man from New York had 2 or 3 minutes to address the House he would make a nonpartisan speech, but it seems that is not to be expected.

We are here today by grace of the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Will the gentleman yield?

Mr. RAYBURN. Not just now.

We would have adjourned over from yesterday until tomorrow if it had not been for the objection of the gentleman from Illinois [Mr. CHURCH]. I did not renew the request late yesterday afternoon because it would have been impossible to have adjourned over from that time until Monday, even though we did not have any work to do.

Today I shall ask unanimous consent that when the House adjourns, it adjourn to meet on Monday next, because we have no business for tomorrow or Saturday and it is not necessary for the Members to come back.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

Mr. CHURCH. Mr. Speaker, reserving the right to object.

The regular order was demanded.

The SPEAKER. The regular order has been demanded. Is there objection to the request of the gentleman from Texas?

Mr. CHURCH. Mr. Speaker, I respectfully object.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MOSER of Pennsylvania, for 3 days, on account of death of mother.

RECESS

Mr. RAYBURN. Mr. Speaker, I move that the House recess until next Monday at 12 o'clock.

The motion was agreed to.

Accordingly (at 12 o'clock and 15 minutes p. m.) the House recessed until Monday, November 29, 1937, at 12 o'clock noon.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARTLEY: A bill (H. R. 8519) to assist and encourage the States in establishing fair labor standards, and for other purposes; to the Committee on Labor.

By Mr. DICKSTEIN: Joint resolution (H. J. Res. 519) to declare certain papers, pamphlets, books, pictures, and writings nonmailable, to provide a penalty for mailing same, and for other purposes; to the Committee on the Post Office and Post Roads.

PETITIONS, ETC.

Under clause 1 of Rule XXII,

3437. By Mr. LUTHER A. JOHNSON: Petition of Mr. Geo. G. Chance, president, Mr. D. L. Wilson, secretary, Bryan and Brazos County Chamber of Commerce, Bryan, Tex., and Mr. Sidney J. Files, Itasca, Tex., and Hillsboro Cotton Mills, Hillsboro, Tex., opposing the wage and hour bill; to the Committee on Labor.

SENATE

FRIDAY, NOVEMBER 26, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, November 24, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Davis	Lee	Pope
Ashurst	Dieterich	Lewis	Russell
Austin	Duffy	Logan	Schwartz
Bankhead	Ellender	Lonergan	Schwellenbach
Barkley	Frazier	Lundeen	Sheppard
Bilbo	George	McAdoo	Shipstead
Borah	Gibson	McCarran	Smith
Bridges	Gillette	McGill	Steiwer
Brown, N. H.	Graves	McKellar	Thomas, Okla.
Bulkley	Green	McNary	Thomas, Utah
Bulow	Guffey	Miller	Townsend
Burke	Hale	Minton	Truman
Byrd	Harrison	Murray	Tydings
Byrnes	Hatch	Neely	Vandenberg
Capper	Hayden	Norris	Van Nuys
Caraway	Herring	Nye	Wagner
Chavez	Hitchcock	O'Mahoney	Wheeler
Clark	Johnson, Calif.	Overton	White
Connally	Johnson, Colo.	Pepper	
Copeland	King	Pittman	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], and the Senator from North Carolina [Mr. REYNOLDS] are absent because of illness.

The junior Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from North Carolina [Mr. BAILEY], the Senator from Tennessee [Mr. BERRY], the Senator from Washington [Mr. BONE], the Senator from Michigan [Mr. BROWN], the Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from Connecticut [Mr. MALONEY], the senior Senator from New Jersey [Mr. MOORE], the Senator from Maryland [Mr. RADCLIFFE], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. DUFFY. I announce that my colleague the senior Senator from Wisconsin [Mr. LA FOLLETTE] will be absent from the Senate today due to a slight illness.

The VICE PRESIDENT. Seventy-eight Senators have answered to their names. A quorum is present.

