exercise of power. The amendment also extends the power to any one or more of the three objects of expenditure therein authorized without preference as between them.

Section 3, pages 8 and 9 of this bill, purposes to permit the unexpended balance of the funds already appropriated to be used and made available for the treatment and eradication of "Bangs" disease and cattle tuberculosis until June 30, 1937.

The "Domestic allotment plan", the 30-percent use of custom-receipt expenditures for farm relief, and the continuing of the cattle appropriations certainly are not affected by the rulings of the Supreme Court. Congress can expend public moneys for the general welfare.

That is the theory that the provisions of the permanent State-aid plan of this bill is based on. Each State is left free to accept or refuse the benefits. No citizen or producer of any State has any relation, contractual or otherwise, with the Federal Government. Whatever program is adopted by the State is one of local concern, based upon State power, and not limited by any denial of powers to the Federal Government in the Constitution.

When the State agricultural program becomes effective and is put into operation, then the Federal Government aids the respective States by providing payments to the State for State distribution under the State plan.

Necessarily the State plan must conform to the purposes of this act and be approved by the Secretary of Agriculture before the State can secure Federal aid for agriculture.

In determining the amount of money to be apportioned to any State there must be taken into consideration—

(1) Farm population of the State;

(2) The value of agricultural commodities produced in the respective States during a representative period; and

(3) The acreage and productivity of land devoted to agricultural production in the respective States during a representative period.

If the State by January 1, 1938, has no agricultural program or if the program is not satisfactory or fails, no Government aid is available. But if this bill becomes a law and the plan works, agricultural States will secure Federal aid, just as at present the Government is assisting the States to construct their main highways under a State program and supervision.

The original Senate bill and the bill reported by the Senate Agriculture Committee—S. 3780—did not contain this permanent and long-range farm program. The Senate bill only contained the temporary program known as the soil-conservation plan. However, when the bill came on the floor of the Senate for discussion, consideration, and amendments, our House Agricultural Committee bill—H. R. 10835—was practically substituted in the Senate for the original Senate bill No. 3780.

The Senate has just recently passed substantially our bill. If we pass this bill I will likely be appointed one of the House conferees, and I believe we very quickly can work out satisfactorily in conference a bill that will be acceptable to both the House and the Senate, and one that will be signed immediately by the President.

Then, my friends, the farmer will have some assurances that there is going to be not only a temporary farm program for 1936 and 1937, but also that if his State legislature acts on a satisfactory farm program before 1938 his State will receive Federal aid and he in turn will receive the benefits through and in accordance with the agricultural plan adopted by his State.

Mr. ANDRESEN. Mr. Chairman, will the gentleman yield for a brief question?

Mr. DOXEY. I am delighted to yield to my colleague on the committee from Minnesota.

Mr. ANDRESEN. The gentleman has mentioned four or five different provisions in the bill, certain ones relating to soil conservation and others to State grants or the permanent part of the program. Is it to be understood that the soil-conservation program will terminate within 2 years, when the State program becomes effective?

Mr. DOXEY. That is a matter that I do not think there is much understanding about, except the gentleman knows that the soil-conservation plan is provided for only 2 years, 1936 and 1937. The permanent plan or the proposed permanent plan is to begin January 1, 1938. The reason for that is that the States will have to adopt a farm policy in conformance with the purposes of this act. Their legislatures cannot immediately meet and pass legislation and inaugurate a farm policy, but when they do, we give them to January 1, 1938. I feel if a State, in the practical administration of this law, wants to obtain before January 1, 1938, the benefits provided by the bill, and shows that its State legislature has adopted a sound, satisfactory plan, that State will be just getting ready before the time set in this bill. As to when one policy begins and another stops, that is, of course, up to the executive branch of the Government, and depends a great deal on available appropriations.

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

Mr. DOXEY. I yield to my chairman, the gentleman from Texas.

Mr. JONES. As I understand the bill, the permanent plan can embody all five features, while the temporary plan is limited to the three.

Mr. DOXEY. I certainly tried to make that clear.

Mr. JONES. I think the gentleman did, but some gentlemen did not seem to understand it.

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

Mr. DOXEY. Mr. Chairman, I try to be generous in yielding; but if my position is going to be misunderstood to that extent, I better refuse to yield, although I want to yield to as many of my colleagues as possible.

Mr. GREEN. I was anxious to get information on no. 4, on page 7.

Mr. DOXEY. Let me interrupt the gentleman—and I ask his pardon. If he will permit me to conclude without further interruption, then, if I have not answered the question which he has in mind, I shall be delighted to yield.

The CHAIRMAN. The gentleman from Mississippi refuses to yield?

Mr. DOXEY. No; I do not refuse to yield; I just suggest that I not be interrupted. [Laughter.]

In the light of the recent Supreme Court decision on the A. A. A. we have not in this bill attempted to definitely and specifically tell the Secretary of Agriculture how to administer the bill nor have we attempted to define his duties thereunder.

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

Mr. DOXEY. Yes; gladly to the gentleman from Georgia.

Mr. TARVER. If we cannot define these things, is it the gentleman's thought that the Secretary of Agriculture can by regulation do something that is not within our power?

Mr. DOXEY. No; I do not exactly say that; but if we take to writing a piece of legislation with that detail, we will never, in my judgment, get it through this House at all.

It will be loaded down with all kinds of amendments—some possibly good—others no doubt would be bad and possibly wreck this program. I am willing to include in the bill as many definite and specific instructions for the administration of this act as is possible. If the gentleman has any definite and specific instructions that will be in conformity with this general program, I shall be delighted, as one member of the committee, to have him propose them. I realize it is going to be a big job to administer this act satisfactorily.

Mr. FULMER. Will the gentleman yield?

Mr. DOXEY. I yield to the gentleman from South Carolina, a member of my committee.

Mr. FULMER. If I understand the gentleman from Mississippi correctly, it would be almost impossible to outline in the bill the real machinery for administering this bill, but after 1938 the States will have absolute right and control of setting up machinery for the administration of this bill, as far as the State is concerned, and as far as the farmers operating within that State are concerned.

Mr. DOXEY. To my mind, the gentleman is correct only in part. Of course, this bill does provide that the State shall use the facilities of the land grant colleges and those agencies that the Secretary of Agriculture must approve.

Mr. FULMER. In other words, the Secretary perhaps would not accept any other organization except the land-grant colleges, as in the case under the A. A. A., but when a State passes legislation to create this machinery, then it will be up to the legislature to set up the machinery, composed of farmers or a commissioner or any other machinery they may desire to administer the law?

Mr. DOXEY. However, I should like to make this observation: That if they propose a plan that is not acceptable, the Federal Government does not have to extend the grant to the respective States.

My colleagues, in conclusion, permit me, as a friend of agriculture, to make this final observation:

It takes money and a great deal of it for the Federal Government to really help agriculture. Congress levied a processing tax to finance the A. A. A. program. The Supreme Court said in substance that Congress cannot tax one specific class for the benefit of another particular group. In other words, thou shalt not tax the processor and pay it to the producer.

So, as a result of the Supreme Court's decision in this regard, all that Congress can do now toward providing funds to finance any agricultural program is to appropriate directly out of the Federal Treasury money to be used for the benefit of agriculture.

We have just appropriated out of the United States Treasury nearly $300,000,000 to take care of the existing contracts and unpaid benefit obligations entered into by the Government with the farmer under the Agricultural Adjustment Act. It will take at least $500,000,000 a year to operate successfully this proposed temporary soil-conservation farm program. We have not made that direct appropriation yet. Then, if we are to have any permanent farm program by making payments directly to the States or otherwise, you can conservatively estimate it will take one-half billion dollars each year to be appropriated directly out of the Federal Treasury.

I believe we can pass in this Congress these necessary appropriations for agriculture benefits this year, but, my friends, in this year's election, if we lose many friends of agriculture either in the House or in the Senate, it is going to be exceedingly difficult to pass these necessary appropriations for agriculture next year and the years following. So even if we have an agricultural program and no money to finance it, certainly we will fail agriculture. Therefore, permit me to suggest that we be thinking of some method that will, if possible, stand a constitutional test whereby the Federal Government can finance whatever program for agriculture we might have and not depend entirely on direct appropriations by Congress from the Federal Treasury.

We all realize—no money, no program; no plan, no benefits; no Government aid, no prosperous farmer; sick agriculture, weak Nation.

This is a problem of national concern. So long as we legislate in behalf of industry, we must help agriculture and effectuate a sound, practical, lasting, effective, and constitutional legislative policy beneficial to the farmers of this Nation. [Applause.]

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. DOXEY] has expired.

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, at the outset I want to say to the members of the Committee that during the past few years, while we have been considering farm legislation, I have supported legislation that was intended for the benefit of all sections of the country. I supported the original Agricultural Adjustment Act, but I did not do so until I was given assurance that if that bill were enacted into law there would be no shifting of crops in such a way as to bring about any direct injury to the section of the country I represent, and particularly the dairy industry. With the assurance that lands taken out of production under the A. A. A. would not be put into the production of grasses and other feed for dairy cattle, I gladly supported the bill, although there was not much hope in my mind at the time that any real benefit would come to the dairy industry. I did feel at least there would be no harm done to my section of the country, and I was glad to support that act to assist the corn-hog farmers, the wheat farmers, the cotton and tobacco farmers of the country.

Then a little later we came along with the Bankhead Cotton Control Act. Perhaps some of the Members on the floor today recall that on that occasion I took the floor and added what support I might to that bill. To the best of my ability, I supported that legislation, not only in committee but upon the floor of this House, because in the committee those of us who are representing dairy interests were able to convince the members of the committee that it was just and fair that land taken out of cotton production should not be used for the expansion of other lines of agriculture. We convinced the committee of that fact, and the committee accepted that amendment. I was given the honor of offering that amendment, and I was grateful to the committee for the consideration given to me in accepting the amendment. By an overwhelming vote you Members from the South, the cotton farmers, the corn-hog farmers, and the wheat farmers all agreed to our amendment.

I want to say to you that we are grateful for the protection you gave us. Although there was nothing in that cotton bill for us, we dairymen supported the legislation because we knew it was going to help you and because you felt it was going to be helpful and because you were fair enough to go along and give us the protection that we asked. You agreed that you should not take the land taken out of cotton production and use it for the purpose of producing other agricultural commodities. That was written into the bill, and, with that written into the bill, we went along with you, although we paid a penalty for it by a tax placed upon the cotton goods which we purchased. However, we did not object to that, but we went along with you so long as you would not use those lands to compete with us. We were justified in our position in that respect, I believe.

Now, this is not a new proposition that I offer here today, but I do want to submit to you, in fairness, that if we carry on a program such as is written into this bill we should have a provision in it to the effect that lands taken out of production of any commodity shall not be put into the commercial production of other agricultural commodities, and through Government subsidies go into competition with others farmers, who now find it almost impossible to get along at the present time.

We are asking the same consideration you gave us before. You were not penalized then. There was no harm done to your sections under the operations of those bills. In the amendment I shall offer at the proper time—and it appears in the minority report accompanying the bill, should you care to study it—provision is made as follows:

Any payment or grant or other aid which is conditioned in whole or in part upon the growth of soil restoration, soil conservation or erosion preventing crops on any land, or any change

in the kind of crop to be grown on any land, shall be subject to the further condition that no crops intended for sale shall be harvested from, and no livestock intended for sale, or the products of which are intended for sale, be grazed or pastured on, such land.

The simple purport of this amendment is to prevent farmers of any section of the country using land taken out of production for commercial competition with farmers of other sections of the country. What can be more fair? Is there any man here who will say that this is not a fair and just demand on our part? I have heard no one thus far complain about the fairness of our demand.

But they do say, "Why, it is going to be impractical to enforce such a provision." Let me say to you, my friends, that we have ample precedent for this type of legislation in the corn-hog contracts under the Agricultural Adjustment Act. The Secretary of Agriculture wrote into such contracts provisions even more severe than that I now propose. The Secretary of Agriculture admitted the fairness involved in this principle. Here is the provision of the corn-hog contracts which were in existence for the year 1934:

The farmer shall not increase on his farm in 1934 above 1932 or 1933 whichever is the higher: * * *

(d) The number of any kind of livestock other than hogs designated as a basic commodity in the act (or a product of which is so designated) kept on this farm for sale (or the sale of product thereof.)

The corn-hog contracts provided specifically that the farmer should not increase the number of livestock kept on his farm, meaning cattle and dairy products, because it refers to basic commodities. It specifically prohibited these corn-hog farmers from increasing their dairy cattle.

Talk about impracticality of enforcement! Does any man here know of any instance where it was difficult to enforce this provision in the corn-hog contracts if, forsooth, any attempt was made to enforce it? Was that an obstacle in the enforcement of the A. A. A.? No. I say to you, my friends, that I do not believe there is a single man on the floor who can say it was a serious obstacle in the way of enforcing the Agricultural Adjustment Act. If it had been, the Secretary would not have put it into his contracts because he was not obliged to do so under the Agricultural Adjustment Act.

A little further down the same contract contains the following statement:

The producer—

Meaning the farmer—

shall use or permit to be used the contracted acres only as may be prescribed by administrative rulings, unless otherwise prescribed, such acres—

That is, the land taken out of production of corn—

shall not be used except for planting additional permanent pasture; for soil-improving and erosion-preventing crops not to be harvested; for resting or fallowing the land; for weed eradication; or for planting farm wood lots.

These are the provisions of the corn-hog contracts, provisions that are practically identical with what I have in my amendment; and may I remind you that these constituted no obstacle to the enforcement of the act. No one can say with any degree of honesty that this presents even as difficult a problem of enforcement as that which existed under the A. A. A.

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

Mr. BOILEAU. I yield to the gentleman from New York.

Mr. WADSWORTH. Will the gentleman inform the House—perhaps he did when I was not here—whether or not the contract from which he is reading applied to the corn crop of 1935, or was it the proposed contract for 1936?

Mr. BOILEAU. This is the contract for the year 1934.

Mr. WADSWORTH. For 1934?

Mr. BOILEAU. That was the contract that was put in effect in the year 1934.

Mr. WADSWORTH. Does the contract for 1935 contain the same provisions?

Mr. BOILEAU. I am not prepared to say about that; I do not know.

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

Mr. BOILEAU. Briefly.

Mr. MAHON. Would there be any reason why the Secretary of Agriculture could not incorporate in future contracts a similar provision without the passage of the gentleman's amendment?

Mr. BOILEAU. I am very much indebted to the gentleman for bringing up this proposition. The Supreme Court said that there may not be any contracts hereafter. We cannot have contracts. If it were possible in the future to have contracts, I might be willing then to leave it to the good faith of the Secretary of Agriculture, but he is prevented from making these contracts under the Supreme Court decision. Therefore I am of the opinion we should incorporate the provision specifically in our law, incorporate it among the other conditions which the farmer must meet in order to be entitled to the benefits.

Mr. MAHON. Mr. Chairman, will the gentleman yield for a further question?

Mr. BOILEAU. Certainly.

Mr. MAHON. Would there be any reason why the Secretary could not refuse to give benefits where the land taken out of cultivation was used for the growing of competitive crops?

Mr. BOILEAU. I was just coming to that point in my argument. This bill does not prevent him. The Secretary of Agriculture can make rules and regulations. No one in the world can say that he cannot make such regulations, under the provisions of this bill.

But I know he is not going to do it. Why do I know he is not going to do it? Because the Secretary of Agriculture and the Agricultural Adjustment Administrator, Mr. Davis, both appearing before the Committee on Agriculture, made it very clear that they would not. Now, I would have some hesitancy in referring to statements by these gentlemen made in an executive meeting, but the reports of the committee show that such statements were made. It is very clear, not only from the statements of those gentlemen but from pronouncements made by other responsible authorities in the Department of Agriculture, that they propose to take about 30,000,000 acres of land out of production, principally corn, cotton, wheat, and tobacco lands, and on those 30,000,000 acres they say very clearly that they propose to plant grasses, legumes, and feed for livestock. And they say they propose to feed the livestock. We say, "Go ahead; raise all the grasses and feed you want. Fallow your land if you want to. Plow it under. But do not create more competition for the people already engaged in commercial dairying."

Mr. MAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Kentucky.

Mr. MAY. How can this be considered to be a soil-conservation measure unless they do put these lands retired from the various crops into the growing of legumes?

Mr. BOILEAU. That brings up the question of constitutionality, and I will answer the gentleman's question in a minute.

Mr. Chairman, some people say my amendment will make the bill unconstitutional. I do not think anyone who has given the matter thorough consideration can make such claim. There is no foundation for the statement, because, in the first place, the bill in its present form gives the Secretary of Agriculture the right to make identical regulations.

If we pass a law that gives him the right to impose conditions by regulation, would such a law be more unconstitutional than if Congress should provide that the Secretary must impose the same regulations? Is it any more unconstitutional to say that the Secretary must provide such a condition upon making payments than it is to say he can if he sees fit? We say this is a soil-conservation and soil-erosion-prevention measure, and that it is not a controlled production measure.

Replying to the gentleman from Kentucky [Mr. MAY], may I say that if this really is a soil-conservation and soil-erosion-prevention measure, then, as the gentleman from Kentucky suggested, the best way to preserve the soil and prevent erosion is to plant the land, and plow it under, or leave it fallow,

or let it rest, and that is exactly what my amendment proposes. Therefore, this amendment would make it very clear that we are going into a soil-conservation and erosion-prevention program which strengthens rather than weakens the constitutionality of this bill.

Mr. TREADWAY. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. I notice in the gentleman's report, and also the other minority report, that they refer to the fact that there was no hearing on this very important measure before the Committee on Agriculture, and although requested, no officials other than those from the Department of Agriculture appeared? Will the gentleman explain that a little further?

Mr. BOILEAU. The gentleman is absolutely correct in the statement there were no hearings. The testimony of the representatives of the Department of Agriculture was brief, not exhaustive, and not fully informative. It was unsatisfactory because there was not sufficient information furnished and because we did not get information from other interested parties.

Mr. HOOK. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. HOOK. Will the gentleman inform us as to what farm organizations are in favor of his amendment?

Mr. BOILEAU. I may say to the gentleman that on the 10th and 11th of January, in the city of Washington, there were gathered together 200 of the farm leaders of the Nation. I make this statement in the presence of the members of the Committee on Agriculture who are present. There was here in Washington, as I stated, on the 10th and 11th of January a meeting of 200 of the outstanding farm leaders, who were asked to come here immediately after the Supreme Court knocked out the A. A. A. They were invited to come here by Secretary Wallace and other administration representatives. Those men, in a meeting held on January 10 and 11, discussed this whole proposition.

I was advised, and have been advised as late as this afternoon out here in the corridor by two prominent farm leaders who attended the meeting, that the sentiment of these farm leaders was unanimously in favor of the principle enunciated in my amendment. Of course, I did not have my amendment prepared at that time. You cannot show me a farm leader in the country worthy of the name who will oppose this amendment.

Mr. HOOK. Will the gentleman explain to me why the American Farm Bureau has favored this present bill without the gentleman's amendment, while the Michigan State Farm Bureau says the amendment should be adopted?

Mr. BOILEAU. I do not know.

Mr. HOOK. Why do they have internal dissension in their own organization?

Mr. BOILEAU. I do not want to attack the National Farm Bureau. They are all fine gentlemen. However, may I say that the men back in Michigan are closer to the farm, and it might not be a bad idea to follow their suggestion.

Mr. KNUTSON. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Minnesota.

Mr. KNUTSON. The gentleman's amendment would provide for plowing under anything that is raised on these lands taken out of production?

Mr. BOILEAU. No. I merely suggest that as one way of conserving the soil. My amendment provides that they cannot harvest crops or feed livestock from these lands on a commercial basis.

Mr. KNUTSON. And if the land was plowed under you would bring about soil improvement?

Mr. BOILEAU. Yes. We have been carrying on this same sort of a program at our own expense in your State of Minnesota and in my State.

Now, I want to call attention to a matter that is of some importance. I do not want to appear to be attacking Secretary Wallace. I know he has a difficult job on his hands. I have no quarrel with him, and it is not the purpose of my remarks to find fault with his program. On the contrary, I want to laud him. In 1921 he was the editor or publisher—I do not know which—of a great farm paper. I heard him make the statement that he was quite proud of the fact that in 1921 he had developed a slogan for Iowa. He coined in 1921 a slogan for Iowa farmers, "Less corn, more alfalfa, more money."

I call attention to the fact that was in 1921. I should like to quote the figures covering creamery-butter production in Iowa along about that time. In 1920 the creamery-butter production in Iowa was 84,000,000 pounds, in round figures. Then in 1921, with the slogan "Less corn, more alfalfa, more money", the production jumped up from 84,000,000 to 106,000,000 pounds.

In 1922 it went up to 129,000,000 pounds.
In 1923, 151,000,000 pounds.
In 1924, 159,000,000 pounds.
In 1925, 156,000,000 pounds.
In 1926, 168,000,000 pounds.
In 1927, 177,000,000 pounds.
In 1928, 196,000,000 pounds.
In 1929, 214,000,000 pounds.
In 1930, 216,000,000 pounds.
In 1931, 219,000,000 pounds.
In 1932, 219,000,000 pounds.
In 1933, 239,000,000 pounds.

So this slogan worked out pretty well in Iowa, and I am finding no fault with this. I congratulate Editor or Publisher Wallace on the success of the program carried on in his paper for the State that is his home State. I congratulate the State upon using good judgment in diversification of farming. Diversified farming is a wonderful thing. I congratulate Secretary Wallace and I congratulate and wish well the farmers of Iowa for this splendid showing in the increased production of creamery butter which means, generally, an increase in dairying.

This was fine. They carried out a fine program, but they did this at their own expense. Any cost involved they paid out of their own pockets. They worked this program out in a normal, natural way, and not through a Government subsidy.

I submit that if the farmers in the South want to carry on such a program, I would wish them just as well as I do the farmers in Iowa. I find no fault with that.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman from Wisconsin 3 additional minutes.