ELIXIR OF SULFANILAMIDE (S. DOC. NO. 124)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, in response to Senate Resolution 194 (submitted by Mr. COPELAND and agreed to on the 16th instant), a report of the facts concerning deaths occasioned by the administration of Elixir of Sulfanilamide Massengill, which, with the accompanying papers, was referred to the Committee on Commerce and ordered to be printed without the illustrations.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions adopted by Local No. 35, United Bag Workers and Allied Trades of America, of Philadelphia, Pa., favoring the enactment of wages and hours of labor legislation and protesting against the lay-off of workers in the Philadelphia area, which was ordered to lie on the table.

Mr. COPELAND presented the petition of Enterprise Grange No. 597, Patrons of Husbandry, of Oaks Corners, N. Y., praying for the adoption of "the proposed twenty-second amendment to the Constitution," which was referred to the Committee on the Judiciary.

He also presented the petition of Local No. 10, National Federation of Post Office Clerks, New York City, N. Y., favoring the enactment of the so-called Wagner-Van Nuys anti-lynching bill, which was ordered to lie on the table.

AGRICULTURAL RELIEF—DAIRYING

Mr. DUFFY. Mr. President, I have received a telegram from Mr. J. W. Schwartz, president of the Wisconsin Farm Bureau Federation, in which he comments upon the pending agricultural relief bill, and especially as it refers to the dairying interests. I ask unanimous consent that the telegram may lie on the table and be printed in the RECORD as a part of my remarks.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

MADISON, WIS., *November 23, 1937.*

Hon. F. RYAN DUFFY,
Member of the United States Congress,
Office Building, Washington, D. C.:

Whereas we believe that the Pope-McGill bill will benefit the dairy farmer by enlarging his markets, stabilizing feed prices, limiting the supply of oils for substitutes, and restricting the expansion of dairying in other regions; and

Whereas we know that the disaster of low prices to producers of basic commodities directly results in disaster to the dairymen, as it did in 1933, and as it will most certainly reoccur in the future. Therefore we, the members of the Wisconsin Farm Bureau Federation, assembled in Madison in the eighteenth annual convention, ask your support of a farm bill which embodies soil conservation, commodity loans, and ever-normal granary, with a regulation on production that at such time as surpluses of any basic commodity reach a point that a majority of producers believe voluntary control insufficient, then it shall further provide the necessary means to prevent the defeat of purpose in the act.

J. W. SCHWARTZ,
President, Wisconsin Farm Bureau Federation.

AGRICULTURAL RELIEF—COTTON-PRODUCTION CONTROL

Mr. BORAH. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD as a part of my remarks a statement by Mr. Atkinson before the Senate Agricultural Subcommittee, including a set of resolutions adopted at a meeting of the cotton growers of South Carolina. In that connection I also ask to have inserted in the RECORD a telegram received from Mr. Atkinson covering the same subject.

There being no objection, the statement and telegram were ordered to lie on the table and to be printed in the RECORD, as follows:

ARGUMENT OF MR. ATKINSON BEFORE SENATE AGRICULTURE SUBCOMMITTEE, OCTOBER 19, 1937

Mr. Chairman and members of the Senate committee, I wish to express the deep appreciation of the cotton producers of South Carolina for this opportunity to be heard on the forthcoming farm legislation, especially as it may relate to the production of cotton.

Nor are we unmindful of the honor that you do us in coming to South Carolina, doubtless at some personal inconvenience, that we might have this opportunity. We think it is also well to point out here that your making such a hearing possible justifies the assumption that you have a keen appreciation of that liberal tradition to which democratic peoples of the world owe their allegiance, that a democracy cannot survive in a climate unfavorable to free inquiry, that you recognize the necessity of scrutinizing all proposals looking to a solution of the problem of the American cotton producer, with an eye focused on the future and a mind stored with the wisdom of the past.

We feel that we should also say that those who have been designated to present the view of the South Carolina cotton producers as expressed at a recent State-wide meeting are not economists or cotton specialists. They occupy no official places in the affairs of State or Nation. They accepted this commission and will discharge this duty only because they were requested to do so and because of an unwillingness to withhold any thought or suggestion that might contribute in some way to the solution of the most serious problem that has perhaps ever confronted the American cotton producers. Each one of us, of course, has a very real self-interest, too, that interest which all men have when they are convinced that their very economic existence is threatened. Next to family and life itself, there can be no greater interest.