Mr. BOILEAU. I hope your farmers in the Southland can do it, but do not ask us to give you a subsidy.

You cannot compete with us in dairying. There are many reasons why you cannot. In the first place, you have not the soil and you cannot produce good pasture. You cannot raise the proper feed, and more than this, you have not the proper climate. You have too much warm weather, and any man who ever got up in the morning and milked a cow knows you do not get as much milk the day after a hot day and hot night as you do when you have a moderate temperature.

Hot weather, with flies and vermin associated with hot weather to some extent, makes it impossible for dairy cows to do well in warm climates. Look at the history and you will find that in every country of the world where you have dairying as a principal industry they have a cool climate and that they have good grass. You cannot compete with us, but here is what you can do: If the United States Government is going to pay you money to compete with us, then you can produce some butterfat and you can produce enough butter to make a surplus, and this surplus will ruin us and ruin you, and when the Federal Government stops paying you a subsidy you will have to get out of the business, because you cannot compete with the North in dairying.

I do not say this boastfully. It is just because the climate is more favorable with us than it is with you, and that is the whole situation.

Now, let me say with reference to this slogan—"Less corn, more alfalfa, more money"—that it appears to me—and I say this again without any reflection upon anyone down in the Department of Agriculture—that they are going to try

to make this a national slogan, with modifications, and they are going to say, "Less corn, cotton, wheat, and tobacco—more alfalfa, clover, soybeans, and pasture—more money for the cotton, wheat, tobacco, and corn farmer—to hell with the dairy farmer."

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

Mr. BOILEAU. I yield.

Mr. ROMJUE. If I understand the gentleman correctly, he states that other sections of the country cannot compete with his section in the dairying business?

Mr. BOILEAU. That is absolutely right. The South cannot compete with the North in dairying.

Mr. ROMJUE. If that is true, then what harm can come to you?

Mr. BOILEAU. I thought I had explained that.

Mr. ROMJUE. I cannot understand how the growth of grass somewhere else could compete with you.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BOILEAU. I should like to say to the gentleman from Missouri that I appreciate his point of view. Many people entertain the same point of view; but if you produce 1,000,000 pounds of cheap butterfat over here in one county in the South in addition to present production, and add to that a million pounds of butterfat produced in another county and another million pounds of butterfat produced in some other county, and so on, extending over many counties, even though each pound of that butterfat was produced at a loss, except for the Government subsidy—you add that altogether and it makes a large sum total of cheap, poor-grade cream that goes into dairy products and floods the market and ruins the industry. It creates a surplus.

And bear this in mind: You cannot have good cream from a farm with two or three cows, because you cannot afford to have a separator, you cannot afford to keep your milk properly, you cannot afford to take your cream to the cheese factory or the creamery every morning, but you must put it in a can and keep it for a week, and at the end of the week you have a can of sour, poor-grade cream. You put this on the market, and even though the butter or cheese produced from it is not fit for human consumption, nevertheless it goes upon the market and is sold to an unsuspecting public or is used to build up a surplus. The public buys it because it is cheap, and in this way you demoralize the market for good dairy products and build up a surplus that is ruinous to the dairy farmer. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, first I call attention to the repeated statement here in the House about the large proportion of processing taxes that have been paid by the industrial East. They are simply the collectors of those taxes. They sold products all over the country and the purchasers paid the processing taxes. It is not fair to Oklahoma or Oregon or any other State that has not within its borders those processing centers, where cotton is made into cloth, or wheat is ground into flour, or hogs are finished into bacon, to credit the industrial States where the processing takes place with the taxes which those processors collect and charge back to consumers throughout the country. The tax was not paid by those processing centers. It was paid to them, collected from the entire country.

I call attention to the fact further, that the Triple A Act brought a great deal of help and a better life and hope into the agricultural centers everywhere. Before its enactment my country was practically ruined. Our schools were closed, our banks were broke, mortgage foreclosures everywhere, no one buying goods from your industrial centers in the East. It was wreckage. Now it is different. The schools have been running, many of the banks that were not supposed to have paid anything when they closed have been able to pay very good dividends to the depositors. We purchased the goods from the industrial centers and prosperity came to us all. The decline which will be caused by the defeat of the Triple A has not yet gone far enough to wreck us again, because the prices of agricultural products have not yet declined seriously. Of course, we have lost the 16 cents a bushel on wheat that the processing tax gave us. That much is out now and there has been somewhat of a decline since the Supreme Court declared the act unconstitutional.

I call attention to the fact that I have introduced a constitutional amendment which I hope the Rules Committee will consider. I am one Member of the House who does not believe we are going to reach this problem by any legislative act increasing the judges on the Supreme Court or curtailing their jurisdiction. Through 150 years during the existence of this country it has been imbedded in the minds of the American people that the Supreme Court's decisions are final and that they have a right to review our acts. It is a part of the unwritten law of the land, and I think we might as well acquiesce in that and then proceed to add to the Constitution an amendment so that the Supreme Court will say, as it could have said and would have said under such amendment, that the Triple A is constitutional.

I deeply regret the decision of January 6, but I do not see how we can reverse it by any legislative act of ours.

I call attention further to the fact that this act is far from being satisfactory to the men who are so ardently in favor of the Triple A, but it is the best that we can get. I am almost reaching the place where we have to say, perhaps, that we must have a fixed price of products. Why should it not be so? France fixes the price of wheat today, and so does Germany, and so does Canada, and so does the Argentine. During the World War we fixed the price of wheat at Chicago at $2.20 per bushel. If we could do it during a war, why not during days of peace? Have we reached that place? I am inclined to think that that is worthy of discussion. As a member of the Agricultural Committee, I regret that we did not have hearings on all these subjects, so that a bill might be brought in and presented covering some of these very questions on the agricultural situation, but this is the only bill that the farmers can have, and therefore I shall support it.

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

Mr. PIERCE. Yes.

Mr. CULKIN. The gentleman heard the discussion of the gentleman from Wisconsin stating that he was going to offer an amendment. Does the gentleman intend to support that amendment?

Mr. PIERCE. I am familiar with that amendment. It is very hard for me to vote against that amendment.

Mr. CULKIN. Then, the gentleman intends to support it?

Mr. PIERCE. I can see justice in the argument made by the gentleman from Wisconsin.

Mr. BOILEAU. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. BOILEAU. This would only be doing in the new act what was done under the old act?

Mr. PIERCE. Yes; I so understand.

The CHAIRMAN. The time of the gentleman from Oregon [Mr. PIERCE] has expired.

Mr. JONES. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HOUSTON] such time as he may desire.

Mr. HOUSTON. Mr. Chairman, we have under consideration one of the most important pieces of legislation that will be submitted during this session of Congress, commonly known as the farm bill, to provide for the curtailment of production and the conservation and proper utilization of the soil resources of the Nation.

Experience of the past 3 years in dealing with the farm problem has demonstrated the fact that equality for agriculture can be achieved by adjusting production to effective demand and that farmers are in no mood to relinquish the right to work together toward this objective.

Of equal importance has been the demonstration of the necessity for greater farm-purchasing power in the foundation upon which to build national prosperity. Increased farm income, either directly or indirectly, has stimulated every type of business.

The farm picture which is clearest in my mind, of course, is the situation in my home State, Kansas. The greatest

benefits came through the wheat and corn-hog programs, although all farm commodity prices benefited from the reduction of surpluses, and even those farmers who failed to cooperate in adjustment benefited to some extent by the efforts of those who did cooperate.

The seriousness of drought and crop shortage in Kansas made the crop-insurance features of the adjustment programs of more importance to my State than to many of the more fortunate States, but drought and adjustment also served to demonstrate that in our present situation, with restricted world markets, fair prices are more important to farm income than prolific production.

In 1932, with more than 120,000,000 bushels of wheat but with a farm price of only 33 cents per bushel and no benefit payments, Kansas farmers received a little more than thirty-nine and one-half million dollars for their crop. In 1933 drought cut the Kansas wheat crop to 48 percent of the previous year's volume, but the farm price more than doubled, so that Kansas farmers received more than a million dollar increase for a crop of less than half the volume of the previous year. The increase in price was not much help to growers whose crop was wholly or almost wholly destroyed. But in addition to the nearly $41,000,000 farm value of the 1933 crop, growers received twenty-four and one-half million dollars in benefit payments. Farm value plus benefit payments to Kansas wheat growers in 1933 totaled $65,000,000. Had the wheat crop failure been complete that year in Kansas, the benefit payments alone would have provided an income more than half as great as the farm value of the bumper 1932 crop.

Crop failure again cut wheat production in Kansas in 1935, this time to 49 percent of the 1932 volume. Farm price had advanced still further, to 89 cents per bushel, with the result that the farm value of the crop was more than $53,000,000—$13,000,000 more than the value of the larger crop in 1932. In addition, strengthening the position of growers whose crops failed, more than $28,000,000 in benefit payments was provided for under the adjustment contracts applying to the 1935 crop. This brought total farm value of the crop, plus benefit payments, up to more than $81,000,000.

In the case of hogs, there has been a steady decline since 1933 in the number on Kansas farms. But this decline in supply was not accompanied, as in the case of wheat, by a rise in farm value until in 1935. Large supplies in relation to demand, both domestic and foreign, and forced marketings, due to feed shortage brought about by the drought, continued to depress prices until 1935.

In 1932, when there were more than 3,000,000 hogs on Kansas farms, the average farm value per head was $5.40, and the total farm value was sixteen and three-fourths million dollars. In 1933 hog numbers had increased to three and one-fourth million and the situation was worse. These three and one-fourth million hogs were worth four and one-fourth million dollars less than the smaller number in 1932. Average value per head had gone down to $3.80.

In 1934 benefit payments improved the situation for Kansas hog farmers. Hog numbers on January 1, 1934, had gone down to about two and one-half million head and total farm value was only nine and one-third million dollars, but benefit payments in connection with the 1934 adjustment program amounted to nearly $11,000,000—a sum more than equal to the farm value of the hog crop. Benefit payments plus farm value in 1934 amounted to more than $20,000,000, which was 164 percent of the farm value of hogs on farms in Kansas in 1933.

The full effect of the feed shortage brought about by the drought was evident by the beginning of 1935, when forced marketings had brought hog numbers on Kansas farms down to one and one-half million, or 43 percent of the 1933 numbers. Average farm value, however, had arisen to $5.50, or $1.70 more than in 1933. Combined farm value and benefit payments amounted to eleven and one-third million dollars, or more than 91 percent of the value for only 43 percent of the numbers on farms in 1933.

Corn production in Kansas in 1932 reached a total of more than 136,000,000 bushels—nearly 9,000,000 bushels more than the 1928–32 average. At an average farm price of 27 cents per bushel the crop was worth thirty-six and three-fourths million dollars. In 1933 production dropped more than 40 percent, but farm price went up to 44 cents per bushel, and the total farm value was 96 percent of what it had been in 1932.

The drought of 1934 almost completely destroyed the Kansas corn crop. Production was less than 8 percent of what it had been in 1932. However, farm price rose to 97 cents per bushel, and together with benefit payments of more than $6,000,000 totaled 44 percent of the farm value of the 1932 crop with only 8 percent of the 1932 production.

Damage to the 1935 Kansas corn crop was somewhat less severe than in 1934, but production was only 25 percent of the 1932 crop. Farm price dropped to 70 cents. Benefit payments, added to farm value, however, totaled more than $30,000,000—82 percent of the farm value of the 1932 crop, which was four times the size of the 1935 crop.

Benefit payments made under adjustment contracts with Kansas farmers, from the beginning of the programs in 1933 through October 31, 1935, by commodities, were as follows:

Benefit payments through Oct. 31, 1935

Commodity:	
Wheat	$61,841,060.38
Corn, hogs	21,032,395.71
Sugar	118,918.65
Tobacco	14,369.27
Cotton	5,779.66
Total	83,012,523.67

In addition, Government emergency purchases of drought-endangered cattle and sheep in Kansas totaled $7,545,156 for 521,171 cattle and 9,569 sheep.

The estimated total of benefit payments to be made to Kansas farmers under all adjustment programs is $104,863,200. Through October 31 there had been paid a total of $83,012,523.67, leaving a balance due under contracts then in force of $21,850,676.33.

In 1932 Kansas farmers' cash receipts from marketings of the principal farm products amounted to $146,245,000. For the first 10 months of 1935 cash receipts were $191,472,000. The cumulative increase in cash receipts over the 1932 income level up to October 31, 1935, was $83,748,000. Add to this amount the $83,012,523 benefit payments received by Kansas farmers up to October 31, 1935, and the $7,545,156 received from Government purchases of drought-endangered cattle and sheep and the total is $174,305,679, added to the income of Kansas farmers in the last 3 years through Federal farm programs.

Now let us look at the Nation-wide effects. A recent study by the Bureau of Agricultural Economics of the Department of Agriculture shows that sales by general stores in small towns under 5,000 population during the first 11 months of 1935 averaged 19 percent above 1934. If the change in the price level of commodities is considered, the volume of sales by these stores has apparently been almost as large as in 1929. The volume of sales handled by mail-order houses in 1935 was the largest on record.

The relations between increased farm income and increased automobile sales has been recognized by the automobile industry. Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, points out that the 1934 retail-sales gain was greatest in small towns and on farms, evidenced by the fact that new passenger-car registration in towns under 10,000 population increased 38 percent over the 1933 figure, while in cities over 10,000 population the increase was only 18 percent. In my State—Kansas—which is one of the more predominantly agricultural States, the increase in new passenger-car registrations in towns under 10,000 population was 50 percent greater than the previous year.

A study made by the Agricultural Adjustment Administration showed that carlot shipments of commercial and industrial goods, excluding coal, from 16 northeastern industrial States to 19 agricultural States in the Southeast, Southwest, and Pacific coast increased 38 percent in the 12 months ending June 30, 1934, over shipments for the preceding 12 months' period before adjustment programs had been inaugurated.

Fertilizer-tag sales, compiled for 17 Southern and Midwestern States, indicate a steady and substantial increase in fertilizer sales since 1932. For the first 9 months of 1935 the increase was 12 percent over 1934 purchases. Gasoline consumption in 1934 showed an increase of 7.5 percent over 1933, and for the first 7 months of 1935 it showed an increase of 5.2 percent over the same period in the preceding year. Sales of new ordinary life insurance in 1934 showed an increase of 10 percent over the previous year. Shipments of Portland cement from mills increased 18 percent in 1934. Rural retail sales showed a 20-percent gain for the first 9 months of 1935, as compared with the first 9 months of 1934. The effect of such increases has been improved economic conditions all along the line from the retail merchant to the manufacturer and producer of raw materials.

Agricultural adjustment served the farmer and the Nation in the emergency as no other farm-aid plan has ever served. Aided by drought, the adjustment programs have removed the price-depressing surpluses that destroyed farm purchasing power. Benefit payments have served as crop insurance for drought-stricken farmers who had little or no other source of income. While these benefit payments were important, and especially so to those farmers who had no crops to harvest, most of the improvement in farm income has come about through improved prices resulting from adjusted production. Farm income in 1935 was nearly $3,000,000,000 greater than in 1932, but less than half a billion of this increase was in the form of benefit payments. Gross farm income in 1935 was 12 percent greater than in 1934, in spite of the fact that benefit payments totaled about $114,000,000 less than in 1934.

The gross income from farm production for 1935 is estimated at $8,110,000,000, compared with $7,266,000,000 for 1934, $6,406,000,000 for 1933, and $5,337,000,000 for 1932, the low point of the depression. The cumulative total of these increases over the level of farm income in 1932 amounts to five and one-half billion dollars which has been added to the income of farmers in 3 years.

Legislation is needed to protect farmers against collapse of prices in the future.

Kansas is our foremost wheat-producing State, but Kansas wheat farmers could not hope to hold the advantages which they have gained without the cooperation of wheat growers in other States. It has taken 2 years of drought and adjustment to reduce the wheat surplus to normal. Two years of good crops with unrestricted production would put wheat growers right back in the same price and surplus situation which existed before the wheat-adjustment program unless steps are taken to protect the growers against this sort of calamity.

The farm-relief bill now under consideration does provide for that protection. Its purposes are to preserve and improve soil fertility, to promote the economic use and conservation of land, and to lessen the exploitative and wasteful and unscientific use of national soil resources. The payments to the farmer will depend on his acreage of crop land, or his acreage of soil-improving or erosion-preventing crops, or changes in farming practices during such year on the land with respect to which such payment is made, or a percentage of the normal production on such land of any one or more agricultural commodities designated by the Secretary of Agriculture which equals that percentage of the normal national production of such commodity or commodities required for domestic consumption through normal channels, or by any combination of the foregoing.

The Secretary will also take into consideration the productivity of the land affected by the farming practices adopted during the year with respect to which the payment is made. If there be too much cotton, wheat, or corn to yield the farmer a fair price, conservation and erosion measures will be applied to land planted in these crops.

To facilitate exports a provision in the A. A. A. is embodied in strengthened form in this bill in the authority given the Secretary of Agriculture to use—

Such part as he deems necessary of the sums appropriated to carry out this act for the expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or the product thereof, or for the removal or disposition of surpluses of such commodities or the products thereof.

The bill authorizes an appropriation of $500,000,000 for the purpose of carrying out this program, and the machinery for its administration is in readiness. It is our moral obligation to continue agricultural relief, and I urge the enactment of this legislation in order that the purchasing power of the farmers may be maintained. [Applause.]

Mr. JONES. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. MITCHELL] such time as he may desire.

Mr. MITCHELL of Tennessee. Mr. Chairman, I regard farm legislation of greater importance to the country than any other subject with which Congress has to deal. The prosperity of the farmer is essential to the prosperity of the entire country. It is the foundation of our economic structure. Its well-being is essential to the well-being of the American people.

This fact is now recognized by all. We are striving to enact legislation that will place the farmer in a just relation to industry in our national life. The A. A. A. had this for its purpose, and, while it was experimental and had its faults in administration, it has accomplished much to restore the farmer to his rightful place in business and to give him a square deal with all others. He asks no more than this and will not be content with less.

Farm organizations and cooperation has been stimulated. The farmers approved this legislation by a great majority. New legislation is now necessary to retain the gains that have been made. The decision of the Supreme Court finding the act unconstitutional has made this necessary.

Congress must act to protect the farmer. He cannot buy in a tariff-protected market without parity prices for his crops and livestock. The A. A. A. did more for the farmer than any other act ever passed by Congress. Without parity prices for agriculture, the general welfare of the Nation is threatened. No other demand so great at this hour in our Nation's history. The farmer must have an income and realize a profit for himself and family if America is to carry on. Happy home owners are essential to every nation's happiness and freedom.

We cannot exist one-half slave and one-half free any more successfully now than in the past. We must act to insure the benefits which resulted from our previous efforts. We must pass an act in harmony with the Constitution of the United States. We must enact legislation that will conform to the recent decision of the Supreme Court. We cannot say that the present bill will or will not be held constitutional by the Supreme Court. All we can do, as Members of Congress, is to support legislation of undoubted benefit to the farmers of the Nation, which seems to meet the decision of the Court and which we think conforms to the Constitution.

Love of country, love of home, and love of church are the cornerstones upon which America is built. We have the greatest form of government of any people. We are the most independent of all the nations of the earth. It has been said that in America every citizen is a sovereign, an uncrowned king. May this ever be true. We love the history and tradition of our people. We revere the landmark of the fathers. We believe in the principles of the Declaration of Independence. We believe in the Constitution, honor and respect the decrees of our courts—from the highest tribunal, the Supreme Court of the United States, to the most humble civil district court, the justices of the peace in our respective counties. These latter and local courts have administered justice and aided in administering and enforcing the local laws in every community. They have made this country a land of law and order. They have given security and protection to the people in every State in the Union. They have afforded protection to personal and property rights. Let us not forget the debt we owe and the allegiance we should give the judiciary, in our desire for an immediate remedy of the evils growing out of a world-wide and Nation-wide depression. We can bring about, through the orderly processes of the law, an adjustment of present wrongs and conditions without destroying the fundamental forms of our Government. No remedy is desired that would come at so great a price or demand so great a sacrifice. Let us not, in troublous

times, when disappointments and reverses have overtaken us, forget the long journey we have taken during the past 150 years in building our great structure of liberty and good government which has been obtained at so great a price and so great a sacrifice. We are debtors to the past. We are trustees for those to come in the future, and our responsibilities can best be assumed and carried out by standing by the Constitution and respecting the courts—the sheet anchor of our safety—than by criticizing and complaining at decrees rendered by those whom we trust and respect, so long as these decrees are honestly and deliberately arrived at by learned and honorable judges composing the courts of our land and country.

They have saved America in the past; they will save it in the future.

Every wrong can be corrected by the people through the Constitution. If, in the wisdom of the people, amendments are desired to this great charter of liberty, let them be made in the usual and orderly way, by the votes of the people as therein provided. Let us approach the solution of present-day difficulties in a spirit of fairness and deliberation—not in confusion or panic but in calm reflection and due deliberation. The people themselves will determine the issues. They rule America, and in the final analysis will write its decrees. I have an abiding faith in their judgment. They will direct the course of the ship of state in wisdom and judgment through the present crisis, as they have done in the past. America is ruled by Americans. Ours is a land of law. The people are supreme and will, through their Representatives here, and in the respective States, finally write into law their opinions and decrees under the Constitution. This should and will be the solution of present-day difficulties.

If we make mistakes, as we have and will continue to do, in our effort to serve and bring relief in laws passed in these disturbed and troublous times, this is no more than may be expected. We are not perfect. None of us claim superior wisdom or to be perfect in our conclusions. If in the great mass of bills passed and rushed through the House and Senate—more than 100 at last session—a few of these measures fail to meet the requirements of the Constitution and the approval of the Supreme Court, then let us not undertake to tear down and destroy that which has been builded up in the past, but rather strengthen and modify it, so as to conform to the needs of the present. For every wrong there is afforded a remedy. We must find and enforce it.