We want to say at the outset that we have come to air no grievances, though in the administration of recent cotton-control measures many inequities crept in which almost destroyed the small cotton producers, who comprise more than 90 percent of all American cotton producers. Neither are we disposed to quarrel with any who may disagree with our viewpoint. One cannot listen to the public utterances of the President or read the recent addresses of Secretary Wallace at Memphis and Louisville or study the published articles of the A. A. A. Administrator, Mr. Tolley, without having the feeling that they have a very sincere desire to be helpful in the solution of the American cotton producers' problems. We have many things in common with all of these. Removal of tariff difficulties and a greater emphasis on increased income, as well as price, needs recognized by all in the solution of these problems, appear in all discussions. Our objectives and the objectives of the administration are very definitely in agreement, but our method of achieving these objectives differs in what we conceive to be a very vital difference in governmental policy. We are convinced that we cannot achieve our declared objectives by any method of compulsory governmental control. We have reached this conclusion after a study covering a period of 8 years, in which various methods of control have been attempted. Our study shows that the first negative of the picture, showing that no form of governmental control could be successfully administered, was developed and the finished picture displayed in the fall of 1931 by statisticians and cotton specialists representing the United States Department of Agriculture at meetings held in South Carolina. In this picture the representatives of the Department of Agriculture pointed out to cotton producers the effect on American cotton as a result of the operations of the Federal Farm Board beginning in 1929–30. By charts and otherwise they showed that while American cotton was going into storage on 16-cent Government loans, foreign cotton was going into consumption at the good prices prevailing at that time—16 cents and better.

A study of the effect on American cotton as a result of the Federal Farm Board's efforts and later efforts to control the price of American cotton under A. A. A. convinces us that though undoubtedly well intended, they have, nevertheless, ended in failure for the plan and disaster for the American cotton producers. We therefore believe that the policy of control heretofore practiced in various forms has operated, and if renewed in any form will continue to operate, against the very objectives that all are agreed upon and are striving earnestly to attain.

Our study shows further that any continued policy of compulsory control of acreage or lint yield will ultimately, and at no distant date, so stimulate foreign production that we shall very soon be confined to a total cotton production in America equal only to our domestic needs; that when this point is reached—and it will be reached while the present generation is in authority, perhaps not more than 2 or 3 years—unless we conserve our foreign markets, it will dislocate 40 percent of the cotton producers of this country and impoverish all American cotton producers. We are convinced that such an effect will result if a policy of restriction of cotton production is continued in any form that is compulsory.

Our study further shows that the policy of protective tariffs for industry has from the time of its adoption by the United States prevented the free exportation of cotton; that since 1930, when the Hawley-Smoot bill was passed, it has been most difficult, if not impossible, for some of our old customers to buy our cotton at all. Other than the effort being put forth by the able Secretary of State, Mr. Hull, to negotiate a few reciprocal-trade treaties on selected articles, no real attempt has been made by any administration to remove this trade barrier, and no real relief may reasonably be expected from this effort.

As a consequence of existing tariffs the cotton producers are placed in the unequal position of having to buy their supplies in a tariff protected market while having to sell their product in an unprotected world competitive market. In all fairness, the Congress should remove this unequal burden placed on cotton producers or compensate the cotton producers for the economic injury done by such a policy. Compensation for injury done, even though unintentional, is a well-recognized principle and a universal practice. The States have recognized this principle in adopting workmen's compensation laws. These laws provide for compensation for personal injury. Economic injustices impose a far greater injury and affect larger groups and therefore do greater injury than all other causes. The Congress should equalize this tax the cotton producers have to pay by some form of subsidy or equalization payments. This payment should be sufficient to equalize the price of all domestically consumed cotton with the prices the manufacturers receive for their goods or that the cotton producers have to pay for their supplies under existing tariff policies. Subsidy or equalization payments to offset tariffs could be allotted on a basis of production for any given period that may be determined as fair to all sections, based on sworn gin records, and each producer allotted his share in advance of planting. Or it might be done in some other of the several ways available as may be determined by competent authority. This suggestion has in mind the distribution of a fair share of allotment for the small producers on which benefits will be paid direct. Large producers can and will take care of themselves. The set-up and administration of previous plans have tended to discriminate against these small producers, who comprise so large a portion of our cotton farmers, as well as that other group of cotton growers who use improved methods in order to produce large acreage yields by following well-established, approved farm practices, and thereby reducing the cost of production.