The Triple A was a great boon and blessing to agriculture. Under its provisions the farmer was benefited and greatly profited. It afforded him the same protection that industry enjoys. To this he is justly entitled. It gave him parity prices. It provided a tariff under which he prospered. We must continue to afford the farmer protection and give him the same advantages that are enjoyed by the manufacturers and the corporations. The future of America and of our democratic form of government is dependent upon the farmers, the producers, and the home owners. Unless they are prosperous and happy and enabled to buy and consume, then all business and industry fails. Bankruptcy will overtake us just as it did in 1929 to 1933.

Let us compare some of the prices received now by the farmers to those they were receiving in 1933. My district in Tennessee is very largely agricultural. It has some of the most fertile lands of any in the United States. Its people are generous and hospitable. It is in the center of the South. Its climate is of the best. Its farmers are industrious and live within their income. They practice thrift and economy. They are asking not for bounties but for justice and equal opportunities. To this they are entitled. Did they receive it under the Hoover administration? Let us look to the record. Here are the prices received in 1933 compared with those they now receive.

1932–33 PRICES

Corn, $1 to $1.25 per barrel.
Hogs, $2.65 per hundred.
Tobacco, 8 cents per pound.
Wheat, 35 cents per bushel.
Fat cattle, $2.50 to $4 per hundred.

1935 PRICES

Corn, $4 per barrel.
Hogs, $9 to $11 per hundred.
Tobacco, 17 cents per pound.
Wheat, $1 per bushel.
Fat cattle, $7 to $10 per hundred.

No reduction in taxes in 1933, that the farmer paid, but in many instances in 1935 taxes have been reduced, because more have paid—not so many now with back taxes. No reduction in prices on farm machinery existed at any time during the depression. These prices are, and have been, out of proportion for years. The Machinery Trust should be investigated and prosecuted under the antitrust laws. They have robbed the American farmer all too long. They should be prosecuted in the courts and forced to let go the throttle hold they now have on American farmers. They have been guilty of extortion for many, many years.

As a result of the Supreme Court declaring the A. A. A. unconstitutional it has united the farm organizations of the Nation. It has united the farmers of America in a determination and resolution to support unitedly a program of legislative aid for agriculture. At least such program as will give the farmer an equal opportunity on the market with other lines of business. He should not be required to support the whole economic structure without an equal opportunity. He is entitled to a fair share of the national income. He does not seek more. He will not be content with less.

A united front is now presented by the farmers and farm organizations for the first time. A crisis is on that must be met. Some legislation that will act as a stopgap to prevent falling prices must be enacted.

The National Farm Bureau Federation and all other kindred organizations are endorsing this program as a temporary measure, at least, until a more permanent program can be enacted.

Congress should pass a bill seeking to bring into the Treasury all processing taxes paid up to January 6 last which have not been passed to the consumers. All farmers will be paid who had planned a reduction program in 1935. This moral obligation has been recognized and an appropriation made accordingly. To permit the processors to retain the tax would be wholly unfair and unjust.

The present bill seeks to give the farmer economic equality within the limitations of the Constitution. Agriculture cannot and does not control production as does labor and industry. The manufacturer shuts down his plant when faced with overproduction. The farmer, in the very nature of things, cannot do this. He has not been able to in the past and the future holds the same prospect for him. It is therefore necessary that proper adjustment of production be had. This relates directly to soil preservation and soil fertility. It means that we must have crop rotation, the removal of some of our land from active cultivation and resting the soil. It means the raising of livestock in some instances, and grazing lands heretofore used in unprofitable crop production. It means the growing of cover crops to rebuild the soil. It means the growth of more timber to conserve the moisture and retain natural climatic conditions.

This bill means a program of soil conservation for the people. It provides for the rental of certain lands and their withdrawal from commercial crop production, so as to increase soil fertility and to provide a reasonable and profitable price for crops that are produced.

All the provisions of the A. A. A. that have been held valid are retained and strengthened.

The marketing agreements are retained; also the 30 percent of import duties for the expansion of foreign and domestic markets for farm products.

Business has all benefited by the increase in the price of the farmers' products. It is necessary that the farmer have purchasing power in this country before we can ever have prosperity.

We all favor the expansion of the foreign market, but the farmer must have an income. We must preserve the American market for the American farmer. The American farmer must have the machinery by which he can adjust supply and demand by legal means as does industry. In safeguard-

ing the farmer, the consumer's welfare must also be guarded. One is dependent on the other.

No one advocates a policy of scarcity or high prices to the injury of the consumer. Just prices must obtain for both the producers and the consumers.

The purpose of the program is to afford the farmer a market and purchasing power for what he sells, equal to that he had from 1909 to 1914. In these years his prices were not excessive. It was fair to all concerned.

Let us make the future secure for our farmers. They feed and clothe the world. Let us make their burdens less. Let us give them a new faith and a new hope. I commend the sentiment in the following poem which I know is shared by all of us.

SOMEBODY'S MOTHER

The woman was old and ragged and gray,
And bent with the chill of the winter's day;

The street was wet with a recent snow,
And the woman's feet were aged and slow.

She stood at the crossing and waited long,
Alone, uncared for, amid the throng

Of human beings who passed her by,
Nor heeded the glance of her anxious eye.

Down the street, with laughter and shout,
Glad in the freedom of "school let out",

Came the boys, like a flock of sheep,
Hailing the snow piled white and deep.

Past the woman so old and gray
Hastened the children on their way,

Nor offered a helping hand to her,
So meek, so timid, afraid to stir,

Lest the carriage wheels or the horses' feet
Should crowd her down in the slippery street.

At last came one of the merry troup—
The gayest laddie of all the group;

He paused beside her, and whispered low,
"I'll help you across, if you wish to go."

Her aged hand on his strong young arm
She placed, and so, without hurt or harm,

He guided the trembling feet along,
Proud that his own were firm and strong.

Then back again to his friends he went,
His young heart happy and well content.

"She's somebody's mother, boys, you know,
For all she's aged and poor and slow;

And I hope some fellow will lend a hand
To help my mother, you understand,

If ever she's poor and old and gray,
When her own dear boy is far away."

And "somebody's mother" bowed low her head
In her home that night, and the prayer she said

Was, "God, be kind to the noble boy,
Who is somebody's son and pride and joy."

[Applause.]

Mr. JONES. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. Mr. Chairman, I have with me the Constitution of the United States, printed in the Braille system. Many of you know that almost every State in the Union has a school for the blind, and in those schools they teach the blind to read and write the Braille system. Today I am going to take advantage of this opportunity and read a part of the Declaration of Independence and talk on this particular part.

Mr. Chairman, before I begin to read the part of the Declaration of Independence to which I referred, I want to say that if the bill which is now being considered by the House will benefit the poor farmer, it should be enacted into law. I know there is another bill pending in Congress which, in my opinion, if it were enacted into law, undoubtedly would benefit the farmers of our country, and that is the Frazier-Lemke bill. [Applause.]

Five minutes is insufficient time for me to say all that I want to say. However, in the balance of my time I am going to make a statement that I desired to make yesterday, when I was unsuccessful in getting the floor. Many Members of Congress heard Father Coughlin's address last Sunday afternoon. I am not going into the details of his address, but I do want to substantiate the statements he made, and I am going to challenge the Members of this House to take exception to my statements.

Father Coughlin made the statement that there are certain Members of Congress who put pressure on other Members, and if they do not respond to their wishes, they lose their patronage. I desire to say that is a true statement. My colleague Mr. BOLAND, from Pennsylvania, denounced Father Coughlin yesterday for statements he had made against him in his address. However, what Father Coughlin said about Mr. BOLAND using his influence to get Congressmen to take their names off the Frazier-Lemke petition is true. Last year Mr. BOLAND approached me and said, "Matt, your name is on the Frazier-Lemke petition." I said, "Yes." He said, "Why don't you take it off?" I replied, "Listen, Pat; I will take it off if you will guarantee me something." He asked, "What is the guaranty you want?" I said to him, "Guarantee me my eyesight." [Laughter and applause.]

About 3 weeks ago a gentleman from the other end of the Capitol asked me, "Matt, are you a friend of the President?" I replied, "Yes. I have in the past defended the President and supported a great deal of his legislation." This gentleman then stated, "If you are a friend of the President, why do you not take your name off that Frazier-Lemke petition?" I responded by saying, "The President is not opposed to the bill." He said, "If the President is not opposed to that bill, why does he not request Mr. O'CONNOR, chairman of the Rules Committee, and the Speaker, Mr. BYRNS, to have the Members sign the petition?" I replied that last year the President was in favor of the original Wheeler-Rayburn utility bill, and yet many Members of the Democratic Party did not support the President on that legislation. Continuing my conversation with the gentleman who was in Senator GUFFEY's office, I stated that if the removal of my name from the Frazier-Lemke petition would guarantee my return to Congress for many years I would not remove it. I also stated that if I was sure that I would be defeated for reelection to Congress because I did not remove my name I would not have my name taken off the petition.

About a week ago I received a long-distance telephone call from Homestead, Pa., which is located in the Thirty-fourth Congressional District which I represent, informing me that a gentleman whom I was instrumental in having retained as postmaster was requested to vacate and that another gentleman was appointed in his place. I called the Post Office Department here in Washington to have that statement confirmed. One of the Assistant Postmasters told me that it was correct. If that kind of treatment toward a Congressman who is making an effort to represent the masses and not the privileged few, is not cowardly, I do not know what is. The man who was removed can prove by receipts that he supported the President, Senator Guffey, Governor Earle, and myself. I wish to state that I would rather live in a shed and content myself by reading my Braille books and smoking my corncob pipe than to hold the highest office in the land and have to submit to the wishes and dictates of unprincipled demagogues; however, while I am a Member of Congress I am going to continue to sponsor and support legislation which will benefit the farmers, ex-service men, and all who labor for a livelihood, and I will continue to support the program of the National Union for Social Justice, because it is humane and practical. I hope that Father Coughlin continues his fight for social justice, and I also hope that Father Cox, of St. Patrick's Church, of Pittsburgh, Pa., Reverend Eisele, of the Protestant Evangelical Church, of Pittsburgh, Pa., and all other clergymen of the Christian, Jewish, and all other faiths who have been speaking in the interest of unfortunate humanity will continue their advocacy of human rights above property rights.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DUNN] has expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania be given 5 additional minutes.

Mr. JONES. Mr. Chairman, the debate is supposed to be confined to the bill. I could have made a point of order against the gentleman from Pennsylvania when he started, but out of courtesy I let him consume his 5 minutes. I have not made any point of order against him, but there is no further time to be yielded.

Mr. DUNN of Pennsylvania. I beg your pardon. I was under the impression that this was general debate; in fact, I received that information from one of the other Members before I started my address.

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

Mr. DUNN of Pennsylvania. Well, what Father Coughlin said last Sunday about Congressmen using their influence in having Members take their names from the petition and taking their patronage away from them if they do not respond to their wishes is absolutely right. [Laughter and applause.]

Mr. HOPE. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN. Mr. Chairman, I shall confine my remarks to the bill before the Committee and will not discuss any extraneous matter.

The gentleman from Kansas said a few moments ago that this was the most important piece of legislation before the present Congress. I concur in that statement; but when I look over the small membership present here today I am led to believe that it is the most insignificant piece of legislation that has been considered by this or any other Congress. When I go back into the committee action on the bill and find that there were no hearings and that we were not permitted to have witnesses from the administration or from the farm organizations appear before our committee, I am constrained to believe that the measure before us is not of such great consequence.

I have served on the Committee on Agriculture for nearly 10 years. During this time it has been my endeavor to forget partisan politics when it came to farm legislation and to sit across the table with members of the opposition party and with farm leaders generally to try to work out farm legislation that would be of real benefit to all agriculture in this country.

If this measure is of such great importance, I believe Congress should have a right to know just what is in the bill and just how the administration proposes to carry it out.

We are led to believe that it will cost approximately $500,000,000 to administer this measure for 1936. The bill makes no provision for raising this money. I am not opposed to this bill because it will mean possibly the distribution of a large amount of money to the farmers of the country. My concern is that the farmers of my district and State and the people of the Northwest get their just share of whatever distribution of funds is made, whether it be for political or conservation purposes. They are entitled to it, and no discrimination should be shown in the distribution of this $500,000,000, so that one section gets any larger share than any other section. But I am opposed to the bill in its present form because I believe that its administration, as has been indicated to us by the Secretary of Agriculture, will absolutely dislocate organized agriculture throughout the United States.

The proposal to take from 20,000,000 to 30,000,000 acres of land out of cotton, wheat, tobacco, and corn production and to plant this land with grasses, clover, and alfalfa is bound to dislocate the normal production of agriculture in the United States. I have no disposition to criticize a normal and natural advance in the dairy industry. This must come of itself.

During the last 5 years, from 1930 to 1935, there has been an expansion of the livestock and dairy industry throughout the United States. In 1930 the cattle population was approximately 63,895,000 head. In 1935, on January 1, according to the recent census, we find the total is 68,284,000, an increase of over 5,000,000 head of cattle. This increase has taken place largely throughout the Southern States. It has taken place there more so than in the States usually engaged in the production of livestock and dairy products.

I rise here today in support of the amendment which will be proposed by my colleague the gentleman from Wisconsin [Mr. BOILEAU]. I do so because I feel that I would be derelict in representing a great dairy State, unless I would join with him and other Members from dairy and livestock sections in seeking to protect the one great industry in agriculture which brings in daily cash returns to the farmers engaged in it.

In the hearings before the committee, if we can call them hearings, the only two people who appeared in connection with this bill were the Secretary of Agriculture and Mr. Chester Davis, the Chief of the Agricultural Administration. They told us definitely that they proposed to increase grasses for pasture, increase the production of clover and alfalfa, and that they also proposed to increase dairy and livestock production throughout the United States.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a brief question?

Mr. ANDRESEN. I yield for a brief question.

Mr. BANKHEAD. I have not given the matter any legal study but it has been suggested with great force to my mind that the so-called Boileau amendment is directly in the teeth of the recent decision of the Supreme Court on this matter. What has the gentleman to say of the legal effects of the amendment?

Mr. ANDRESEN. We asked the Secretary of Agriculture whether or not this program would injure the dairy and livestock industry. The Secretary said that he could handle that by way of regulation and that it was not necessary to have anything in the law on it. So, if he can handle it by regulation, it would appear that Congress might write it into the law without jeopardizing its constitutionality.

Mr. BANKHEAD. If the gentleman will permit a further interruption, what is the gentleman's opinion as to whether or not the amendment itself flies in the teeth of the principle laid down by the Supreme Court?

Mr. ANDRESEN. I do not think it flies in the teeth of that decision any more than some of the other provisions of the bill, which provisions have for their ultimate aim the control of agricultural production throughout the United States, because it is proposed to take from 20,000,000 to 30,000,000 acres of cotton, corn, wheat, and tobacco land out of their present production and use them for some other crop.

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

Mr. ANDRESEN. I yield.

Mr. BOILEAU. The bill provides, I may say to the gentleman from Alabama, that the Secretary of Agriculture can control the planting of soil conservation crops and crops which will prevent soil erosion. This is merely another way of saying what the Secretary can and cannot do. If one be more unconstitutional than the other I cannot see it.

Mr. ANDRESEN. To proceed, Mr. Chairman, we have nothing by way of printed hearings to submit to this committee as to what was said by the Secretary of Agriculture and by Mr. Davis.

If we had, we probably could give more accurate statements in harmony with their views.

Fortunately, however, I was able to secure a copy of a release from the Acting Chief of the Production Planning Section of the A. A. A., in the Department of Agriculture. He has outlined very definitely within the past 2 months how they will carry out this program in different sections of the United States. May I take the time to read here briefly certain quotations from what he said. This gentleman is Mr. Oris V. Wells, Acting Chief of the Planning Section. He makes the following statement:

> In the South, the chief recommendations are for a decrease in cotton acreage and production below the 1929 or normal level, but for increases in total crop land, in pasture land, and in the production of all of the Southern feed crops, except corn. These recommended changes are designed to lessen soil depletion and control soil erosion, and to furnish a more adequate feed base for livestock production in the South. As a result considerable increases are recommended for all classes of livestock production.

In the Corn Belt he recommends as follows:

For the Corn Belt. The recommended shift from corn to hay and pasture would be accompanied by an estimated decrease in the number of hogs kept, * * * and a substantial increase in dairy cow numbers and milk production * * *.

In the wheat section he recommends:

It is recommended increases in production of grain sorghums in order to supply a greater feed base for livestock.

In the Northeast, up in the New England States, and the Northeastern States, he says:

The recommendation indicates that production would be stabilized at about the present level.

Therefore there will be no material increase under this program, as they are recommending that it be stabilized at the present level.

Mr. Wells proposes an increase in the production of hay, principally in the lake States and the South, from the normal level of about 68,000,000 acres to 82,000,000 acres, which would yield 115,000,000 tons in place of a normal production of 83,000,000 tons.

He proposes an increase in the production of alfalfa from 20,000,000 tons to 40,000,000 tons.

He recommends an increase in the production of milk from the normal level of 11,590,000,000 gallons to 14,000,000,000 gallons, an increase of two and a half billion gallons.

Mr. HOOK. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Michigan.

Mr. HOOK. Will the gentleman tell me whether the legumes and grasses increased during the years 1933 to 1935 in the South when other crops were taken out of production?

Mr. ANDRESEN. I do not have those figures here, but I may say that livestock production in the South was increased materially from 1930 up to the time of the census in 1935.

Mr. HOOK. Can the gentleman explain why there were less products shipped out of the South into the northern markets during the years 1933 to 1935 than during the years 1930 to 1932?

Mr. ANDRESEN. The answer to the gentleman's question is probably because a great many people were on relief down in the South, and the Government bought those products.

The argument was used that they would cut down on corn, and by cutting down on corn the dairy cows would produce less milk. They have a proposal here to take care of that situation. At the present time, according to the figures submitted by the Department and by Mr. Wallace, the average feed per cow in hay is 1.1 tons. It is proposed that each cow be fed on the basis of 1.45 tons instead of 1.1 tons, in order to increase the production of milk on a lower-cost basis. On this feed ration there can be an increase in livestock from 68,000,000 head to 80,000,000 head. This increase, which is contemplated in the next 5-year period, would place this country decidedly on the export basis for livestock and dairy products, with no foreign market or outlet, and at the same time depress the prices received by the producers for that part of the production used in domestic consumption.

Mr. WADSWORTH. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from New York.

Mr. WADSWORTH. Does the release indicate that in the event the hay ration of a dairy cow is to be increased according to this grandiose scheme that the other elements of her ration are also to be decreased?

Mr. ANDRESEN. There is no indication along that line, although they do propose to give the cows more food made from sorghum, which would probably make up for some of the other crops.

Mr. WADSWORTH. That is interesting. How is the eastern farmer going to get sorghum?

Mr. ANDRESEN. They will have to comply with the program and change their crop production.

It is also proposed to increase the production of hogs throughout the South, not by feeding them corn but by feeding them peanuts and other crops that can be raised throughout the South.

Mr. Chairman, I am not mentioning these things in a critical manner. I mention them so that the Members of Congress and the farmers of the country may get some idea how the plan is to be worked out and what the Department proposes to do, which information has not been available either to the committee as a whole or to the individual members thereof.

Mr. TREADWAY. Will the gentleman yield?

Mr. ANDRESEN. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Will the gentleman give us what information he can as to the reason no public hearings were held on this bill and no information obtained from anyone except departmental officials?

Mr. ANDRESEN. I cannot give the gentleman an answer to that, because I personally asked for hearings, and I know other members of the committee asked for hearings. We were anxious to find out how the Department proposed to work out this measure. We were anxious to find out if the farmers or farm organizations were in favor of it, but we were unable to secure the desired hearings.

Mr. TREADWAY. What excuse was given by those in charge of the committee work?

Mr. ANDRESEN. It was stated that the time was very short; that this was a stopgap piece of legislation which had to be enacted at once on account of the fact that early plantings were to take place in February.

Mr. TREADWAY. Does the gentleman think that on a subject of as much importance as the one before us information of value should have been given to the committee other than by the officials of the Department?

Mr. ANDRESEN. Possibly so.

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

Mr. ANDRESEN. I yield.

Mr. PIERCE. Was the reason we did not have hearings influenced by the fact that our hearings were quoted by the Supreme Court in its decision?

Mr. ANDRESEN. I am pleased to know that that was the reason. I did not know that.

Mr. PIERCE. I do not know that that was the reason, but I know the hearings were quoted.

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

Mr. ANDRESEN. I yield to the gentleman from Michigan.

Mr. MICHENER. As I get it, then, the real purpose of this legislation is to carry on the A. A. A. insofar as possible, and bearing out this theory, the only witnesses permitted to appear before the committee were the advocates of the A. A. A. from the Department, and what they said was not taken down, but was stated in a quasi-executive session and the opponents of the bill have not been permitted to go before the committee and make any statement whatever. Is this correct?

Mr. ANDRESEN. That is substantially correct; yes.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN. I yield.

Mr. ROBSION of Kentucky. Does the gentleman mean to say that none of the great farm organizations of this country or their representatives were permitted to appear before your committee and give their views on this important legislation?

Mr. ANDRESEN. That is correct. The only information we have that any farm organization is for this measure is the letter received by some of the Members either yesterday or this morning from Mr. O'Neal, the head of the Farm Bureau, that he and his organization are supporting this bill.

Mr. ROBSION of Kentucky. How do the other great farm organizations stand?

Mr. ANDRESEN. All of the dairy organizations throughout the country are in opposition to this bill as it is now written. If the Boileau amendment were adopted so the dairy industry would be protected, it is probable many of them would either take no part in the legislation or support it.

Mr. ROBSION of Kentucky. How about the Grange and the Farmers Union?

Mr. ANDRESEN. We have no expression from the Grange except that they are in support of the Boileau amendment, and so it is with other farm organizations.

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

Mr. ANDRESEN. I yield.

Mr. ALLEN. The gentleman has not any doubt about the fact that the Farm Bureau, which is nonpolitical, is in favor of this bill?

Mr. ANDRESEN. I have found that the head of the Farm Bureau, Mr. O'Neal, who is a very good friend of mine, has supported about everything the present administration has proposed.

Mr. ALLEN. But the gentleman knows that the American Farm Bureau is for the bill as it stands.

Mr. ANDRESEN. Only from the letter I have received from Mr. O'Neal. I did receive a wire from one who, I think, is the president of a Farm Bureau unit in a county in my district urging me to support the legislation. I called up the office of the Farm Bureau in Washington and asked them whether or not this telegram was inspired by the Washington office, and they said it was. I said, "Do you know what is in the bill?" and they said, "No; except what we have heard." I then asked, "Are you for the bill?" and they said, "Yes; we are for the bill."

This is the extent of my conversation with the Farm Bureau, and I have very great respect for the Farm Bureau, both here and out in the State of Minnesota, but what I have tried to point out here is the lack of information on this particular piece of legislation on the part of the members of the committee, on the part of farm leaders, on the part of the men in the administration who intend to carry it out, and I think we have a right to know what we are legislating about here, particularly when this is considered to be one of the most important pieces of legislation that is to be considered by this Congress.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ANDRESEN. Now, getting back to the dairy problem and to the general scheme of soil conservation, I believe all the Members are for the general scheme of soil conservation. Personally, I favor such legislation, but I do not want to dislocate all of agriculture and carry out a soil-conservation program at the expense of the largest branch of the agricultural industry.

One of the men at our State university in Minnesota, connected with the Department of Agriculture, said this in regard to the program:

> If we do not proceed with care, we may start a program which appears expedient at this time but which, over a period of years, may lead to the unbalancing of agricultural production in other directions.

This is the danger that faces the dairy industry now. We have a surplus of dairy products. With nearly 40,000,000 pounds of butter in storage, we are producing more dairy products than the country can consume, and on top of the production in this country we are confronted with an enormous importation of dairy products which this year, due to the reciprocal trade agreements, is being increased by leaps and bounds.

During the calendar year 1935, more than $15,000,000 in dairy products were shipped into the United States, consisting of 22,674,000 pounds of butter and more than 52,000,000 pounds of cheese and other products. We find importations of livestock also coming in—364,000 head of steers, valued at more than $8,863,000, were imported into this country from Mexico and Canada.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. ANDRESEN. It is difficult for me to comprehend the consistency of a Nation-wide program which calls for a reduction in acreage of farm production and at the same time for the administration to permit the importations of large quantities of the same commodities which are taken out of production in this country. I desire here to call the attention of the Committe to some of the major farm imports for the year 1935. These imports are depriving the American farmer of his own home market.

Livestock valued at $8,863,370, consisting of 364.623 head of cattle, 3,414,317 head of hogs, and small quantities of poultry and sheep.

Fresh, canned, and cured beef, pork, veal, and mutton, valued at $19,177,835.

Dairy products valued at $15,000,570, consisting of 22,674,642 pounds of butter and more than 52,000,000 pounds of cheese and other dairy products.

Grains and preparations from grains valued at $73,313,894, consisting of 4,839,678 bushels of barley; 320,000,000 pounds of barley malt, which is equivalent to more than 10,000,000 bushels of actual barley; 43,242,000 bushels of corn; 10,106,000 bushels of oats; rye, 9,642,000 bushels; 27,438,000 bushels of wheat upon which duty was paid and another 12,000,000 bushels of wheat in bond.

Twelve million nine hundred and thirty-two thousand dollars' worth of hay and other fodders, including cottonseed meal, 59,743,000 pounds, soybeans and linseed meal.

Vegetables and preparations valued at $18,648,000, consisting of beans, cowpeas, Irish potatoes, turnips, onions, and other vegetables.

Two hundred and forty-five million eight hundred and fifty thousand pounds of tallow valued at $13,104,000.

While figures are not available for imports and exports for the month of January 1936, it is reported by the State Department since the reciprocal trade agreements have gone into effect exports have increased only 7 percent and imports increased 24 percent. The 24-percent increase in goods received from treaty countries was made up largely of farm products. This plainly indicates that American agriculture is again being sacrificed. The law passed by the Seventy-third Congress which gave authority to the President to negotiate reciprocal trade agreements should be repealed at once and the agreements already entered into canceled. I will offer such an amendment.

I will also offer an amendment to cut imports of dairy products, livestock, pork, and grains, so that not more than 10 percent of the amount imported during the calendar year of 1935 may enter this country after March 1, 1935.

I favor and will support a legislative program for soil conservation and the prevention of soil erosion. Adequate appropriations should be made for these purposes for the general welfare of the country.

My criticism today is directed to the proposed administration of this bill. The meager information available indicates that the Secretary of Agrculture intends to carry out the soil-conservation program at the expense of the dairy industry, and therefore I am urging the adoption of the Boileau amendment so as to limit the artificial expansion of dairying under a Government subsidy. I can take no other position, as I represent one of the greatest dairy districts in this country. If legislation is to be enacted, then all classes of farmers should be treated on an equal basis.

The bill as it now reads will materially permit an increase in dairying and livestock in the Southern States. This will bring an increase in dairy products, and the tendency for such increase will be to place our dairy industry on an export basis with no foreign market in sight in which to sell our surplus. It will bring the dairy farmers now engaged in this type of agriculture down to a world basis on price. It will mean from 10 to 14 cents per pound reduction in price on butter, and a material reduction for other dairy products.

This measure alone will not solve our difficult farm problem. If this bill is properly amended so as to protect all branches of agriculture, it will serve a very useful purpose. In addition legislation should be passed to curtail importations of cheaply produced foreign farm commodities. The reciprocal trade agreements should be repealed. The irrigation program, which has for its ultimate aim the creation of nearly 5,000,000 acres of new irrigated land, at a cost of hundreds of millions, should be abandoned. Interest rates on Federal land-bank loans should be reduced. The Government could well purchase marginal farm lands for the public domain. The payment of an export bounty so as to reestablish our foreign markets for farm commodities. The adop-

tion of an allotment plan which will give a subsidy to producers in this country on that part of the crop which is used in domestic consumption, in order to give the farmers the benefit of the tariff, and at the same time insure cost of production plus a fair profit.

Hearings should be held at once for the purpose of drafting a sound and constitutional program for agriculture. The proposals mentioned by me are but some suggestions which I believe should be a part of the program. Others could be developed, and, all in all, I am convinced that profitable legislation could be passed for the benefit of all agriculture.

I hope that when the Boileau and other amendments are offered the Members from all sections of the country will give them their support. [Applause.]

Mr. JONES. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman and Members of the Committee, there is no more important question before the Congress of the United States than the problem of what shall be done for American agriculture. The decision of the Supreme Court of January 6, invalidating the Agricultural Adjustment Act wrecked a program that, with all its faults, had restored to agriculture something like its proper position in American economic life. It is our present task to formulate a program that will consolidate present gains and make possible future progress. I take this opportunity to submit for your consideration some of my observations on this subject.

Let me approach the problem with something of a background. It is axiomatic, I believe, that the present plight of agriculture can be properly understood only when viewed in its historical perspective. There was a time in the history of our Nation when farming was not the great commercial enterprise which it is today. Comparatively speaking, up to the middle of the nineteenth century American agriculture, except for the cotton-growing regions of the South, was a pioneer, subsistence type of farming. The farmer planted and reaped and managed his farm, not with the purpose of selling goods on a market, but rather to satisfy the needs of his family, directly from the production of his farm. The farm family 100 years ago ground their own meal, made their own clothes, fashioned their own tools, and in general were largely self-sufficient. Foreign markets were no problem, for little farm produce, except again for cotton, found its way to a world market.

All this changed, however, in the 50 years following the American Civil War. American agriculture became capitalistic and commercial. The farmer no longer farmed for himself alone. Industrial centers grew whose population had to be fed, both in America and in Europe. The vast land areas of the American West and the liberal land policy of the United States made possible an enormous increase in agricultural production. In the 40 years from 1860 to 1900 acreage in American farms increased from 407,000,000 to 841,000,000. Before the end of the century American farm production in all staples far exceeded the demands of the home market. The farmer came to be dependent on a world market for the prices of his products and for the maintenance of his prosperity. Our farmers were not alone interested in this development of a world trade in agricultural products. The exportation of American agricultural products made possible the development of American industry in the post Civil War period. Indeed, the exportation of farm produce was a vital necessity to pay the interest on foreign capital used in the expansion of our industrial plants and of our means of communication. In one sense the American farmer was the victim of American capitalism, for while he made possible with his exports the growth of American industry he was forced also to pay high prices for the protected products of our manufacturers. Those industrialists who today weep at the thought of governmental assistance to agriculture would do well to remember that the development of our great industrial system took place at the expense of the farmer. The farmer's exports paid off the interest on foreign borrowings and the farmer paid the tariff that allowed industry to grow free from competition.

The American farmer was able to maintain himself for some time under this lopsided arrangement for two primary reasons: First, until the last decade of the nineteenth century the American farmer controlled the world market. He had no competition until the 1880's and 90's saw the opening of the grass lands of Australia, Russia, and the Argentine to grains and meats. Second, and more important perhaps, the American farmer was farming land that was cheap and virgin. The farms were the gift of the Government, they could always be mortgaged to cover short-term obligations, and ever-rising land values protected the farmer against loss. The farms were virgin, of unbelievable fertility, and by mining the fertility from the soil, by taking away the productive power of the soil, by continued cropping of an extensive nature, the farmer was able to prevent bankruptcy. Indeed, in some cases he was able to retire with considerable wealth. But it should be borne in mind that his success was possible at the expense of his descendants who were to take over the farms when their fertility was gone.

The situation was unsound, of course, and bound to result in disaster. In the late 1880's and 1890's, when foreign competition first crowded the American farmer on the European market, the farmers were hit by falling prices and rose in what is known as the Populist revolt. When populism passed the situation was eased until 1920. Heavy immigration and rapid industrial growth made for less dependence on the world market; farm prices rose and the disappearance of the free land of the West brought a pressure on the land that kept land values steadily mounting. The World War added a bubble of unsound prosperity; but the war also reversed the trend of farm exports and made the farmer again dependent on a world market. Acreage increased by 9 percent between 1910 and 1920, and much land put under production under the stimulus of wartime prices was clearly submarginal. Farmers, under the stimulus of fictitious war prosperity, expanded their plants and made improvements, most of this, of course, on credit.

But the bubble of prosperity was pricked in 1920, and between 1920 and 1932 all the ills of American agriculture came home to roost. The day was past when the fertility of the soil could be mined; the day of homesteads was gone; the farmer's plant was now capitalized; but, paradoxically, farm values melted away. And thus the two chief factors in whatever farm prosperity existed prior to 1920, rising land values and a virgin soil, were gone. I venture the assertion that without these two factors American commercial agriculture, if figured on a legitimate business basis, would never have returned a profit.

To cap the climax, on the one hand, American agriculture became more efficient than ever, and, on the other, the world market bid fair to disappear. Mechanization of agriculture and the application of science to crops, soils, and farm animals made possible a greater farm production than ever before. The slowing of population growth, the restriction of immigration, and important dietary changes restricted the domestic market. The expansion of agriculture into the fertile, virgin regions of Canada, Russia, North China, South Africa, and elsewhere made competition in the world market unmeetable. And, finally, the European nations, angered at the high-tariff policy of the Republicans and crazed by a war hysteria, placed tariffs and quotas on the importation of farm produce and moved heaven and earth to become self-sufficient so far as foodstuffs was concerned.

I need not recount in detail what happened to agriculture from 1920 to 1932. In 1919 total farm income was fifteen billions; in 1932, five billion two hundred million. In 1932 the farmers' dollar, in terms of what he sold and what he purchased, was 47 percent of the prewar average. Mortgage indebtedness tripled from 1910 to 1931. Farm values for March 1, 1933, were 27 percent under those for 1912–14. By 1932 the farmer's equity in his mortgaged land was wiped out completely.

Everyone now admits that something must be done to save the farmer from potential doom. Even the Republicans now admit the necessity—but for 12 years through Harding, Coolidge, and Hoover the American farmer was permitted to continue his descent into permanent serfdom. Laissez

faire was the Republican policy, except, of course, for those industries protected by a high tariff—the shipping interests, subsidized by direct grant and otherwise, and a whole host of other special interests who were allowed to fatten at the expense of the farmer and the laborer.

With the enactment of the Triple-A program American agriculture was given a new lease on life. Farmers were given the same preference as industry. The program was one of balanced production, based primarily on the needs of the domestic market, but using every legitimate means to gain and hold foreign trade. Farm prices rose, agricultural income increased, and farm prosperity returned. The Democratic administration promised the farmer an effective program to establish price parity. That promise was faithfully kept.

Recently we have witnessed the wrecking of the Triple-A program. The Supreme Court has ruled that the act was unconstitutional. If I read the decision correctly the majority decision runs somewhat as follows: That the Triple-A program was a program of agricultural control; that the Constitution gives Congress no power to control agriculture and that hence the act was unconstitutional. Warily the Court refused to rule directly on the question of whether the problems of agriculture come within the general-welfare clause of the Constitution, but by implication the Court has told us that the problems of agriculture—these problems affecting 30,000,000 of our population—are local problems and within the meaning of the Constitution to be handled only by the individual States.

The Court scarcely a year ago handed down a similar decision in the case of the N. R. A. Problems of labor and industry, of unemployment and unfair competition, are local problems and not within the power of Congress to solve, we were told then. Now the Court has added agriculture to the list of local problems. These grave national problems of industry, labor, and agriculture are to be solved, I take it, by the action of the States. I grant the value of the States in our Federal Republic, but I warn the Supreme Court that we are dealing with problems of economics and not with constitutional metaphysics.

None of us will deny that when the Constitution was written, 148 years ago, the problems of agriculture and labor were in the main of local concern, but we have grown in the past century and a half, whether the Supreme Court recognizes it or not, and I doubt whether even the most reactionary Republican will deny that agriculture and labor are national problems. Even ex-President Herbert Hoover has admitted that the farmers' problems affect the general welfare. There is no doubt in my mind that the Court could have reasonably and intelligently upheld the Triple A and the N. R. A., but it seems that economic reality has no place in court.

Are we to believe that our National Government should supinely refuse to act to aid the farmer and laborer? If we accept the decisions of the Supreme Court as final, then we have no recourse. I favor the bill which the Agriculture Committee has reported. I shall vote for it. I believe it is our duty as Representatives of the people to prevent the lapsing of agriculture into the poverty of the days of Herbert Hoover. I believe that our bill is constitutional, but I agree with the senior Senator from Nebraska that there is some doubt as to whether our Supreme Court, guided as it will be by the Triple-A decision, will allow the act to stand.

I hope that the Court will admit the constitutionality of the act. We must have action now; we cannot wait. But, of course, there is only one sensible course of action. Since our Supreme Court persists in blinding itself to reality we must amend the Constitution so as to permit no doubt as to the legality of national action in the field of national economic problems. If the problem of agricultural control is constitutional as soil conservation, it should have been, and was, in my opinion, constitutional as the Triple A. If our Supreme Court based its ruling on the mere wording and phraseology of the Agricultural Adjustment Act, and will permit a new program to function because the language is different, then we need lexicographers rather than legislators in Congress.

There is something nauseating in the actions of certain of our so-called Republican leaders—and a few reactionary Democrats—who have been using the Constitution to cover a distaste for social and economic reform. The Constitution is a great document, but it is the work of man, and it must be a living, virile instrument; one fitted to the facts of our economic life if it is to function. Some of my Republican friends speak of the dangerous trend toward centralization as if centralization were, as a general proposition, completely subversive of all that is held dear in our democracy. I invite these gentlemen to study the history of our Nation. When did the trend toward centralization begin? It began in earnest after the Civil War and received its first impetus from the administrations of Republican Presidents.

I ask you, has not our economic life become centralized? That is admitted. Then we should be honest enough to admit that the pattern of economic life sets the fashion for political institutions. It is not intelligent to condemn or to condone centralization as a general proposition. Each activity of government must be treated as a separate problem, and whether the activity should be centralized or local is a question that should be decided according to the same formula used by the makers of our Constitution when they made the original division of powers between State and National Governments. The formula these men used was this: Power should be given by the National Government when the problem is of national or general interest; local problems should rightfully be left to local action.

I wonder whether those who decry national action as to the problems of agriculture and labor, saying that power over these was reserved to the States, really believe that the States are competent to act in these fields. There is something humorous in even this suggestion. No; of course the vested, profit-seeking industrialists and bankers of our Nation, who want no regulation by the National Government, do not believe that the States are competent to act. They do not want action by either State or National Government. They want a vague and ill-defined field in which they can despoil and ravage without fear of control or hindrance. Only centralization of control will bring justice here, and a constitutional amendment is the only solution of our problem. It is not really a question of whether the State or the National Government shall act, but, rather, a question of whether we shall have any action at all.

If I know the temper of the American people, they will not fail to accept the challenge facing them today, and they will meet it with the resoluteness of spirit and courage of their pioneer forefathers, who dared to tackle the problem of building a civilization in the wilderness that was once America. The American people cannot be humbugged with loose talk about the Constitution. Our problems are economic and social. Do we want the National Government to have power to deal with the national problems of labor and agriculture, or do we not? That is the question which the American people must decide, and I challenge the opponents of the Democratic administration to go to the people on that issue. They will not do so, of course. It would be expecting too much of the Republican leaders to expect them to expose so clearly their subservience to entrenched greed. We can expect a continuation of the use of the Constitution as a smoke screen to blind the people to the true economic issues which confront the Nation.

Mr. CULKIN. Will the gentleman yield?

Mr. HOOK. I yield.

Mr. CULKIN. Does the gentleman believe that the Boileau amendment is a proper amendment to this bill?

Mr. HOOK. I do not believe it is, and I will tell the gentleman why. Because of the fact that the record shows that even if there was an increase in the grasses and legumes in the South during 1933 and 1935, there was less milk and dairy products shipped into the North. That is why I do not agree with it.

I do not agree with it because of the fact that I do not think we should shove any more onto this bill than we can get along with.

Mr. FULMER. Will the gentleman yield?

Mr. HOOK. I will.

Mr. FULMER. Is it not a fact, and does not the record show, that when cotton was selling for 5 cents a pound the shipping out of the product increased from the South?

Mr. HOOK. That is correct, and one reason why I cannot go along with the Boileau amendment is because the great automobile industry of Michigan leaps forward in great bounds, and why? Because the agriculturists of this Nation, and a great many from the South, were benefited by the Triple A. [Applause.] That is why Michigan is for the agricultural program.

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

Mr. HOOK. Yes.

Mr. CULKIN. The gentleman then disagrees with the economists, the hard and paid economists, who were advising the dairy group that there is no danger in this situation?

Mr. HOOK. I disagree with whom?

Mr. CULKIN. With the economists——

Mr. HOOK. I agree with the economists who gave the proper foundation to go along with the Triple A, and the economists who gave us the foundation to go along with this bill.

Mr. CULKIN. The gentleman is going along with the administration.

Mr. HOOK. Let me speak one final word as to the agricultural program which we have here for consideration. Its emphasis on the problem of soil conservation is so legitimate as to preclude all argument. As I have stated, the American farmer, because he was chained to an economic rack, was forced to mine the fertility from the soil. One need only acquaint himself with the work of the present Chief of the Soil Conservation Service—Mr. H. H. Bennett—to appreciate the importance of this problem. If we can through national assistance aid the farmer today in the restoration of the fertility of his soil, we shall have made an outstanding contribution to American civilization. That any effective soil-conservation program sufficient to meet the danger of today is possible by individual State action is ridiculous.

I doubt whether the program of national assistance to the individual States as contemplated by the present bill after 2 years will prove satisfactory. This action simply confuses the problem and makes more difficult its solution.

We should be careful, too, to protect those farmers who are not producers of the staples. I refer to the dairy and vegetable farmers. Any program that will protect the grain, cotton, and meat producer and leave the dairy and root-crop farmer to the mercy of increased competition is not complete and should be amplified. We must make this program one of assistance to all the farmers. When we have done this we can rest assured that the citizens of America will approve our work. [Applause.]

I believe that this legislation does not need the Boileau amendment because of the following facts:

The minority report of the Committee on Agriculture and the views of Mr. BOILEAU in regard to the Soil Conservation Act present statements in regard to the possible effect of the act on the dairy industry that are contrary to the experience of the past 3 years of the adjustment program and to the effect that may reasonably be expected, according to sound dairy and agricultural authorities, in the carrying out of soil conservation and crop-rotation adjustment phases of the new Soil Conservation Act.

Dr. E. W. Gaumnitz, Chief of the Dairy Division of the Agricultural Adjustment Administration, states that the remarkable shift to grass and forage crops that occurred on the contracted acres during the past 3 years has not adversely affected the dairy industry through the production of surpluses or through dislocations of dairy-producing areas.

Dr. O. E. Reed, Chief of the Bureau of Dairy Industry, United States Department of Agriculture, has officially stated that "the noticeable trend toward more acreage in grass and forage crops is in line with good dairy practices." As pointed out by Dr. Reed in his report to the Secretary of Agriculture, 1935, experiments show that cows produce from 65 to 75 percent as much butterfat when fed exclusively on good roughage as when fed so-called full-grain rations, and 90 percent as much when fed roughage and a half-grain ration. Thus fear of overproduction of dairy products through substitution of roughage crops for grain is unfounded.

From the standpoint of livestock management the health of herds and flocks is greatly increased by a proportionate increase in the use of pasture and by the feeding of greater amounts in rations of well-cured legume and grass hay. The lightening up of rations through the use of more pasture and more hay is essential in the control of such diseases as bovine tuberculosis, Bang's disease, mastitis, and other livestock ailments.