We wish to emphasize that our suggestion is the long-range view of the cotton problem and is not offered as an emergency remedy but as a permanent remedy and as a fixed policy to be adopted by the Congress in the solution of the cotton problem. We would especially point out here that it is not an effort to supply foreign spinners with cheap cotton, as some have maintained. It is an effort or viewpoint for which we are striving to establish general recognition that will conserve our foreign markets and keep them open for the sale of our product, so that a greater demand for American cotton may be maintained and a higher price realized. How can American cotton producers maintain the price of their product on a profitable basis if they adopt a policy which closes the door for the sale of half of the cotton they produce? We quite agree with Secretary Wallace that the time has come when the cotton producers must choose between limiting their production to domestic consumption or broadening their outlet with a view to getting a larger share of the business of the foreign spinners while producing for the home market.

The South Carolina cotton producers have chosen and have directed that there be presented to you a copy of the resolution

unanimously adopted at a State-wide meeting held in the city of Columbia on October 1. This resolution is as follows:

"Whereas pursuant to call of the Honorable J. Roy Jones, commissioner of agriculture, the cotton producers of South Carolina assembled in the city of Columbia for the purpose of agreeing upon and recommending a plan that in their judgment will provide the most stable, dependable, and satisfactory method of producing and marketing the American cotton crop; and

"Whereas they are convinced that the restrictions and control heretofore adopted and imposed have not provided a satisfactory or stable method by which this world crop may be marketed and a reasonably profitable price maintained; and

"Whereas existing tariffs on imports operate to prevent the free exportation of American cotton and at the same time impose an unequal burden on the American cotton producer by forcing him to buy his supplies in a protected market, while he must sell his cotton in a competitive world market: Therefore be it

"*Resolved*, That the South Carolina cotton producers, in meeting assembled, do hereby petition the Congress to enact legislation that will provide an equalization payment to cotton producers that will equalize the price of all domestically consumed cotton with the prices the manufacturers receive for their goods or the cotton producers have to pay for their supplies in a tariff-protected market.

"They also recommend that funds for this equalization payment be provided from the imposts collected on imports.

"*Resolved further*, That they recommend that no restriction or control be imposed on the acreage of cotton to be planted or the yield to be made, to the end that the American cotton producer may supply the foreign spinner with a larger share of his cotton requirements through the regular channels of trade as the foreign demand may develop, and thus reestablish and maintain this necessary export market for his product."

In addition to the recommendations contained in the resolution, it was anticipated that the present soil-conservation program will be continued on a purely voluntary basis.

The South Carolina cotton producers reached their decision after studying an analysis showing the effect of the United States governmental policy for the last 8 years on foreign production and world consumption of foreign cotton. The record shows that as American production declined under Government control foreign production increased to fill the gap, resulting in increased consumption of foreign cotton, while foreign consumption of American cotton declined sharply. The record further shows that in 1931–32, the last year before A. A. A. control, the total production of foreign countries was 9,587,000 bales; by 1933–34 foreign production had increased to 13,399,000 bales; in 1935–36 the foreign production amounted to 15,767,000 bales; and the present crop of 1937–38 is estimated at 20,000,000 bales. In other words, in the past 6 years foreign production has more than doubled.