The minority report and the opinion of Mr. BOILEAU fail to recognize the fact that what they term is an additional acreage in grass and hay crops is in fact a shift in production. In accordance with the program contemplated under the Soil Conservation Act, the grass increase will be largely at the expense of such surplus crops as corn, wheat, and cotton, all important sources of concentrated dairy feeds recently produced in surplus beyond needs.

The minority report states that "representatives of dairy organizations" consider that the Soil Conservation Act would be harmful. It would be of interest to know just who these representatives are, and who pays for their salaries and office expenses. I believe that it would be found that the gentlemen referred to may not be qualified to speak for dairy farmers, but are possibly paid representatives of processors. This might be worthy of investigation by the congressional committee.

On the other hand, I believe that Dr. Reed and his staff in the Bureau of Dairy Industry, and Dr. Gaumnitz, of the Dairy Division of the Agricultural Adjustment Administration, may be looked upon as the soundest sources of authoritative opinion in regard to the interests of dairymen and of the consumer of dairy products, with due regard, also, to the equitable interests of processors.

I note that the dairy industry is apparently on a better footing after 3 years of the Adjustment Act than during the period 1930 to 1933. The State Department of Agriculture of New York stated, February 10, for instance, that incomes of dairy farmers aggregated $8,084,000 more in 1935 than in 1934:

> The aggregate value at the farms of milk delivered at dairy plants through New York State last year was $98,068,000, as compared with $89,984,000 the previous year. There was an increase in volume of milk sold last year, also, of 24,000,000 pounds. The price paid to producers for milk in all classifications was up 14 cents a hundred pounds, the department reported, the highest rate since 1931.

Another fact of interest is that shipments of dairy products from Southern States such as Alabama, Georgia, Texas, Mississippi, and Tennessee to northern markets—New York, Boston, Philadelphia, and Chicago—were much greater during the years 1930, 1931, and 1932 than during the years of the Adjustment Act, 1933, 1934, and 1935. During the period of 6- to 8-cent cotton, milk products from the South moved in comparatively larger quantities to northern markets in competition with northern dairymen. During the period of 12-cent cotton, the 3 years of the Adjustment Act, the South apparently consumed its own dairy products and, undoubtedly, increased the use of dairy products shipped into the South from Northern and Corn Belt States. Dr. Gaumnitz stated that he would secure such information as is available on shipments of dairy products into the South during the 3 years of the adjustment program as compared to the 3 previous years.

I am certain that the criticism of the program of increasing grasses and legumes, primarily to conserve the soil, and also to bring our agricultural production into balance, made by certain interests who claim that dairying will be injured, is exceedingly short-sighted, based on false premises, detrimental to the interests of dairymen and to the consuming public, and to agriculture as a whole. Soil conservation and adjustment in feeding practices to secure greater economy are essential to the future of the dairy interests and to the interests of the consuming public.

Mr. JONES. Mr. Chairman, I now yield to the gentleman from Mississippi [Mr. FORD].

Mr. FORD of Mississippi. Mr. Chairman, the decision of the Supreme Court of the United States delivered on January

6 nullified as unconstitutional the past attempts of Congress to aid our farmers in the manner provided by the Agricultural Adjustment Act. The Court was divided, 6 to 3, on the question of constitutionality, the majority being of the opinion that the Agricultural Adjustment Act was "a statutory plan to regulate and control agricultural production, a matter beyond the power delegated to the Federal Government"; in other words, an invasion of the reserved powers of the several States.

I have every respect for the legal learning and the integrity of our highest Court, as I have for all the courts of our land, and I am sorry that in view of the restrictions of our Constitution, the supreme law, the Court has found it necessary to destroy the fruits of the efforts that have been exerted, forcing the inauguration of a new plan of agricultural assistance to replace a program already in operation.

The responsibility of formulating such a plan is now clearly on the Congress, and as one of the Members I gladly assume my portion of the burden which falls upon us all. I have repeatedly made known my earnest conviction that we are charged with a paramount duty to furnish our farmers with enacted legislation that will be of the greatest possible benefit to each and all alike.

I want a law that will work fairly for all—the small farmer as well as the large landowner. I want the benefits to be distributed equally to all according to the merit of each case.

In coping with the problem now before us we realize that we must adopt a plan that will not invade the reserved power of the States; and we also must avoid provision for a contractual relationship between farmer and Government requiring compliance to Federal regulation. The Supreme Court, interpreting constitutional restrictions, frowned severely on that type of arrangement.

To escape these difficulties just mentioned the proposal now under consideration has an expressly stated purpose which is entirely different from that embodied in the Agricultural Adjustment Act. The conservation of valuable national resources, the preservation of the fertility of our agricultural lands, and the improvements of the soil are the declared purposes of the pending legislation. No taxes are levied and no contracts are required. In fact, contracts are prohibited.

Public Law No. 26, "An act to provide for the protection of land resources against soil erosion", was approved by the President on April 27, 1935.

We now intend to so amend that law as to make available the same benefits denied us in the recent decision of the Supreme Court, but in a constitutional manner.

Payments by the Federal Government will be made direct to the farmer up until December 31, 1937, practically 2 years away. After that date grants will be made to the States for payment to farmers within its borders who voluntarily comply with the purposes of the act by taking portions of their land out of production of commercial crops like cotton and substituting instead a soil-building legume or grass. Of course, a State has to make its own plan, and if it does not do so before December 31, 1937, the grants will be withdrawn. This allows the State to do as it desires, and there is thus no invasion of the reserved rights of the States.

There was considerable objection to the Bankhead Act because of the high penalty a cotton farmer had to pay if he marketed any cotton in excess of the amount allotted to him in accordance with the specifications of his contract with the Secretary of Agriculture. Many instances came to my personal attention wherein a farmer was given so small an allotment that he did not have a praying chance to properly feed and clothe his family, much less pay his taxes and meet other imperative obligations. Since the Supreme Court decision Congress has specifically repealed the Bankhead Act. Farmers will no longer have to execute contracts, have their crop acreages measured, fight for gin certificates, or pay a penalty if the crop exceeds the quota of certificates given them.

Instead, under the measure I am now discussing, they will not be punished for failure to cooperate, but will receive a bounty in return for the cooperation they care to give, it being entirely up to the producer as to whether or not he desires to participate in the program which will be inaugurated when we have finished with this legislation.

The objection comes to my mind that in administering the law, when enacted, there may be regulations on the part of the Secretary of Agriculture that will pay much money to the farmer who is so fortunate as to have rich, valuable soil, with a meagerly, scanty sum at the same time being paid to those who have poorer fields. That poor soil is the type to which most attention should be paid, if we are to preserve good faith with the announced purpose of the act, retiring enough of it from production to maintain a supply advantageous to the farmer and at the same time compensating him for his cooperation. I hope that no inflexible, complicated regulations will be devised so as to work hardship on any farmer.

A question also occurs as to what this act will do to help the tenant farmer. I feel that the Secretary of Agriculture is clothed with powers sufficiently broad to allow him to make payments to tenant farmers for their cooperation, and in supporting this measure I expect that to be done. The bill states that payments may be made to agricultural producers, which certainly should include tenant farmers.

I think it is the implied policy of this legislation, even if not clearly announced, that the States, although on the basis of State cooperation, will never have to match any funds or furnish any money with which to finance the program. The expense will be borne entirely by the Federal Government.

On April 18, 1935, I warned this body that Mississippi and other States in similar financial condition could never have old-age pensions for its aged citizens if States were forced to match funds furnished by the Federal Government. The House refused to listen to my pleas in behalf of all people, wherever they might reside, in rich State or in poor State, and voted down my amendment, which sought direct Federal payments. The result is that Mississippi, as well as numerous other States, cannot see its aged participating in the benefits furnished by the Federal Government to the other States because they are richer and can match funds.

I do not want any such financial requirements on the States to come up and defeat my purposes in supporting this bill. It would mean disaster to my district and State.

We are authorizing the appropriation of $500,000,000 to pay for this program; and if it helps our farmers, it is money that will be well spent. It should be spent.

We are clothing the Secretary of Agriculture with extensive authority—a proposition that normally would probably fail to meet with my approval as a matter of sound governmental science—but anyone must admit that a serious emergency now exists that makes immediate action imperative. Many different crops are involved, and millions of farmers who have the right to a profit from their labors are watching hopefully for something to be done in their behalf. The Supreme Court decision came late, and farmers are preparing for a new crop without knowing what to expect. They need beneficial legislation, and they need it now. No one is better equipped with organization and personnel than the Secretary of Agriculture to meet the many diverse problems and make regulations for their solution. Practically the same powers were delegated under the Agricultural Adjustment Act.

I feel that the benefits to flow from what we now propose to do will far outweigh any defects.

Mr. Chairman, I therefore heartily support this new program for assistance to our farmers and plead with my colleagues to do likewise.

Mr. JONES. I yield to the gentleman from Texas [Mr. MAVERICK] such time as he desires.

CONSERVATION AND THE CONSTITUTION; DEPENDENCE OF CITY LIFE ON AGRICULTURE

Mr. MAVERICK. Mr. Chairman, in the report on the House bill we find the following:

> If means can be found to rehabilitate the agricultural industry by methods not in conflict with the Constitution, the national welfare will be promoted.

There must be an implication there that if it happens to be against the written words of the Constitution, or the

opinion of five as against four human beings on a court, that it would be against the general welfare of the people. I do not criticize the way that was written, but I think what we really mean is:

The national welfare will be promoted if means can be found to rehabilitate the agricultural industry, and because the very purpose for which we adopted the Constitution and formed the Union of States, was to promote the general welfare.

That is what the Constitution of the United States, in effect, says and means. We have said a great deal about saving the farmer, and there has been a lot of sentimental talk about the farmer, but the big problem is the conservation of our natural resources for all the citizens of the United States as a whole. This has been more or less minimized in the discussion of the direct plight of the farmer.

But all parts of the body politic are dependent on each other, and this point I should like to mention: That I have recently visited the industrial districts of many cities in the East. These people are alive to the danger to the people who live by the soil, because they have sense enough to know that city people also live by the soil. The A. A. A. decision is as unpopular in the industrial districts of New York, Pittsburgh, and other eastern cities, as it is on the farms. They know the Congress of the United States is responsible to the people, and they, the people, know they can vote on Congressmen but cannot vote on courts, and these people realize the supreme importance of the necessity of Congress legislating on behalf of the people, and especially for the purpose of conserving the resources for the benefit of all the people.

That is how I view this bill, not as special legislation for farmers but as general legislation for the American people.

Concerning these statements, the preamble to the Constitution says:

We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

It says it again in article I, section 1 and section 8:

SECTION 1

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SECTION 8

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

ENEMIES MARCH RELENTLESSLY ACROSS THE UNITED STATES OF AMERICA; AND NO COURTS—ONLY CONGRESS—CAN STOP THEM

From what I have just quoted, it seems to me that it is not only a right of the Congress but a duty of the Congress to provide for the general welfare of the United States and its common defense, and one as much as the other. Although the law may be interpreted away, it is just as sensible to provide for the common defense, which provides protection of every part of the United States, as to provide for the general welfare, thereby providing for the preservation of farms and lands, wherever located. If Oregon was attacked by an enemy, we would send the Army there. And, under this general welfare, we have a right to protect the farms in the Mississippi Valley from water which comes across the Canadian line and through some 10 or 15 States into still other States as we have to protect the United States from an enemy that might march from a coast to another coast across various State lines.

The only enemies we have are not enemy soldiers. We have the enemies of wind and water erosion and the ceaseless effect of Nature upon the lives of the people. We have as much right, in preserving our country, to make a treaty with Nature as we have to make a military treaty. A drop of water may fall close to the Continental Divide in Canada; it passes into our Nation; then it passes State line after State line; and no decisions, even if all of them were unanimous of all the courts of the world, could stop this single drop. And neither would this little drop of water pay any attention to a writ of contempt. Since this is true, then Congress must by legislation provide the means whereby this section of humanity can save itself. Congress can do this by proper conservation legislation such as this.

It seems to me that the right of existence, the right of survival, not only permits Congress but imposes upon it an imperative duty that it shall provide for the protection of the soil of this country from the effects of Nature. Congress has as much right to protect the people from a barrage of enemy shells that will kill the people as it has to protect the people against a barrage of water and wind that will wash and blow our country away and starve the people. Congress has as much right to blow a bugle of military death as it has to blow a bugle of civil life.

AMENDMENT CONCERNING INTERSTATE DRAINAGE AREAS TO BE PRESENTED

I shall offer an amendment showing the interstate necessity of this legislation and its constitutional basis for enactment. I do not claim to be an authority on the Constitution. That Constitution has been covered very well many times before by able constitutional lawyers on this floor.

The amendment that I shall offer will be substantially as follows:

Page 2, line 6, after the comma, insert: "to safeguard areas involving interstate drainage and its effect upon interstate traffic by water and land, its effect upon floods, the use of bridges, post and interstate roads; to promote the prevention of soil erosion caused by waters carried into the United States of America from other nations and from various States to each other; to provide conservation of national natural resources in land, water, plant, and wildlife."

Personally I think that the Triple A Act was constitutional. I agree with the minority. These three men's opinion may be right and the other six wrong. In any event, the Supreme Court has reversed itself before and may do so again. Being convinced of the right of the National Legislature to legislate for the national benefit of the people. I voted against the repeal of those various agricultural acts. And I think there is no question of the constitutionality of the act now being discussed, but, of course, I am not the Supreme Court.

CONGRESS SHOULD MAKE THE PURPOSES OF THIS LEGISLATION CLEAR

I think it is necessary, however, that the Congress of the United States inform the people of the United States of the full import of this type of legislation. Lately, when we discuss a subject, we generally spend most of our time on the Supreme Court of the United States. Looking at this from a personal viewpoint, as everyone knows, I was strong for the Tennessee Valley Authority, and I had a more or less kindly feeling toward the Supreme Court when they held that constitutional, but that is not the point. We have problems that transcend everything formal in this country, and if the Republican Party should be successful in defeating any effective program of legislation on account of its alleged unconstitutionality, then if they get control of the Government some day, they will be prevented from effectually representing the people of the United States. In other words, if they raise so many smoke screens as to obstruct true legislative government, then they cannot legislate themselves if they ever get in power.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. MAVERICK. I yield to the distinguished gentleman from New York.

Mr. SNELL. Did I understand the gentleman to say that the Supreme Court held the T. V. A. constitutional?

Mr. MAVERICK. Yes.

Mr. SNELL. As I read Chief Justice Hughes' specific statement, he said the only thing they passed on was the question of selling power from the Wilson Dam.

Mr. MAVERICK. I think technically the gentleman from New York may be correct, but, in any event, the T. V. A. will go on; that is the important thing to the American people. It is also important in that it may be the basis of great national conservation. The practical effect of the decision is that we will have public ownership of public power and the sale of such power at cheap rates to the public.

When I get to the Supreme Court, as I say, there are certain decisions I like. I did not like the A. A. A. decision. I did not like the North Dakota railroad case that threw

out the State rights to tax; but I did like the Mississippi case, wherein they gave three Negroes the right of fair trial and protected human rights, even if the citizens were black. I did like the newspaper case of Louisiana, where the Constitutional right of free speech and press was upheld; and I did like the T. V. A. case. But the point is in the Constitution of the United States there are two divisions of power of the Supreme Court in its relation to Congress. One, in which there are specific prohibitions, like freedom of speech, the granting of letters of marque and reprisal and establishing a state religion, and other subjects. Then there are those that concern the general welfare, affirmative rights. The Supreme Court itself has said in numerous cases, and in a recent opinion of Mr. Justice Brandeis, that the Supreme Court should not interfere with the legislative functions when there is any question about it whatsoever.

I think we should make this plain, that if a farmer takes 20 acres out of cultivation and puts it back in its natural form of grass or trees, that is a benefit to the United States of America, because it protects the United States of America against wind and water and soil erosion and saves the fertility of the soil.

The Mississippi Valley drains from way up in Canada. Those waters empty onto the United States of America, and the conservation, or lack of it, on a farm in Canada has its effect on a farm in the United States of America. Likewise, the manner in which our natural resources are protected east of the Continental Divide in Colorado has its effect all the way down through many States to the Gulf of Mexico. National conservation, as a matter of direct, sincere fact, is constitutional from many angles; and if the Supreme Court acts on its previous opinions not to interfere in acts of Congress when there is a reasonable doubt, this act will be constitutional.

PRECEDENTS AND GROWTH OF CONSTITUTION

Now, let us discuss the Supreme Court again. The laws or statutes of this country are supposed to be written by Congress, pursuant to the Constitution. They are supposed to be interpreted by the Court. As we all know, the Supreme Court has no written power in the Constitution to declare any act of Congress void. And not being in the Constitution, it cannot even be said to be implied. However, the people believe that the Supreme Court has such a right; but, in any event, we have the strange situation of the Supreme Court using an assumed or arrogated right, or, to put it in more pleasant language, an unwritten right, to declare laws of Congress void and unconstitutional because no written authority is given in the Constitution itself for such laws. Although the Supreme Court has no written right to declare acts of Congress unconstitutional, it goes even further and declares acts of Congress to provide for the general welfare as being unconstitutional.

But I admit most of my argument in this case is academic. As I said, the people believe the Supreme Court has the right; so do most of us here in Congress; and so do 80 percent of the lawyers in this country.

However, to repeat, no one denies that no such power is written in the Constitution.

But let us talk about laws and upon their formation. Some laws are created by precedent; by custom. You will remember in Blackstone the phrase that a certain practice is created by immemorial custom, and that it has been so long that it has become the law—"Till men's minds runneth not to the contrary." On the other hand, there is such a thing as progress in law and such a thing as progress in the interpretation of the Constitution. This is all obvious, too. For when the Constitution was written it was impossible for the people at that time to anticipate the industrial, agricultural, and scientific progress of this country. And, furthermore, the laws and the interpretation of the laws have actually progressed under the Constitution of the United States. If they had not, we would not have progressed at all in this Nation.

The Washington Post of this morning, February 19, 1936, quotes Senator BORAH as follows:

> That's the beauty of the Constitution. It grows as the country grows.

This was in reference to the Tennessee Valley Authority opinion.

CONSERVATION NECESSARY FOR PRESERVATION OF NATION

But let us return to the discussion of conservation as it applies to the Constitution of the United States. We know that we are going to have to conserve our resources if this country is to survive. Therefore, if it is necessary to amend the Constitution in order to save the country, we should amend the Constitution rather than destroy the country. Personally I do not think it is necessary to either destroy the country or to amend the Constitution. I believe this act is entirely constitutional and entirely within the authority of Congress, even if the Supreme Court has the right to declare our acts unconstitutional.

Now, I repeat, Congress is under certain direct prohibitions and is held accountable to the people under the Constitution. Certain acts by this body would be void no matter whether they were declared void by the Supreme Court or not. The Constitution says that Congress shall not abridge speech and press, prevent assembly, shall not quarter soldiers in time of peace in any house, and so on. It goes without saying that if Congress violates any of these direct inhibitions, such act would be void.

Now, as I stated in the first place, I believe that the Constitution was created for no other purpose than the general welfare and national defense, and certainly there is no prohibition in the Constitution on the subject of general welfare. You cannot find anywhere in the Constitution where Congress is prohibited from providing for the national welfare—that is, of governing the United States for the people who live in it.

NO BRANCH OF GOVERNMENT SHOULD BE SUPREME—PEOPLE SHOULD HAVE FINAL CHECK

In all this it seems to me that we have the proposition that no part of the Government—legislative, executive, or judicial—should be the final judge as to any other department of Government. It seems to me that the people of the United States should be the final judge. Many amendments have been offered to the Constitution for the purpose of rectifying various situations believed to stand in the path of economic welfare; what amendment exactly should be offered and what should be the exact procedure I do not know.

But to review the general powers of the Court, at least based on common sense, they are in two divisions: First, those acts of Congress which are directly and specifically in violation of the Constitution; and, second, those that concern the general welfare, or the legislative right of Congress, of providing for the preservation of the people who compose the Nation.

We all know that England has a Constitution. The Constitution is not written. The Constitution of England, being unwritten in the sense that it is not a document, is not like ours, but is nevertheless imposed upon the people of England, and by their Parliament, by themselves. Many times it has been impossible to change the fundamental law of England, because it has been believed to be in violation of the Constitution, or of immemorial precedent. Yet when the people really found out what they wanted, and the Parliament has understood it, they have proceeded to legislate for the welfare of the English people.

Now, it seems to me that public opinion should be considered by the Supreme Court, when public opinion is well advised and of long standing; and when that public opinion knows what is safe and proper, and when that public opinion is for a governmental proposition that is not destructive of our form of government and is actually, affirmatively for the general welfare. This, it seems to me, is the recognition of progress mentioned by Senator BORAH. I do not mean by this that the Supreme Court should bow to the will of mobs, or temporary prejudices and passions; I do not mean that they should permit even the slightest destruction of our form of government, but I do mean that they should acknowledge the proposition of progress in the affairs of men.

Therefore, inasmuch as the Supreme Court's right to hold an act unconstitutional is admittedly not in the Constitution, and is admittedly a vague one, even by the Court itself, it seems to me that they might eventually adopt the two classi-

fications; that is, if an act of Congress is in direct violation of the Constitution, that they should immediately declare the act to be void; and, second, that if an act of Congress, even though lacking in merit and discretion, is for the purpose of the general welfare and for the common defense, and not specifically prohibited by the Constitution, that this province should not be invaded by the Supreme Court, because to do so is for the Supreme Court itself to legislate.

This condition can be gradually effected by custom or by constitutional amendment. Or it can be effected by a Federal statute, since Congress has power to regulate the appellate jurisdiction of the Supreme Court. In any event, there should be a check on the Supreme Court as well as on Congress, and that should be the people. If the Supreme Court interprets the laws and blocks any invasion of the people's liberties, and if Congress acts either discreetly or indiscreetly for the general welfare, the people can always in the end protect their rights at the ballot box.