World consumption of American cotton has declined continuously since the first effort to control the price of the American crop in 1929–30 under the Federal Farm Board, while world consumption of all cotton has remained either constant or has increased throughout the last 8 years, and world consumption of foreign cotton has steadily increased. Trade advices report—and the record confirms the statement—that the foreign spinner resented governmental control of American cotton and not only promoted production of cotton in Brazil and other foreign countries, but expanded their research laboratories and put them to work at double speed to provide every form of substitute for cotton that it was possible to devise, thus further sharply reducing foreign demand for American cotton.

Governmental control of American cotton not only produced this attitude on the part of the foreign spinner, thereby stimulating foreign production, but failed to achieve its avowed objectives in every instance. Price-pegging loans were made to the cotton producers and cotton was stored for the avowed purpose of bringing the price up to a parity with other goods and services, but when the test came the Government discovered that the plan could not be carried out.

Last spring, after the producers had sold most of their crop and cotton could not be bought freely by the American spinners with which to operate their mills, what happened? The American spinner went to the Government and pointedly charged that our Government was hoarding cotton for the benefit of a class and that they could not get cotton with which to operate their mills, and that unless they could get cotton they would be forced to close their mills, which action would result in throwing hundreds of thousands out of employment and place in the Government's lap the biggest problem of unemployment it had ever faced. The argument the American spinners presented to the Government was unanswerable except in one way, and that was to let the mills have the cotton. A government cannot prefer one class to another, and therefore attempted to do something for the cotton producers that when the test came found it could not be done by a government. The manufacturers not only demanded that the Government deliver the cotton with which to operate their mills, but demanded that it be sold to them at the then current price. The Government could not carry out its plan and raise the price of this stored cotton one penny. They had to furnish it at the prevailing price.

What we are attempting to point out to you is that, although compulsory governmental control of a commodity may in theory sound like a price solution, when it comes to administering a government plan it proves itself to be wholly unworkable.

Parenthetically we want to point out what our recent efforts have clearly demonstrated: That dictatorial economic policies, such as we have tried to work under, require dictatorial methods for successful enforcement, something the administration has no desire to put on any class, and certainly the American cotton producer has no desire to embrace it, but even dictatorial methods of enforcement would not work with a world crop like cotton, when this country now produces less than half of the world crop. Part of this year's large production may be attributed to that underlying feeling that has prevailed under recent and present policies that no matter how large the production in this country, the Government would take care of the producers. Increased quantities of fertilizers and more mules were bought in this belief. Likewise the foreign producer assumed that our Government would hold the American crop off the market for good prices no matter how large the production. What we are trying to point out is that reliance on an American governmental cotton policy by both domestic and foreign producers has resulted in a large domestic production and the largest foreign crop ever produced, thus making the current year's total world production the largest in the history of cotton.

Does this mean that a holding movement of a commodity like cotton, that can be kept indefinitely, should not be resorted to in times of low prices? Certainly not. A holding movement is always in order when prices decline below that point which will net the producer a reasonable profit, but such holding movements should be entered into by producers themselves. Loans should be made available through existing banking facilities at a low rate of interest, so that any cotton producer may hold his cotton off the market whenever he feels justified. The policy of the Federal Reserve banks should be more definitely adjusted for the handling of such collateral as will facilitate cotton loans.

The producer is the only one who can successfully hold his cotton for a higher price. The Government cannot do it, because the Government must deal equally with the consumer and the producer, and the interests of these two classes are not identical. It is not to be construed that we suggest price-pegging loans, but loans that may be made available through local and Federal Reserve banking facilities. In considering any plan by which the price of cotton may be raised it is necessary to recognize the basic factors involved. Only two major factors control the price of a world crop like cotton—the size of the world crop and the size of the world demand. The size of the American crop may at times affect the world price, but it never controls it. The size of the world demand is even more effective in determining the world price. As an illustration of this we have but to point to the bumper American crop of all time, the 18,000,000 bales produced in 1926–27, which sold for an average price of 13.77 cents. World demand was good at that time and the average price received for this bumper crop was above that of smaller crops under A. A. A. and succeeding efforts to restrict the size of the American crop.

Therefore it is clear that we have attempted in our recent programs to control the price of a world crop by restriction of production and price-pegging loans, which methods were wholly inadequate to bring the relief sought. We can neither control the world supply nor the world demand for cotton, as we have pointed out. As fast as we reduce our production the foreign producers step in and supply the difference. Thus under such a policy we are gradually forcing American cotton off of the foreign markets.

Are the foreign producers influenced to increase their acreage by reason of an American cotton policy of governmental control? There is every evidence that foreign producers and their governments are vitally influenced in their production by any control program in America. One illustration should be sufficient. On October 1 Secretary Wallace delivered an address at Memphis outlining the future farm policy of America, especially as it relates to cotton. A foreign government was very much interested in knowing just exactly what he proposed. On October 8 the following press report appeared in the Washington Merry-Go Round:

"The Argentine Government sent a cable to the Embassy here asking for full text of Wallace's recent Memphis speech on cotton to be sent to Buenos Aires by air mail, a weighty document of 27 pages, it required $5 postage."

No one would contend that cotton producers, that is, some cotton producers, did not receive temporary benefits as the result of recent programs, but they received these temporary benefits at great cost, the sacrifice of their future economic welfare, and at the same time failed to achieve their objective. A familiar illustration may be given to point this out. Should a hungry beggar knock at your door and ask for something to eat and you gave him a good meal, you would have relieved one of his temporary needs, but you would not have solved his problem. He would not only need to eat today but he would need to eat tomorrow and the other days yet to come. Now for the rest of the picture: In predepression years foreign consumption of American cotton averaged about 8,500,000 bales, or approximately 46 percent of all cottons consumed in foreign countries. In 1935–36 (by which time it was assumed by foreign producers that American governmental control was to be permanent) foreign consumption of American cotton was only 32 percent, and last season, 1936–37, it was only 24 percent of the total foreign consumption. It is estimated that foreign consumption of American cotton for the current season may go as low as 15 percent. In these figures we get a very clear picture of what is happening to our foreign markets. Foreign growths, as this picture points out, are now becoming established in markets where a few years ago American cotton was sold freely to the foreign spinner. The foreign spinner did not

voluntarily change to foreign growths. He was forced into it. He felt that he was compelled by a governmental cotton policy in the United States to seek and develop other sources of supply and adjust his machinery to use it. In a majority of cases they had to alter their machinery and manufacturing technique and even install different machinery so that foreign cotton could be substituted for the American staple lengths. They made these changes reluctantly. It cost them money to make these changes, and only the compelling force of an American farm policy could have influenced them to do so. The statement has come from sources believed to be reliable and confirmed by representatives of the foreign spinners themselves, that if American cotton could be had freely 81 percent of the total foreign consumption, other than in Russia and China, would be American cotton.

What, then, is the lasting solution of the cotton producers' economic difficulties? They need and ask only equal opportunity with industry and other interests. Abolish the high-tariff policy of this country and abandon all thought of compulsory governmental control of acreage or yield, and the cotton producers will solve their own problems. Insofar as tariff barriers are concerned, this is no new suggestion or remedy, but although this inequality of treatment in tariff policy has been pointed out many times, nothing has been done about it, and the resultant conditions have grown worse. The Hawley-Smoot bill sounded the death knell of the American cotton producers, and unless something is done promptly to correct this inequality of treatment suffered by cotton producers, the funeral march will soon begin. It would appear, however, that the President and the Congress believe any radical change in tariff policy at this time unwise. If this be the final decision, then it is only just that immediate steps be taken to correct the unequal burden placed on cotton producers by their country's high-tariff policy. A subsidy or equalization payment is suggested for this purpose out of customs revenue. Our tariff policy produces this revenue, much of it coming from cotton producers, therefore it is only logical and just that a part of the revenue so produced should be used in this way to discharge the Government's obligation to cotton producers.

In this connection it is only fair to say that not only do existing tariffs and governmental cotton policies prevent exports of cotton, but also the Johnson bill forbidding foreign loans to certain debtor nations, which appears to include bills of exchange and other customary forms of financing exports.