COURT ITSELF DOUBTS RIGHT TO DECLARE ACTS OF CONGRESS VOID

Recently Justice Brandeis, in his opinion on the jurisdiction of the T. V. A. case, quoted various opinions, and some of them are as follows:

Mr. Justice Iredell said, as early as 1798, in *Calder* v. *Bull* (3 Dall. 386, 399):

> The authority to declare it void is of a delicate and awful nature. The Court will never resort to that authority, but in a clear and urgent case.

Mr. Justice Washington said in *Ogden* v. *Saunders* (12 Wheat. 213, 270):

> It is but a decent respect due to the wisdom, the integrity, and the patriotism of the legislative body, by which any law is passed, to presume in favor of its validity until its violation of the Constitution is proved beyond all reasonable doubt.

Mr. Chief Justice Waite said in the *Sinking Fund Cases* (99 U. S. 700, 718):

> This declaration (that an act of Congress is unconstitutional) should never be made except in a clear case. Every possible presumption is in favor of the validity of a statute, and this continues until the contrary is shown beyond a rational doubt. One branch of the Government cannot encroach on the domain of another without danger. The safety of our institutions depends in no small degree on a strict observance of this salutary rule.

It is, therefore, seen that the Court is quite suspicious of its own assumed right to declare an act unconstitutional; and although the Court is not supposed to be susceptible to the whims and caprices of temporary public opinion, it can, by long judicial experience, in the light of the foregoing decisions, consider these two divisions of making opinions.

CONSERVATION—"LOCAL" AND "NATIONAL"

Now, Mr. Chairman, the question always presents itself as to what is "local" and "national." The care of a farm in Texas or Maine seems to be held by the Supreme Court of the United States as being a "local" matter. In the writing of this legislation, it would seem also that to give any special attention to a given farmer, living within a certain State, would be invading certain local affairs; however, when we look at the whole matter as the conservation of the soil of the United States in its relation to interstate drainage areas, and its effect in an interstate way, such as in floods and other matters concerning the Nation as a whole, then in that event it is clearly within the constitutional right. This is not circumvention of the Constitution.

I do not think that I have revealed any information that is new, but the question of conservation involves great drainage basins, affecting not only farm life but city life. Every piece of land in the country, which naturally includes farms, is in some drainage area; such areas cannot be protected unless each part of the land, which may be a farm, a public or private forest, is preserved against the ravages of erosion. This must be done by a national program. It cannot be done locally.

Every single farm, every single road, bridge, forest, creek, rivulet—every natural or artificial piece of matter in any given drainage area has something to do with the conservation of the whole country. If fine, slick concrete roads are constructed—and they are now so built all over the Nation—the water runs faster, and goes on its destructive path hundreds of miles away and over State lines.

It is, therefore, absolutely imperative that we maintain the strictest type of protection of all of the drainage areas of the United States, and all of the United States is divided up into drainage areas. If we do not, of course, the Nation will be destroyed, and agriculture is vitally and directly connected with all this. Aside from agriculture—looking at it only from a viewpoint of national welfare—this law appears to be in accordance with the purposes of the Constitution and Government and should be enacted into law.

Mr. JONES. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, like the gentleman from Texas [Mr. MAVERICK], I was of the opinion that the A. A. A. was within the Constitution. I believe that the minority decision of the Supreme Court has a sounder basis than that of the majority. At the same time, I have more confidence in the judgment of the Supreme Court with regard to the question of constitutionality of legislation than I have in the judgment either of the gentleman from Texas [Mr. MAVERICK] or myself; and, as far as I am concerned, I propose to respect their decisions.

I should like to vote for this bill. I still hope that the bill may be so amended or that some of its points, which I do not perhaps thoroughly understand, may be so explained in the course of the debate that I may be able to give it my support. I voted for all farm relief legislation which has been passed during the period of 10 years that I have served in Congress, except the continuance of the Bankhead Act and the iniquitous potato legislation. I even supported the Farm Board legislation proposed under the administration of President Hoover. I do not have any particular pride in that, but I felt then, and I feel now, that President Hoover was engaged in a sincere effort to be of benefit to American agriculture; and, as far as I am concerned, I propose to uphold the hands of any President, whether he be a Democrat or Republican, who I think is engaged in good faith in an effort of that sort.

But what is this pending bill? To my mind, it might read something like this:

> Whereas the Congress of the United States for a number of years has been engaged in an effort to accomplish something for the benefit of the American farmer, and perhaps has not succeeded as well as it could have hoped: Therefore be it
>
> *Resolved*, That the Congress now dumps the entire question into the lap of the Secretary of Agriculture and vests him with power and authority to make such regulations as he sees fit, having the effect of law, under which an effort shall be made to bring about farm relief in this country; and we place in his hands the authority to spend a half billion dollars a year: *Provided, however*, That in no event shall he be permitted to pay out any of these benefits to the tenant and share cropper class, who comprise more than a majority of the agricultural population of this country.

That, in substance, it seems to me, is what this proposed legislation means. I may be mistaken, but if I am mistaken I hope that in the course of the argument relating to the bill the chairman of the Committee on Agriculture, who has not yet been heard, and other members of that committee may succeed in pointing out wherein I am in error.

Mr. JONES. Will the gentleman yield?

Mr. TARVER. I cannot yield at this time, because I only have a few minutes and there is a great deal I should like to say.

One thing I do not like about this proposition is that we have the cart before the horse. We provide for spending this money before we provide for raising it. We know there is going to be brought in within a few days tax legislation to raise a half billion dollars a year that we are asked to provide for expending today. We do not know what that tax legislation is going to be. We do not know whom they are going to propose to tax, nor in what amount. We do not know how odious and obnoxious to the American people the taxes provided by that legislation may be or how fair it may be; yet those of us who vote for this bill bind ourselves in honor to support legislation which will bring about the collection of the money necessary to pay those benefits. The position of the Representative who votes for appropriations and against collecting taxes to pay them with is indefensible. I think we ought to have the whole program before us at one time before we are asked to vote on whether or not we are going to pay out $500,000,000 or $440,000,000, as the case may be, and that

we should be advised as to what legislation we are going to be asked to support to get that money into the Treasury.

In the next place I think we invest the Secretary of Agriculture in this bill with entirely too much power. I am not willing for the Secretary of Agriculture to legislate for me. I do not think he ought to be permitted to legislate for the American Congress. It is not necessary as to any question of the constitutionality of this legislation to place such tremendous power in the hands of the Secretary. It would be very foolish for any man who pretends to be a lawyer to insist that Congress, while it could not make certain provisions itself under the Constitution because of the decision of the Supreme Court in the A. A. A. case, can yet vest in the Secretary of Agriculture the authority under which he can make regulations of that character and not be interfered with by the courts. Every lawyer knows that the administration of an act and the effect of its administration will be looked to by the courts in determining the question of its constitutionality; and you cannot place in the hands of the Secretary of Agriculture any greater power under the Constitution than you can exercise yourselves.

The next consideration is that you are not doing anything for the sharecropper and the tenant farmer. If you will examine this bill carefully you will find that no reference is made to the payment of any benefits except to the landowner. It would be a matter of comparatively little difficulty to write into the bill, if you intend to take care of the sharecropper, if you intend to take care of the tenant, some provision which would insure that the tenants and the sharecroppers will receive consideration.

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

Mr. TARVER. Yes.

Mr. ANDRESEN. It is proposed to leave it to the Secretary of Agriculture to determine how the tenant and the sharecropper shall be taken care of.

Mr. TARVER. Why leave it to the Secretary of Agriculture? In connection with the enforcement of the Bankhead Act, the Secretary of Agriculture permitted the tenant, and the sharecropper, and the small farmer, in many instances, to be the victims of rank and unjust discrimination. I say this advisedly. The head of the cotton section of the A. A. A. testified before the Committee on Agriculture last year in connection with the Doxey bill which we passed here, but which received no attention in the Senate—and I have just read his testimony in the hearings today, after having heard it delivered last year—that nobody is a farmer except a man who owns land. This man is charged with the administration of the cotton section of the A. A. A. He frankly stated and reiterated before the Committee on Agriculture his position that a tenant and a sharecropper are not regarded as farmers, but only those are recognized as farmers who own land.

Do not shake your head, Mr. Chairman, because on page 75 of the hearings in connection with the Doxey bill which I read today, and on the succeeding pages, that testimony of Mr. Cobb is set out.

[Here the gavel fell.]

Mr. TARVER. Will the gentleman from Texas yield me the 2 additional minutes he promised?

Mr. JONES. I yield the gentleman 2 additional minutes.

Mr. TARVER. I thank the chairman. Now, I yield to the gentleman from Texas, who indicated a moment ago he desired to ask a question.

Mr. JONES. For the gentleman's information I may say that section 11 is to come out and there will be other provisions in the bill which will take care of the matter.

Mr. TARVER. I certainly hope that section 11 will come out, because that is the section which vests the absolute autocratic power in the Secretary of Agriculture to do exactly as he sees fit. But section 7 (g) should be amended also. This section provides for the method of apportionment under the permanent plan of benefits as between the States. You simply say that the Secretary of Agriculture, in making those apportionments, shall take into consideration certain things such as farm acreage, farm population, and productivity of the soil. You do not say how much consideration he shall give to these different factors in arriving at the amounts of his allocations. One factor, productivity of the soil, is not susceptible of being mathematically ascertained. But when you appropriated money to the States for the purpose of aiding road construction, you laid down certain definite methods by which the amounts of the allocations could be arrived at to a mathematical certainty.

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

Mr. TARVER. I do not yield.

There is no reason why we could not do the same thing now rather than vest absolute authority in the Secretary of Agriculture.

There is no assurance that these benefits will be equitably distributed throughout this Nation. That is left entirely to the will of the Secretary of Agriculture. In the permanent plan there are detailed certain things, such as farm population, value of agricultural commodities, acreage, and productivity of land, which the Secretary shall "take into consideration" in apportioning funds among the States, but what consideration he shall give them, or how they shall affect his judgment, is not provided. Besides, he is given absolute discretion in deciding whether a State has submitted a proper plan, or if he thinks it has, whether it has complied with that plan. He first decides, therefore, without any mandatory provision to guide him, how much he will allow each State, and if he decides to give Iowa ten times as much as Georgia, there is nothing that can be done about it. He then decides whether such State has submitted a satisfactory soil-conservation plan and woe be to that State whose plan does not meet his approval, for from his judgment there can be no appeal. He next decides whether that State is satisfactorily carrying out the plan, and if any State fails in all respects to conduct itself as he thinks it should, he can wipe its part off the slate.

The temporary plan which is to be effective until a permanent plan is devised, but not later than January 1, 1938, gives him even wider discretion. There are not even any suggestions as to how he shall apportion the money. He is simply given blanket authority to pay out benefits in such amounts and in such States as he may approve when he feels that to do so will accomplish the purposes of the act. And to make it doubly sure that nobody can interefere with his discretion the bill expressly provides in section 11:

> The Secretary shall prescribe such rules and regulations as he deems necessary to carry out this act.

And again in section 14:

> Notwithstanding any other provision of law, the action of any officer or employee in determining the amount of or in making any grant or payment under sections 7 or 8 shall not be subject to review except by the Secretary of Agriculture.

Will the Secretary be fair to your State or to my State? I hope he will; but I do not know. I do know that if we will do it, we can make sure that each State will receive a fair share of this money by simply writing provisions that will make that certain into the law itself. We have done it with road moneys. Certain definite rules, based upon road mileage, population, and other considerations that can be definitely and mathematically ascertained, govern the distribution of road money, and the Secretary of Agriculture is not allowed to distribute it according to his own ungoverned will. That appropriation is limited under the Hayden-Cartwright law to $125,000,000 annually. Here we are dealing with four times that amount, and are making no effort to direct in a mandatory way as to how it shall be apportioned so as to assure every State its fair share.

It would be much easier to drift with the tide than to say these things. It may be that you will later devise a fair method of taxation to raise this money; that the Secretary will apportion it equitably between the States; that his regulations will be satisfactory; that the tenants and sharecroppers will be fairly treated. If so, I shall be happy. But I am tired of jumping in the dark. If the powers that be have

a tax plan, let us have it before we pass this bill. If we want the money equitably distributed between the States, let us provide mandatorily how it shall be done, whether by rural population, farm acreage, or otherwise. If we want the tenant farmer taken care of, let us say so in this bill. The Secretary already has his regulations drafted in anticipation of the passage of this bill. Would it be a crime for the Committee on Agriculture to send for the Secretary and say: "Mr. Secretary, before we pass this bill let us have a look at whatever regulations to carry it out you have in mind." Can there be any harm in Members of Congress knowing what is to be done before they pass legislation authorizing it, or insisting on doing themselves things they want done rather than leaving those things to somebody else who may or may not do them? I think not, and unless this bill is substantially changed by amendment and we secure more information about what is to be done than we now have I shall be compelled, regretfully, to vote against it.

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FULLER, 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. 3780) to promote the conservation and profitable use of agricultural land resources by temporary Federal aid to farmers and by providing for a permanent policy of Federal aid to States for such purposes had come to no resolution thereon.

EXTENSION OF REMARKS—FARM BILL

Mr. SCHNEIDER of Wisconsin. Mr. Speaker, I wish to make a few brief remarks on the so-called soil-preservation and erosion-prevention farm bill now before the House. This legislation is designed to replace the Agricultural Adjustment Act, which was declared unconstitutional by the United States Supreme Court. Under the terms of this bill it is contemplated that benefit payments to farmers will be made, providing they comply with regulations to be made by the Secretary of Agriculture. Payments are to be based on one or more of the following: First, the acreage of soil-improving or erosion-preventing crops; second, the total acreage of crop land; third, the changes in the use of the land; fourth, a percentage of the normal production of any one or more agricultural commodities designated by the Secretary which equals that percentage of normal national production of such commodities required for domestic consumption.

In view of the fact that this legislation is an attempt to duplicate the results obtained under the A. A. A., I believe it is proper at the outset to consider our experience under that law. There is no question but what the A. A. A. increased purchasing power of the farmers raising those products for which benefit payments were made. It put money in the pockets of some of the farmers. The amount received by the farmers varied greatly, however. Dairy farmers got no direct payments. The average payments to other farmers in Wisconsin amounted to only $60.67 per farm, while Iowa farmers received $420 per farm; Texas farmers got $264 per farm; and the rate in Alabama was $109.83. The five States of Texas, Iowa, Illinois, Oklahoma, and Missouri received more than a third of the total benefit payments under the A. A. A., Texas and Iowa together receiving $226,000,000, which was nearly double the combined receipts of the farmers in Wisconsin, Michigan, Ohio, Minnesota, and Kentucky. There is no difference of opinion with reference to the effect of the processing tax by which the A. A. A. was financed. It was a form of sales tax on food and clothing and resulted in higher prices being paid by the consumer. In many cases the farmer paid the tax. Processors told him that because of the tax they could not pay him the market price expected.

MORE DEFECTS THAN A. A. A.

The proposed legislation which is before this House today, Mr. Speaker, has all of the defects of the A. A. A. There are, however, additional hazards for the dairy farmer, and we have tried to correct them by amendment. Most of the dairy farmers have been practicing soil conservation as a part of their regular farm operations. It is hardly possible that under this act they will be eligible to receive payments for continuing their present crop practices. This bill will result in paying farmers for withdrawing land from production of cotton, corn, tobacco, and wheat. In order to preserve the soil and prevent erosion the farmers are to plant the land thus withdrawn in grasses, legumes, or forage and pasture crops.

It is only natural that the farmer who plants such forage and pasture crops will make use of them by going into or increasing the production of livestock and dairy cattle. This was our experience under the A. A. A., and under this act there is much greater danger of disastrous competition with the dairy farmer.

For instance, the production of creamery butter in Iowa, where land was withdrawn from corn production, jumped from 219,000,000 pounds in 1932 to 239,000,000 pounds in 1933. It has been repeatedly stated here on the floor that the number of dairy cattle has increased in Kentucky, Missouri, Texas, Mississippi, and other States where A. A. A. benefits were paid for withdrawal of land.

DAIRY AMENDMENT REJECTED

With this situation in mind those of us who come from the dairy section asked that the dairy farmer be protected by adoption of the so-called Boileau amendment. This amendment provided—

> Any payment or grant of other aid which is conditioned, in whole or in part, upon the growth of soil-restoration, soil-conservation, or erosion-preventing crops on any land or any change in the kind of crop to be grown on any land shall be subject to the further condition that no crops intended for sale be harvested from, and no livestock intended for sale or the products of which are intended for sale, be grazed or pastured on such land.

On two occasions, however, the leadership here has succeeded in defeating this amendment to safeguard the dairy farmer. The chairman of the Agriculture Committee has attempted to assure us that the Secretary of Agriculture and others charged with the administration of the program will protect the interests of the dairy industry. The majority leader has argued during the debate, however, that this dairy amendment is unconstitutional. Manifestly, if the dairy amendment is unconstitutional when written into the law by Congress, the Secretary of Agriculture as an administrative officer has no constitutional power to do the same thing, as we have been assured by the gentlemen here this week.

MARKET CONTROL AID DENIED

Recognizing that restoration of farm purchasing power is desirable, we have made another attempt to improve this bill through the La Follette amendment, which was approved by the Senate, but which has just been rejected by the House. This amendment, in which the Northwest farmers' legislative groups were particularly interested, provides that sufficient sums of money be set aside to enable a national association of cooperatives to operate in the principal farm markets. In this manner it was proposed to give the farmers through their cooperatively owned organizations some control of the marketing machinery and their own surpluses. The farmer has always purchased his machinery, clothing, and other necessities at the prices set by the sellers and has sold his produce at the buyers' price. The majority party has seen fit, however, to reject this amendment which would have given the dairymen an opportunity to get some benefit out of this legislation.

We have attempted to improve the bill further by placing a limitation of $2,000 on the amount to be received by any one farmer, but again the proposed amendments have been rejected.

SECRETARY GIVEN CONTROL

It is planned to spend $500,000,000 to carry out the provisions of this bill. Almost unlimited power is delegated to the Secretary of Agriculture under the terms of the bill. The Secretary not only is given authority to "prescribe such rules and regulations as he deems necessary to carry out this act", but he is given similar control over grants to States to carry on their own programs, if they adopt such programs,

starting 2 years from now. The bill provides further that the action of any "officer or employee in determining the amount of or in making any payment shall not be subject to review or audit except by the Secretary of Agriculture." An attempt has been made to correct this situation by providing for a board of appeals to which farmers who are dissatisfied with rulings could complain, but this amendment also has been rejected.

TARIFF POLICIES HURT FARMERS

Mr. Speaker, I have pointed out some of the injustices and inequalities of the bill we now have under consideration. The pending measure is not only unfair and inequitable but it is entirely inadequate to correct the fundamental maladjustments which are rapidly forcing our farmers into bankruptcy. Even prior to the depression of 1921 the farmers suffered from decidedly disadvantageous bargaining conditions. The tariff laws favored the eastern and industrial sections of the country. Farmers had to buy their necessities at prices held high by tariff laws, as well as by great financial combinations and trusts, which controlled prices. The farmer, on the other hand, got scant tariff protection. Due to this unfavorable situation the farmer even then was only able to break even by working unusually hard and by living in an extremely thrifty and economical manner. Our tariff juggling continues to plague the farmer. The Reciprocal Trade Act, passed in 1934, when I was not a Member of this House, gives the President and State Department authority to raise or lower tariffs as much as 50 percent. On several occasions during the last session of this Congress I called the attention of this House and the State Department to the tremendous increase in importations of farm products, especially from Canada. Despite these warnings and protests, the Canadian reciprocal-trade agreement was approved. Lower tariff concessions on agricultural products were made to Canada. In return, Canada reduced its tariff on manufactured goods. Again industry wins tariff privileges while the farmer loses.

I have just received the report of the Department of Commerce for the month of January 1936, which shows that our exports of dairy products again decreased as compared with January 1935. Our exports in January, last year, amounted to $380,000, and this year, in January, the amount of dairy products exported amounted to $285,000. Imports of dairy products, on the other hand, increased from $870,000 in January 1935 to $941,000 in January 1936. The same discouraging trend, more pronounced at times, has prevailed for the past several years.

FARM DEPRESSION SINCE 1921

After fighting an uneven battle for many years, the farmer was plunged into a real depression in 1921 as a result of the deliberate action of Federal Reserve officials, prompted by Republican and Democratic politicians, doing the bidding of the financial pirates who have control over our credit. Since this deliberate deflation of the farmer by the credit manipulators, agricultural interests have experienced a steady depression extending over a 15-year period.

It is common knowledge that there is entirely too great a spread between the amount the farm producer receives and the amount which the consumer pays for the products of the farms. This unfair distribution system under which the gambler and speculator frequently get the hog's share of the consumer's money, has been more pronounced since 1928. During that year the farmer got 47 cents of the consumer's dollar while the distributor, processor, and other middle men got 53 cents. Two years later, in 1931, the farmer got only 38 cents of the consumer's dollar while the processor, distributor, and so forth, got 62 cents. In 1932 the farmer was receiving only 33 cents while 67 cents of the dollar went to the middle men. This downward drift in the returns to the farmer was checked to some extent in 1933 and 1934, but even now the farmer is getting only 36 cents out of every dollar spent by the consumer. As a result of these injustices the farmer is staggering under a great burden of debt. Unable to get cost of production for his produce he has constantly been compelled to borrow money and mortgage his property in order to keep his farm and his home.

An attempt was made to help distressed farmers by passage of the Frazier-Lemke moratorium bill in 1934. This law was declared unconstitutional by the Supreme Court, however, and the new Frazier-Lemke moratorium bill gives scant protection from foreclosure to the debt-ridden farmers.

PASS FRAZIER-LEMKE FINANCE BILL

In order to give any genuine farm-credit relief it will be necessary to enact the Frazier-Lemke refinancing bill, which gives the farmer a better opportunity to refund his indebtedness by payment of lower interest rates. This bill provides for interest rates of 1½ percent and payment of 1½ percent in reduction of the farm mortgage. This legislation has been reported favorably by the Committee on Agriculture, but we have been unable to get a vote on it due to opposition of the House leadership, which determines what bills shall be voted on. Those of us who have signed the petition to force a vote are now making every effort to get the necessary signatures to bring this bill up for consideration.