The principle of subsidy payment which is proposed to offset the tariff is not new. Subsidies are already recognized by our Government as the only method of enabling this country to have a merchant marine. Our present merchant marine is made possible, as you are well aware, by subsidizing the carrying of the mails with large payments out of the Federal Treasury. But the cotton producer has a legitimate claim of his own. He has in fact a direct claim on his Government because of its tariff policy. The cotton producers' economic condition over a long period is directly traceable to this tariff policy. Because of the high tariff policy of this country the cotton producers comprise a group still having small purchasing power. How can the cotton producers increase wages and raise the standard of living under a tariff policy that prevents free exportation of half of their money crop? World trade vitally affects the standard of living and is a major factor preventing a higher standard of living in cotton-producing States. Cotton, of all crops produced in the United States, stands in a class by itself. No other American crop is so vitally affected by this country's trade policies. It is therefore more necessary that the Congress recognize the unequal economic position in which tariff policies place the American cotton producer and his greater claim for immediate and fair adjustment of the unequal burden imposed.

To summarize:

(1) Our effort is to conserve the foreign markets for the American cotton producers in order to increase their income.

(2) To prevent the ultimate dislocation of 40 percent of the American cotton producers and the impoverishment of all American cotton producers.

(3) To adjust the existing tariff policy to this end or to compensate the American cotton producers for the economic injury suffered by equalization payments to offset the tariff.

(4) To emphasize parity of income for the American cotton producers, as well as parity of price, as a permanent solution of the American cotton producers' problem, and by these suggested methods to raise the standard of living of the lowest income group in America.

For your convenience we attach statistical data showing world production of cotton for the seasons 1926–27 through 1937–38, world consumption of cotton for the seasons 1928–29 through 1936–37, domestic consumption of cotton for the 12 months ending July 31, 1937, imports of foreign cotton for the 12 months ending July 31, 1937, exports of American cotton from 1927 through 1937.

Finally, we have endeavored to present an analysis, a picture we like to call it, showing the effect of governmental cotton policies on American cotton for the past 8 years, with its copartner, high tariffs, and have suggested a remedy. We have endeavored to do so without prejudice and without bias and have relied upon records regarded as reliable for the truth of the statements of fact. There are some things that cannot be argued. We cannot argue that 2 and 2 make 4. Neither can we argue truth. We can neither add to it nor take away from it. Truth needs no argument. It has its own carrying power, and whether the Congress accepts the recommendation of the South Carolina cotton producers or not, it is a matter for its determination, but it is founded on sound basic facts which the Congress cannot continue to ignore. In reality it is based on truth, and we rely upon its own carrying power for its ultimate adoption.

W. E. ATKINSON, *Chairman,*
State Committee South Carolina Cotton Producers,
Orangeburg, S. C.

World production of cotton

Season	American	Foreign	World
1926–27	17,755,000	10,064,000	27,819,000
1927–28	12,783,000	10,643,000	23,426,000
1928–29	14,297,000	11,331,000	25,628,000
1929–30	14,548,000	12,105,000	26,653,000
1930–31	13,756,000	11,548,000	25,304,000
1931–32	16,629,000	9,700,000	26,329,000
1932–33	12,710,000	10,924,000	23,634,000
1933–34	12,664,000	13,442,000	26,106,000
1934–35	9,472,000	13,470,000	22,942,000
1935–36	10,420,000	16,221,000	26,641,000
1936–37	12,141,000	[1] 18,500,000	[1] 30,641,000
1937–38	[2] 16,098,000	[2] 19,500,000	[2] 35,598,000

[1] Preliminary.
[2] Estimate.
Authority: Bureau of Census, U. S. Department of Commerce.

World consumption of cotton

Season	American	Foreign	World
1928–29	15,226,000	10,552,000	25,778,000
1929–30	13,021,000	11,854,000	24,875,000
1930–31	11,056,000	11,371,000	22,427,000
1931–32	12,528,000	10,353,000	22,881,000
1932–33	14,385,000	10,265,000	24,650,000
1933–34	13,780,000	11,816,000	25,596,000
1934–35	11,206,000	14,119,000	25,325,000
1935–36	12,539,000	15,190,000	27,729,000
1936–37	[1] 13,135,000	[1] 17,800,000	30,935,000

[1] Preliminary.
Authority: New York Cotton Exchange Year Book.