Mr. Speaker, I wish to urge upon the Members the necessity of the enactment of this bill at this session of Congress. The money changers are opposed to it. The creditor class is opposed to it. All those who dominate the farmers because of control of credit are opposed to passage of this bill. Everybody knows we would give the farmer genuine relief from his burden of indebtedness and high interest rates.

OLEO TAX BILL NEEDED

The situation of the dairy industry has been made more difficult due to the increasing competition of the artificial competitor of butter, oleomargarine. This synthetic substitute is inferior to butter as a food, deficient in the vitamin content, and lacking in other desirable qualities which make butter a valuable part of our daily diet. The bulk of oleomargarine manufactured in the United States is now made of coconut oil and cottonseed oil. Practically all of the coconut oil is, of course, imported from foreign countries. The latest figures available for the years 1934 and 1935 show that about 53 percent of the fats and oils used in oleomargarine and other butter substitutes manufactured consisted of coconut oil. In other years the proportion of foreign fats and oils used has reached as high as 70 percent. State laws against oleomargarine are difficult of enactment. Industrial States or States not having dairy products are disinclined to place them on the statute books. It is necessary, therefore, that the Federal Government not only act to control the sale of oleomargarine in interstate commerce, but we must pass and enforce the bills which have been introduced with the united backing of the midwestern farm Representatives to impose a Federal tax of at least 5 cents more per pound on oleomargarine and other butter substitutes and an equivalent levy on all imported fats and oils.

It seems clear to me, Mr. Speaker, that the entire agricultural problem must be considered. A comprehensive farm program must be adopted which will protect the farm industry against unfair competition, relieve the debt burden, and permit this business to attain a sound basis by enabling the farmer to secure cost of production and a reasonable return for his enterprise and his service to society.

Mr. HOOK. Mr. Speaker and Members of the House, any soundly administered national farm program is not only to the advantage of the country as a whole but is of immediate and direct benefit to the State of Michigan. With an increase in returns to the farmer comes a proportionate increase in his purchasing power of industrial commodities, as is evidenced in the automobile industry. On the other hand, increased returns to industrial workers likewise boost the returns to the farmer.

We must realize that the farmer is one of the chief cogs in the economic machinery. Therefore, it is incumbent upon us to promote his welfare, if from no other than a selfish viewpoint.

After investigation, I have found that the Michigan farmer has been materially benefited by the farm program that has been enacted and carried out by the present administration.

My conclusions are based upon facts and figures taken from farm and industrial reports.

With your permission, gentlemen, I shall present to you what I consider to be fair and conclusive evidence.

The cash receipts from the sale of principal farm products in Michigan were $200,339,000 in 1930 and $142,020,000 in 1931. By 1932 the cash receipts had dropped to the low level of $108,902,000. Then in 1933 the receipts climbed to $121,001,000, including rental and benefit payments, and mounted in 1934 to $143,682,000, with rental and benefit payments. In 1935 the farm cash receipts were $167,042,000, counting in rental and benefit payments.

The farm cash receipts in Michigan increased 53.4 percent from 1932 to 1935.

From the beginning of the adjustment program through December 31, 1935, Michigan farmers received $8,880,286.13 in rental and benefit payments. Of this amount, $2,217,385.69 went to wheat farmers, $4,084,199.04 to corn-hog producers, and $2,578,701.40 to beet-sugar farmers.

Now, let us analyze the average prices of a few of the major farm commodities, comparing the low prices of 1932 with the considerably improved prices of 1935. On August 15, 1932, wheat was selling at an average price of 43 cents a bushel in Michigan, and on November 15, 1935, the average price was 79 cents a bushel, an increase of 83.7 percent.

Hogs, on August 15, 1932, were selling for $4.40 per 100 pounds, and on November 15, 1935, they were bringing $8.80 per 100, which was an increase of 100 percent.

On August 15, 1932, milk cows were selling at the average price of $38 a head. On November 15, 1935, the price was $55 a head, showing an increase of 44.7 percent.

Butter increased from 20 cents a pound in August 1932 to 31 cents a pound in November 1935, a rise of 55 percent.

Despite these increases and similar increases in other States, the farmer is still receiving less than his share of the national income. The price that he gets for the commodities he sells is still below parity and out of line with the price he pays for the commodities he buys. The need for a national program for agriculture has not passed nor has industry's need for such a program passed.

The extent to which increased farm income has enabled Michigan farmers to increase their purchases of city-made goods is reflected in several ways. New automobile registrations in Michigan were about 66,588 in 1932, 94,767 in 1933, and 126,054 in 1934. For the first 9 months of 1935 registrations were about 152,159, compared to approximately 110,234 for the corresponding period in 1934, or an increase of 38 percent. According to Automobile Facts and Figures, a publication of the Automobile Manufacturers' Association, the 1934 retail automobile sales gain in my State was greatest in small towns and on farms. What is true about Michigan in this respect is largely true of the country as a whole. With a rise in the Nation's farm cash income has come an increase in the Nation's new automobile registration.

The relationship between this increased automobile business and increased farm income has been recognized not only by the Automobile Manufacturers' Association but by leaders in the automobile industry itself.

Edgar W. Smith, vice president of the General Motors Export Co., in an address at Detroit, reminded the export managers of the Automobile Manufacturers' Association that—

> The greatest improvement in our total business in the past 2½ years has come in the agricultural areas right here in the United States. That improvement has come, I think, because the farmer is getting prices for the things he produces which are high enough to enable him to begin buying motor cars and other consumer goods on which the prices have not changed.

A rise in the value of farm real estate and a stimulation of sales in Michigan has been another result of the increased farm income. Voluntary sales and trades of farms increased from 18.1 per thousand for the year ending March 15, 1934, to 18.6 per thousand for the year ending March 15, 1935. During the same period the number of forced farm sales per thousand declined from 50.4 to 36.5. Further improvement in these respects is indicated for the year ending March 15, 1935. For the first time since 1920 the decline in value of farm real estate halted in the year ending March 1, 1933, when it stood at a low of 80. From this low of 80 in 1933 the estimated value per acre of farm real estate rose to 83 for the year ending March 1, 1935.

Now, gentlemen, let us turn to a consideration of the effects of the Canadian reciprocal treaty and see how it will affect my State. In the outset we should remember that two countries that are as closely related, both economically and geographically, as the United States and Canada must, of necessity, have commerce with each other. In order to trade more freely trade barriers must not be too high.

The reductions made by Canada in the treaty cover farm products which were imported from the United States to a total value of approximately $50,000,000 in the Canadian fiscal year 1929–30. The United States, on the other hand, made reductions in duties on Canadian agricultural products, the imports of which in the calendar year 1929 were valued at approximately $45,000,000. In the fiscal year 1934–35 the value of Canadian imports of American farm products upon which duties were reduced in the agreement was a little over $15,000,000, as compared with the American farm imports of Canadian dutiable agricultural products in the calendar year 1934 of only about $9,000,000.

This country's farm-product exports to Canada last year were $35,000,000 less than in 1929. To recapture even half of that lost $35,000,000 worth of foreign agricultural business would surely be worth while. Five years ago American industry exported to Canada $400,000,000 worth of nonfarm products included in the list on which Canada is now making concessions; last year that total was down to $100,000,000. To get that trade even part way back to the $400,000,000 figure on nonfarm products would surely put many of our unemployed to work, would increase industrial pay rolls, and would improve the American market for American farm products, and especially for beef and farm products produced in Michigan. The increased business will help both the farmer and the industrial worker. If we cannot sell what we produce at home and cannot sell what we produce to foreign countries, then we must naturally curtail production.

It is very evident that the farmers and the general public of Michigan are misinformed in regard to the effect of the reciprocal-trade treaty with Canada.

Only three truck crops are included in the agricultural commodities on which the United States gave concessions to Canada in the reciprocal-trade treaty, namely, green peas, turnips, and rutabagas. The concession for green peas represents a deduction in the tariff rate from 3.9 cents to 2 cents per pound for the months of July to September, inclusive.

The rate on turnips and rutabagas has been reduced 50 percent. It should be made clear that these are the only market garden crops which are included in the concessions and further that the concessions represent a decrease in tariff rates instead of placing these commodities on the free list. It would appear that all other truck crops which are grown in Canada and sold in Detroit have not been affected at all by the terms of this treaty. The benefits to Michigan farmers resulting from the concessions which Canada has made under this treaty will, I believe, far outweigh the concessions on the two crops I have named. Many of the farm commodities which are produced on a commercial basis in Michigan have been given reduced tariff rates by Canada. For example, the tariff rate on beans has been reduced 25 percent, for soybeans and potatoes, 100 percent, and for truck crops and market garden products the decrease ranges from 50 percent to 100 percent, for canned beans, corn, tomatoes, and peas these rates have been reduced one-third. For fresh fruits, including apricots, cherries, cranberries, peaches, pears, plums, prunes, strawberries, raspberries, quinces, apples, grapes, and cantaloupes, the concessions represent an approximate reduction of 25 percent from the tariff rates to Canada for each of these products.

Concerning the fruit and vegetable aspects of the treaty, Secretary of Agriculture Henry A. Wallace said:

> The trade agreement removes many of the tariff restrictions that hampered the sale of fruits and vegetables to Canada after 1930. The basic duty on fresh vegetables prior to 1930 was 30 percent

ad valorem, while on fresh fruits it was 20 percent. After that year there were added to the basic duties such charges as minimum specific duties, chargeable during the season when the Canadian crop was being marketed, and arbitrary additions to invoice valuations, known as advanced valuation. These increased duties contributed to a decline in Canadian purchases of American fruits and vegetables from $28,000,000 in 1929 to around $11,000,000 in the 1935 fiscal year.

The trade agreement also offers lower Canadian duties to American livestock producers on many meat products, giving them an opportunity to regain the lost Canadian market for meats.

The concession made by the United States on several livestock items are not of any particular significance. In 1930 the rate was 3 cents a pound for beef cattle weighing more than 700 pounds, and under the trade agreement the rate was reduced to 2 cents a pound on three-fourths of 1 percent of the average slaughter of cattle in the United States, or 156,000 head. For cattle weighing less than 700 pounds there is a flat rate of 2½ cents a pound. Since the majority of the cattle imported from Canada, weigh more than 700 pounds, it can be assumed that the average rate of duty is 2 cents a pound, or $2 a hundred pounds. The average shipping rate from Winnipeg, the Canadian focal shipping point, into Michigan is around 42 cents per 100 pounds. Thus the import duty plus the shipping charge totals $2.42 per 100 pounds—the cost the imported cattle must bear before they can compete in the American market. The estimated price of cattle in 1935 in the United States averaged $6.21 per 100 pounds.

The charge has been made that the dairy industry will be adversely affected. I do not believe that. Our dairy industry depends almost entirely on the domestic market, and this results in a close relationship between the money income of consumers and the return from the production of dairy products. Therefore, any national action which stimulates industrial and business activity and brings about some increase in the buying power of domestic consumers is beneficial to the dairy farmers.

The agreement places quantity limitations on cream and dairy cows—two of the three dairy-industry items on which concessions have been granted, and there are certain economic limitations which would prevent any material increase in imports of Cheddar cheese, the third item.

Coincident with the granting by the United States of limited concessions on cream, dairy cows, and Cheddar cheese, Canada extended to the United States most-favored-nation treatment on American butter, making a 2-cent reduction in the duty, lowering the rate from 14 cents to 12 cents per pound.

Although the United States concession on a maximum of 1,500,000 gallons of cream involves a reduction in the duty on this quantity of fresh or sour cream from 56.6 cents per gallon to 35 cents per gallon, this rate still is higher than the 20-cent per gallon rate which prevailed from 1922 to June 1929 when it was increased to 30 cents. In 1929, when rates of duty ranged from 20 cents to 30 cents, this country imported approximately 3,000,000 gallons of cream from Canada. Under the new agreement cream shipments from Canada in excess of 1,500,000 gallons will be subject to the 56.6 cents per gallon rate. The concession on Canadian cream applies to a quantity of cream equivalent to only about thirteen-hundredths of 1 percent of the total butterfat production on farms in the United States, and about eight-tenths of 1 percent of the butterfat production on farms in the North Atlantic States in 1934.

The duty on Cheddar cheese, reduced from 7 cents per pound but not less than 35 percent ad valorem, to 5 cents per pound but not less than 25 percent ad valorem, now is at the rate that was in effect from 1922 to 1930.

Imports of cheese from Canada during the period 1925 to 1929, inclusive, averaged 2,400,000 pounds a year, or less than 1 percent of the domestic production of Cheddar cheese. Since 1925 production of cheese in Canada has decreased markedly. It is estimated that Canadian cheese production has decreased by about 45 percent since 1925, while total Canadian cheese exports have fallen off 59 percent.

Economic limitations on Canadian cheese imports into the United States involve price relationships and transportation costs not favorable to extensive importations at the present time. The average price of no. 1 American cheese, single daisies, fresh, at New York for the first 8 months of this year was only 3.4 cents higher than the price of whole new Cheddar cheese at Toronto. This difference, it is said, would not be sufficient to induce extensive imports from Canada, in view of the fact that Canadian cheese would have to bear a duty of 5 cents per pound and transportation costs from Canada to the United States. It should be noted also that Canada continues to regard Great Britain as the most favorable foreign outlet for Canadian cheese.

Through the agreement, the United States duty on dairy cows coming from Canada was reduced from 3 cents to 1½ cents per pound. Imports at the reduced rate of 1½ cents per pound are limited to 20,000 head per year, and dairy cows imported in excess of this number will be subject to the former rate of 3 cents per pound. In 1929, when the rate of duty was 1½ cents per pound on cows weighing less than 1,050 pounds, imported from Canada, and 2 cents per pound on cattle weighing more than 1,050 pounds, the United States imported approximately 28,000 head.

The provisions of the agreement in regard to livestock feeds are more or less of a matter of protection to growers and feeders in years when either country has a shortage, an analysis of the agreement shows. The United States, however, has maintained the duties on the principal cash grain crops, the duty on wheat still being 42 cents, on corn 25 cents, and on rye 15 cents per bushel. The concessions made do not figure largely in the normal trade between the two nations, because both are important producers of the main grain and hay crops, and in years of normal production there is a low volume of trade between the two countries.

Secretary Wallace has expressed the opinion that the agreement makes possible the gradual recapture of at least a part of the previous market for nonfarm products.

He has stated that if as much as $300,000,000 of annual trade were ultimately regained, approximately half of the increase would go into factory wages, directly or indirectly, and that in turn, this increased purchasing power would mean an increase of approximately the same amount in farm cash income. Translated into increased income for States, according to past relationships between their farm cash income and factory pay rolls, this means an addition of about three to seven million dollars to the annual farm cash income in Michigan.

As a means of furthering the welfare of the farmer and of alleviating further the economic position of the farmer, we have before us the present bill—a bill designed to conserve and improve the soil fertility; to promote the economic use of land; to curb the unprofitable use of national soil resources; to provide for and maintain a continuous and stable supply of agricultural commodities, adequate to meet domestic and foreign consumer requirements at prices fair to both producers and consumers; and finally, to reestablish and maintain farm purchasing power.

Gentlemen, we have before us a means of contributing constructively to the welfare and betterment of the farmer; to conserve the fertility of the soil of Michigan and the Nation.

The conserved fertility of the soil, by making for more efficient production, will result in higher income and standard of living for farmers not only for the present but for the future. It will mean that adequate food supplies for consumers are being protected at prices which will not tend to rise through high production costs due to impoverishment of the soil.

The Soil Conservation Service estimates that besides the 50,000,000 acres essentially ruined for crop use by erosion, and another 50,000,000 acres in almost as bad condition, there are now in cultivation 100,000,000 acres of land that is seriously impaired by erosion and another 100,000,000 acres on which erosion has begun.

My State is naturally concerned with the prospects for the dairy farmer. The net results of the proposed program will help not only the producer of surplus crops but the dairy farmer as well.

It is true that a reduction in soil-depleting crops will result in more pasture and legumes. It has been assumed by some that returning surplus crop-producing farm lands to grass or legumes would increase livestock and dairy production, and that therefore the dairy and livestock industries would have to bear the brunt of the soil-conservation program.

The fundamental facts show the falsity of the assumption. The facts show that the greatest menace to the dairy industries is a return to the days of 32-cent wheat and 19-cent corn, when grain farmers were forced to shift from grain, hog, and beef production into dairying in order to get hold of a little cash; that the dairy and livestock industries have prospered since 1933, and will continue to prosper if agriculture as a whole improves and existing protective measures continue to be used when needed.

Agricultural authorities agree that the volume of livestock products—meat and dairy products—is dependent primarily upon the volume of feed grains, which volume is related directly to the amount of plow land. O. E. Reed, Chief of the Department of Agriculture's Dairy Bureau, says experiments show that cows produce from 25 to 35 percent less butterfat when fed exclusively on grass and other roughage than when fed on grains.

I believe that a shift from soil-depleting grain crops to soil-building grass crops will not have the bad effect upon dairying that some have assumed.

More pasture feeding, by keeping dairy animals in sunlight for a greater part of the time and by allowing more exercise, has also been demonstrated to lessen the danger of disease. Not only is the danger of disease decreased by more pasturing and roughage, but the costs of producing meat and milk products are reduced. It has been estimated that savings up to 40 percent in the cost of dairy and meat production can be made by substitution of forage and pasture for more concentrated feeds.

The thing that wrecks the dairyman is the existence of seasonal surpluses, which are bought up and stored by speculators. So the Government to protect dairymen and cattlemen against these seasonal slumps can slide a plank under the market whenever there is need.

The Agricultural Administration has effectively used these surplus-removal powers. These powers are buttressed by milk agreements and orders to help fluid-milk producers, and producers of dry skim and evaporated milk, and to further protect dairymen and the public by eradicating diseased dairy cattle.

The record since 1933 shows that the dairy and beef industries have made fine strides ahead under the Administration.

By early 1933 the dairy industry was suffering the bad effects of the depression and from the forced competition of farmers driven into dairying as the result of low grain and meat prices. Dairy prices reached the lowest levels in a generation, as the milk strikes testified.

But by December 1935, after 3 years of adjustment programs and other assistance, butterfat prices stood at 91 percent of parity, compared with 53 percent in March 1933. The 91 percent of parity for butterfat compares with 66 percent for corn, 81 percent for wheat, and 73 percent for cotton.

From the facts and figures I have presented, I think it apparent that the economic position of the farmer and the city worker in my State was improved by the Agricultural Adjustment Administration's program. I feel also that the reciprocal treaty with Canada will be to the advantage of the entire United States, including my own State. And we all know that the farmer still needs help if he is to maintain the progress that he has made since March 4, 1933.

HOUSE RESTAURANT

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

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

There was no objection.

Mr. TREADWAY. Mr. Speaker, at various times I have made reference to the House restaurant, sometimes commendatory of that institution, which I think it well deserves. I think the gentleman from North Carolina is doing a fine job in running this restaurant, but there are criticisms which can be made.

Mr. Speaker, I happen to have in my hand at this moment an editorial taken from one of the leading metropolitan newspapers which I think is quite apropos to present conditions. It reads as follows:

NOTE TO A DIETITIAN

Representative BLANTON, of Texas, offered to fight all the physicians of Washington one at a time.

Representative O'CONNOR, of New York, expressed a desire to kick Father Coughlin the length of Pennsylvania Avenue.

Representative MARCANTONIO, of New York, would like to meet Police Commissioner Valentine in a gymnasium.

The House restaurant had better take raw meat off the bill of fare.

EXTENSION OF REMARKS

Mr. JONES. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their own remarks on the pending bill.

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

There was no objection.

DAMIEN'S REMAINS LEAVE LEPER COLONY

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RABAUT. Mr. Speaker, as one with Belgian blood flowing in my veins, being, I believe, the first of such lineage ever to enter the American Congress, I feel it a privilege today to make mention of an event of this month that had its origin in far-away Hawaii.

On February 3 the remains of Father Damien were placed aboard the United States transport *Republic*, the ship which will make the first part of the journey bearing the martyr's ashes to his homeland, Belgium, where they are to be enshrined in tribute to his noble and self-sacrificing life.

Father Damien was born in the hamlet of Tremeloo, Belgium, January 3, 1840, and christened "Joseph", after his patron "Joseph the Just", and "Damien", after a celebrated physician of an earlier century. Although Joseph's family lived in poverty, his boyhood was a happy one, and when he was 20 years of age he joined the Congregation of the Sacred Heart, and 3 years later, though not yet ordained, volunteered to do missionary work in the Hawaiian Islands.

On October 29, 1863, Father Damien arrived at Hawaii, and in the course of his work his attention was drawn to those poor exiled people who were outcasts of society because infected with the dread disease of leprosy. His genuine sympathy for them soon changed to a fervent desire to be of assistance, and so it is not surprising that when after his ordination he heard Bishop Maigret lament that Molokai, the place of the lepers, had no priest he answered him with these words: "Here I am, send me."

Father Damien received permission to go, and setting out that very night arrived at his destination destitute and alone. Needless to say, he labored earnestly in the field of his new endeavors, being both physician and priest, father and servant.

Truly it can be said that his life exemplified two sayings of Christ:

> What shall it profit a man, if he gain the whole world, but lose his own soul?

And that other:

> He who would be My disciple let him take up his cross daily and follow Me.

At length the good priest was himself stricken with the loathsome disease, but even then in all sincerity he declared that if he could be cured by leaving the island he would not go until his work was finished. Although the labor was

beyond his strength, he continued to serve his people, even assisting in the building of the Church of St. Philomena at Kalawao. It was on Monday of Holy Week, April 15, 1889, that he died.

And now, at the request of his people, through the Belgian King, the United States is permitting Father Damien's remains to be transferred to his native land, Belgium.

As a final mark of respect and love from the people for whom he suffered so much and worked so diligently his ashes were enclosed in a koa casket and a Solemn Requiem Mass was celebrated at the Cathedral of Our Lady of Peace at Hawaii. As the procession which accompanied the bier entered the cathedral the sun went behind a cloud, as though proving an old legend, "The skies weep when an alii leaves Hawaii."

Seated in the pews were the high and the low, officials of state, the clergy of the island, gray-gowned Sisters of St. Francis, black-robed Maryknowll nuns, and white-robed ladies of the Sacred Heart, among whom was Sister Damien Joseph, a niece of the famed priest, all to do honor to him who had taken the lowly position of servant to the outcast.

The cathedral, brilliant with candles and perfumed with flowers, was filled to capacity. Children lined the streets to pay their tribute, and many a mother cautioned her child to look at the bier and remember the name of the martyred priest of the lepers, the Belgian Damien.

And thus, although the people of Hawaii have said farewell to their beloved hero, he will long be remembered as the self-sacrificing exiled martyr of the forgotten and neglected lepers at Molokai.

No wonder, Mr. Speaker, that the invocation for the sermon over his remains proceeded with the words, "Greater love hath no man than this, that a man lay down his life for his friends."

DISTRICT WOMEN PROTEST EFFECT OF "RED RIDER"

Mr. SCOTT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter received from the American Association of University Women and a statement prepared by the District unit of the League of Women Voters, which is very short.

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

Mr. SNELL. Reserving the right to object, how long an article is this?

Mr. SCOTT. It is very short.

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

There was no objection.

Mr. SCOTT. Mr. Speaker, under leave to extend my remarks, I insert a letter received by me from the District unit of the American Association of University Women and a statement prepared by the District unit of the League of Women Voters on the subject of the so-called "red rider", as follows:

NATIONAL HEADQUARTERS AND CLUB OF THE
AMERICAN ASSOCIATION OF UNIVERSITY WOMEN,
Washington, D. C.

DEAR SIR: The Washington branch of the American Association of University Women earnestly petitions you to use your power and influence for the protection of the public schools of the District of Columbia. We believe that the so-called anti-Communist rider on the District appropriation bill defeats its own end by seeming to fear that an honest, well-informed study of the Russian Government might make American children less loyal to their own. Further than this, we are convinced that when public-school teachers are intimidated by such a prohibition as this rider, the real sufferers are the children themselves. Schools that are subjected to repression of this kind cannot provide either sound instruction or those ideals of integrity and independence which ought to be our children's birthright as American citizens.

May we count upon your whole-hearted support for the enlightened education of our children?

Very sincerely yours,

(MRS.) HOWARD G. NICHOLS,
President Washington Branch.
MARY LOUISE CHACE,
Recording Secretary.

STATEMENT OF THE DISTRICT UNIT OF THE LEAGUE OF WOMEN VOTERS

The "red rider" in the District Appropriation Act had nothing to do with any communistic teachings in District public schools, for none has been unearthed either before or after its passage. The rider came up as an incident in the contest over the adoption of the character education project.

In the spring of 1934 the District appropriation bill carried funds for beginning a 3-year experiment in character education in District public schools. After much argument on both sides the project was approved, and the first year of the work was carried through in the school year 1934–35. Instruction was given my District teachers, but educational experts from outside were consulted on phases in which they had specialized.

DR. CHARTERS

In the summer of 1935 the character education contest was renewed, because the 1936 bill carried funds for the program's second year. Those who opposed the project then alleged that one of the outside experts consulted had Russian connections. This was Dr. W. W. Charters, a psychologist, director of curriculum research at Ohio State University. Dr. Charters once served on an advisory council invited by the Institute of International Education, New York, to arrange for exchange visits between American and Russian university instructors. The council is no longer in existence. Dr. Charters has never even traveled in Russia, and his studies have been confined to the field of psychology. The point was brought up only as a weapon against the character education experiment.

The "red rider" was then offered as the price of the life of the character education project. It was buried among miscellaneous school items, and before most Members of Congress had heard about it the rider had been enacted.

EFFECT ON SCHOOLS

The rider is a violation of the spirit of the Constitution, and its effect upon Washington schools has been disastrous. Teachers are literally afraid to mention Russia even in connection with ordinary history and geography lessons. Unscrupulous pupils are provided with a means of terrorizing teachers, which is fatal to discipline. Teachers are already obligated to sign an oath supporting the Constitution. No possible good can therefore be attained by compelling them to do more. Conscientious teachers are handicapped in their attempts to instill ideals of citizenship, and will continue to be until this discreditable episode is wiped out.

OLD-AGE PENSIONS

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some excerpts from certain resolutions, as little as possible, in order to get the thought over.

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

Mr. SNELL. Mr. Speaker, I objected to that request once before today, and I object again to the incorporation of resolutions that are in print at the present time. They are available for distribution.

Mr. ZIONCHECK. Then, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

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

There was no objection.

Mr. ZIONCHECK. Mr. Speaker, under the unanimous consent that I might extend my own remarks in the RECORD, I remark as follows:

On the 3d day of January 1936, the opening day of Congress, I tried to obtain unanimous consent to have the Clerk read and have printed in the RECORD a letter I sent in answer to the Townsend questionnaire whether I was for or against the measure. In that letter, which I had printed in the RECORD on January 6, I told them that I would vote for the Townsend bill, the McGroarty bill, or a similar bill if and when it came before this or other sessions of Congress, if I was still a Member.

That same day I introduced a resolution H. Res. 386, which resolved that the Committee on Ways and Means, as a whole or by subcommittee, was authorized and directed to investigate any and all charges of attempt or attempts to intimidate or influence Members of the House of Representatives with respect to the bill H. R. 7154, or any other bills affecting old-age-pension schemes or rackets, by which the dimes and dollars of the poor aged enrich the promoters, during the Seventy-fourth Congress, by any person, partnership, trust, association, or corporation, and especially the Townsend set-up. The committee shall report to the House as soon as practicable the results of its investigation, together with its recommendations, if any. The remaining portion of the resolution is the same as the remaining portion of the three resolutions to which I shall refer.

On January 29, 1936, House Resolution 405 was introduced by the gentleman from Missouri [Mr. BELL], which was referred to the Committee on Rules and ordered to be printed.

The resolved portion provided that the Speaker appoint a select committee of seven Members of the House and that such committee be instructed to inquire, and so forth, and so forth.

The second page of this resolution gave the committee authority to sit and act during the present Congress at such times and places within the United States whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any questions pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102, chapter 7, of the Revised Statutes of the United States.

This particular paragraph is exactly the same as the paragraph of House resolution prepared by the Committee on Ways and Means last year, authorizing itself to investigate lobbying activities. I got the language from that resolution.

I am sure that if the gentleman from New York [Mr. SNELL] understood just what I wanted to do, and that I merely wanted to keep the record straight, he would not have objected to my having reprinted in the RECORD, by unanimous consent, the four resolutions with the dates and names thereon.

POOR AND GOOD LOSERS

Mr. ANDRESEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a one-page letter, double spaced, which I received from a farm constituent.

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

There was no objection.

Mr. ANDRESEN. Mr. Speaker, I desire to call the attention of the Members of the House to a letter received by me from Mr. M. C. Olson, of Red Wing, Minn. Mr. Olson is a farmer and has always been a close student of governmental matters. I commend a careful reading of his communication, which is entitled "Poor and Good Losers."

Hon. A. H. ANDRESEN,
Member of Congress.

DEAR MR. ANDRESEN: There is considerable discussion about the profit system and also about the United States Supreme Court. The discussion on the profit system resolves itself into something like this: "It is alright for one to make a profit, but if one makes no profit and instead some others make it, then the profit system is all wrong." Not much principle in that idea. Similarly, "the Supreme Court is alright so long as it decides in one's favor, but if it decides in favor of others, the Court should be abolished or its power curbed." Such style of thinking, if thinking it be, is a good sign of being a poor loser. It depends upon whose ox is gored. Some people do not hesitate to gore others, but when they have to take their own medicine, they begin to howl. They can't take it. What some individuals and organizations want is some sort of a tribunal that will always decide matters in their favor.

Section 2, article III, of the United States Constitution does not say in so many words that the United States Supreme Court can declare an act of Congress void, but it seems to be implied in the language of said section that the Court has such right. If not, then we have no agency or tribunal by which to decide upon the constitutionality of laws.

We are being told that in a 5-to-4 decision of the United States Supreme Court one judge decides the case. That is not true. The nine judges help to decide. Suppose it required six judges out of the nine to decide upon the constitutionality of an act of Congress, then four judges could defeat the opinion of the five. Or if it required seven judges out of the nine, then three judges could defeat the opinion of the six. Again, if it required eight judges out of the nine, then two judges could defeat the opinion of the seven. Lastly, if it required unanimity, one judge could defeat the opinion of the eight.

As this writer understands it, it is not the duty of the United States Supreme Court to determine if an act of Congress is economically good or not. That is one of the duties of Congress to look out for. It is the duty of the United States Supreme Court to determine if an act of Congress is constitutionally sound or not. If the Court finds the law to be in harmony with the Constitution, it upholds the law. If no such harmony is found by the Court, it declares the law invalid, regardless of its merits as an economic measure. If a law wanted by the people of our country is unconstitutional, let changes be made in the Constitution as set forth in that document, and not by indirection, as some in high and low places would like to have done.

The United States Supreme Court in its appellate jurisdiction has the benefit of the arguments pro and con, produced in the lower courts, and this, coupled with the combined insight of its nine judges in constitutional matters, make the present set-up of the United States Supreme Court not only a good one but probably the best that humanly can be devised. One cannot expect every decision of the Supreme Court to be made in one's favor. We are bound to lose out on some Court decisions, and when we lose let us be good losers.

Respectfully,

M. C. OLSON.

RED WING, MINN.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DUFFEY of Ohio (at the request of Mr. SWEENEY) for the balance of the week, on account of illness.

ENROLLED JOINT RESOLUTION SIGNED

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

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.), approved August 31, 1935.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until tomorrow, Thursday, February 20, 1936, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

The Committee on the Public Lands will meet on Thursday, February 20, at 10:30 a. m., room 328, to consider H. R. 10303, National Resources Board.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

673. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to amend the act entitled "An act making appropriations for the fiscal year ending June 30, 1921, and for other purposes", approved June 4, 1920, with respect to the conservation, care, custody, protection, and operation of the naval petroleum and oil-shale reserves; to the Committee on Naval Affairs.

674. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, Architect of the Capitol, for the fiscal year 1937, in the sum of $2,273,984 (H. Doc. No. 413); 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. DARDEN: Committee on Naval Affairs. H. R. 10135. A bill to authorize the construction of a model basin establishment, and for other purposes; with amendment (Rept. No. 2022). Referred to the Committee of the Whole House on the state of the Union.

Mr. CHANDLER: Committee on the Judiciary. H. R. 10490. A bill to amend chapter 9 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; with amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11210) granting a pension to Jane Armstrong; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 8707) for the relief of Philena Roach Thompson and Olive Roach; Committee on Military Affairs discharged, and referred to the Committee on World War Veterans' Legislation.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. McCORMACK: A bill (H. R. 11295) providing for the promotion of employees in the Customs Field Service; to the Committee on Ways and Means.

By Mr. DUFFY of New York: A bill (H. R. 11296) to amend section 29 of the Bankruptcy Act; to the Committee on the Judiciary.

By Mr. PETERSON of Florida: A bill (H. R. 11297) to authorize the Secretary of War to acquire by donation lands in De Soto and/or Charlotte and/or Highlands County, Fla., for expansion of Dorr and/or Carlstrom Fields or other fields for the use of the air forces of the United States Army, and for other military or other public purposes; to the Committee on Military Affairs.

By Mr. WERNER: A bill (H. R. 11298) to extend the provisions of the act entitled "An act granting a leave of absence to settlers of homestead lands during the year 1935", approved May 22, 1935, and for other purposes; to the Committee on the Public Lands.

By Mr. HART: A bill (H. R. 11299) to amend section 260 of the Judicial Code (U. S. C., title 28, sec. 375) as heretofore amended; to the Committee on the Judiciary.

By Mr. MAVERICK: A bill (H. R. 11300) to provide that the sale of or dealing in beer, wine, or intoxicating liquor in Army post exchanges and military establishments shall be subject to regulation by the Secretary of War; to the Committee on Military Affairs.

By Mr. SANDLIN: A bill (H. R. 11301) to authorize the attendance of the Marine Band at the United Confederate Veterans' 1936 Reunion at Shreveport, La., June 9, 10, 11, and 12, 1936; to the Committee on Naval Affairs.

Also, a bill (H. R. 11302) to authorize the Secretary of War to lend to the reunion committee of the United Confederate Veterans, 3,000 blankets, olive drab, no. 4, 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936; to the Committee on Military Affairs.

By Mr. RANKIN (by request): A bill (H. R. 11303) to liberalize effective date of award of death compensation and receipt of application therefor, claim for reimbursement for burial and funeral expenses and marriage to World War veterans contained in Veterans' Regulations; to the Committee on World War Veterans' Legislation.

By Mr. KRAMER: A bill (H. R. 11304) to protect American citizens, to aid in the enforcement of the naturalization laws, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. RANKIN (by request): A bill (H. R. 11305) to amend the act approved June 28, 1934, to compensate widows and children of persons who died while receiving monetary benefits for disabilities directly incurred in or aggravated by active military or naval service in the World War; to the Committee on World War Veterans' Legislation.

By Mr. McFARLANE: A bill (H. R. 11306) to amend section 115 of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11307) to amend subsection (1) of section 23 of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11308) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11309) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11310) to amend the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11311) to amend section 203 (a)(2) of the Revenue Act of 1934; to the Committee on Ways and Means.

Also, a bill (H. R. 11312) to amend section 23 (b) of the Revenue Act of 1934; to the Committee on Ways and Means.

By Mr. DARDEN: Resolution (H. Res. 420) providing for the consideration of H. R. 10135; to the Committee on Rules.

By Mr. WHITE: Joint resolution (H. J. Res. 494) authorizing loans to fruit growers for rehabilitation of orchards during the year 1936; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOYLAN: A bill (H. R. 11313) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of Joseph and Josephine A. Gatti et al. against the United States; to the Committee on Claims.

By Mr. COSTELLO: A bill (H. R. 11314) for the relief of A. S. Koyer; to the Committee on Claims.

By Mr. EDMISTON: A bill (H. R. 11315) for the relief of John W. Farnsworth; to the Committee on Claims.

By Mr. McCORMACK: A bill (H. R. 11316) granting an increase of pension to James S. Morton; to the Committee on Pensions.

By Mr. McLEAN: A bill (H. R. 11317) for the relief of Otto Mendle; to the Committee on Claims.

By Mr. RICHARDS: A bill (H. R. 11318) for the relief of J. F. Bookout; to the Committee on Claims.

By Mr. ROMJUE: A bill (H. R. 11319) granting a pension to Effie T. McElhiney; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 11320) granting an increase of pension to Kathryn Bruce; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10180. By Mr. CULKIN: Petition of the Board of Supervisors of Jefferson County, N. Y., favoring adoption of Senate bill 1632; to the Committee on Interstate and Foreign Commerce.

10181. Also, petition of the New York State Senate, urging that Congress enact such legislation as may be necessary for an immediate beginning of such physical construction as may be recommended by the Chief of Engineers of the United States Army to prevent the occurrence of disastrous floods, such as occurred in 1935, in the 16 counties of New York State; to the Committee on Flood Control.

10182. By Mr. GOODWIN: Petition of the Flood Control Council of Central-Southern New York, offering advice, aid, cooperation, and good counsel for improving the conditions and to further the general program on flood control in the State of New York; to the Committee on Flood Control.

10183. By Mr. HAINES: Petition signed by 72 patrons of star route 10549, Franklin County, Twenty-second Congressional District of Pennsylvania, urging enactment of legislation to extend existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10184. By Mr. HILDEBRANDT: Resolution of the Farmers National Farm Loan Association of Hecla, S. Dak., relative to securing passage of a law making the 3½-percent interest rate permanent to the farm borrowers of the Federal land bank, etc.; to the Committee on Banking and Currency.

10185. Also, resolution of the Elk Point Nation Farm Loan Association, urging Congress to use every effort possible to secure the passage of a law making the 3½-percent interest

rate permanent to the farm borrowers of the Federal land bank, or at least extending same for a period of not less than 3 years; to the Committee on Banking and Currency.

10186. Also, resolution of the department executive committee of the American Legion, in session at Pierre, S. Dak., February 2, 1936, requesting that the Federal Government start the construction of veterans' hospital at Hot Springs, S. Dak., as soon as possible; to the Committee on World War Veterans' Legislation.

10187. Also, resolutions of the South Dakota stockmen, assembled at their second annual State round-up held at Brookings, S. Dak., on February 4, 5, and 6, relative to livestock conditions, etc.; to the Committee on Agriculture.

10188. By Mr. JOHNSON of Texas: Petitions of F. B. Peyton, of Fairfield, and 78 other citizens of Freestone County, and James F. Baker, of Fairfield, and 84 other citizens of Freestone County, State of Texas, favoring House bill 10756, providing for the issuance of permanent contracts to all contractors and subcontractors of star routes, compensation thereon established preferred list covering former contractors, etc.; to the Committee on the Post Office and Post Roads.

10189. By Mr. KENNEDY of New York: Memorial of the Legislature of the State of New York, that the Secretary of War, and through him the Chief of Engineers of the United States Army, respectfully urging that the report and recommendations for permanent flood-control works in these flooded counties of New York State be properly considered as an emergency measure to the end that with the greatest expedition consistent with the efficiency these recommendations be placed before the second session of the Seventy-fourth Congress at the earliest possible moment; to the Committee on Flood Control.

10190. By Mr. KRAMER: Resolution of the Board of Directors of the American Petroleum Institute relative to the purchase of asphaltum made from domestic crude oil, etc.; to the Committee on Interstate and Foreign Commerce.

10191. By Mr. LARRABEE: Petition of Valorons C. Recor and others, of Markleville, Ind., requesting Congress to enact legislation at this session that will indefinitely extend all star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10192. By Mr. LORD: Petition of 14 residents of the town of Colchester, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10193. Also, petition of Mary Madigan and 450 members of Townsend Club No. 4, Binghamton, N. Y., endorsing the Townsend old-age revolving pension plan; to the Committee on Ways and Means.

10194. Also, petition of 14 residents of the town of Colchester, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10195. Also, petition of 19 residents of Downsville, Delaware County, N. Y., endorsing the Townsend old-age-pension plan; to the Committee on Ways and Means.

10196. By Mr. MORAN: Petition of citizens and patrons of star route no. 1293 from Camden-Lincolnville-Northport to Belfast, urging enactment of legislation that will indefinitely extend all existing star-route contracts and increase the compensation thereon to an equal basis with that paid for other forms of mail transportation; to the Committee on the Post Office and Post Roads.

10197. By Mr. MOTT: Petition signed by Rita Norris and 16 other members of the Eugene Central Woman's Christian Temperance Union, urging the enactment of House bill 8739; to the Committee on the District of Columbia.

10198. Also, petition signed by Sam W. Pearce and 11 other Spanish War veterans, urging the enactment of House bill 9472, known as the Philippine travel pay bill; to the Committee on War Claims.

10199. By Mr. REED of Illinois: Telegram signed by Robert Pottinger and 58 other residents of Elmhurst, Ill., requesting passage of House bill 8163; to the Committee on Immigration and Naturalization.

10200. Also, telegram signed by H. Wahl and 28 other residents of Elmhurst, Ill., requesting passage of House bill 8163; to the Committee on Immigration and Naturalization.

10201. By the SPEAKER: Petition of the Indiana State Bar Association; to the Committee on the Library.

10202. By Mr. RICH: Petitions of citizens of McKean, Clinton, and Lycoming Counties, in Pennsylvania, favoring House bill 10756; to the Committee on the Post Office and Post Roads.

SENATE

THURSDAY, FEBRUARY 20, 1936

(Legislative day of Thursday, Jan. 16, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, February 18, 1936, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, returned to the Senate, in compliance with its request, the bill (S. 3093) to provide funds for cooperation with Sanish School District No. 1, Mountrail County, N. Dak., for extension of public-school buildings to be available for Indian children.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

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

S. 3227. An act to amend section 3 of the act approved May 10, 1928, entitled "An act to extend the period of restriction in lands of certain members of the Five Civilized Tribes, and for other purposes", as amended February 14, 1931;

S. 3277. An act authorizing a preliminary examination of the Nehalem River and tributaries, in Clatsop, Columbia, and Washington Counties, Oreg., with a view to the controlling of floods;

S. J. Res. 118. Joint resolution providing for the filling of a vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress; and

H. J. Res. 491. Joint resolution extending and amending the joint resolution (Pub. Res. No. 67, 74th Cong.) approved August 31, 1935.

CALL OF THE ROLL

Mr. ROBINSON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Costigan	Lewis	Radcliffe
Ashurst	Couzens	Logan	Robinson
Austin	Davis	Lonergan	Russell
Bachman	Dieterich	Long	Schwellenbach
Barbour	Donahey	McAdoo	Sheppard
Barkley	Duffy	McGill	Smith
Benson	Fletcher	McKellar	Steiwer
Bilbo	Frazier	McNary	Thomas, Okla.
Bone	George	Maloney	Thomas, Utah
Borah	Gibson	Metcalf	Townsend
Bulkley	Gore	Minton	Trammell
Bulow	Guffey	Moore	Truman
Burke	Hale	Murphy	Tydings
Byrd	Harrison	Murray	Vandenberg
Byrnes	Hastings	Neely	Van Nuys
Capper	Hatch	Norbeck	Wagner
Caraway	Hayden	Norris	Walsh
Chavez	Holt	Nye	Wheeler
Clark	Johnson	O'Mahoney	White
Connally	Keyes	Overton	
Coolidge	King	Pittman	
Copeland	La Follette	Pope	