Domestic consumption of cotton

	Bales
12 months ending July 31, 1937	[1] 7,944,803
Included in above	[2] 76,829
Do	[3] 102,566

[1] Largest on record.
[2] Egyptian cotton.
[3] Other foreign cotton.
Authority: U. S. Department of Commerce.

Imports of foreign cotton, 12 months ending July 31, 1937

	Bales
Egypt	75,268
Peru	1,741
China	51,437
Mexico	27,391
British India	79,115
All others	18,082
Total	253,034

Authority: U. S. Department of Commerce.

Exports of American cotton, 12 months ending July 31

	Bales
1927	10,926,614
1928	7,542,409
1929	8,043,588
1930	6,689,796
1931	6,759,927
1932	8,707,548
1933	8,419,399
1934	7,534,415
1935	4,798,539
1936	5,972,566
1937	5,440,044

Authority: U. S. Department of Commerce.

ORANGEBURG, S. C., *November 20, 1937.*

Senator WILLIAM E. BORAH,
Senate Office Building, Washington, D. C.:

Press reports indicate renewal of control under farm bill with temporary benefits. We shudder to contemplate what is in store for American farmers and consumers as result of such shortsighted legislation. Talk with cotton growers daily, and overwhelming majority not in favor of control. Only those who administered former plans, led by Extension Division and Wallace, support control view.

Cannot an amendment from floor be put through embodying idea as expressed in former correspondence and analysis?

W. E. ATKINSON,
Chairman, State Committee South Carolina Cotton Producers.

AGRICULTURAL RELIEF—WHEAT

Mr. JOHNSON of Colorado. Mr. President, I present for printing in the RECORD and appropriate disposition an interesting letter from a constituent in Moffat County, Colo., relative to farm conditions.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

CRAIG, COLO., *November 9, 1937.*

Senator EDWIN C. JOHNSON,
Washington, D. C.

FRIEND ED: Last August I received a note from you stating what you had done as to our request for the recognition of summer fallow as an accepted conservation practice in Moffat County. I didn't reply to your note at that time, for Mr. Russell, our county agent, told me he had already reported to you the success of your efforts and also as to conditions generally in the county. Also, I know that you get too many letters anyway, but I want to thank you for your efforts in our behalf.

However, what really prompts this letter is the fact that the Congress will be shortly called upon to pass farm legislation which, in some form, will directly affect myself and all other farmers like me for the rest of our lives. We are the people who comprise the bulk of the farm population. We live on the land and get our living from the land. We live on the land the year around and we do not stake a year's work on a single crop in the hope of quick wealth and retirement to the city. When any crop fails to return production costs we turn to something else. In short, we diversify and we never create so-called surplus crops. Yet in every farm program so far devised we are the boys who've got it "in the neck."

In the farming sections of Moffat County wheat is, as you know, the principal crop, and we raise good wheat. In any normal year the yield and quality of our wheat will offset our handicap of distant markets. That is if we take our wheat in reasonable doses with some oats, some barley, some spuds, a good garden, some cows, some pigs, chickens, and so forth, it brings us some early cash to pay taxes, buy some coffee and tobacco and some underwear till we can feed out some pigs or calves, so we can carry on. If the price is poor we do without the coffee and the underwear and the next year we don't plant so much wheat, but we still live here and pay taxes.

The "big boys" kept right on with wheat until the land bank, the machinery companies, and the tax gatherer had them down and they were howling to high heaven. Along comes the Triple A and pays them enough for doing what "horse sense" should have made them do, to put them right back in the business of piling up another surplus, so that right now in the Bell Rock, Breeze Basin, and Elkhead districts there are more acres of wheat than ever before.

This year Breeze Basin produced close to 35,000 bushels of wheat and this fall there is probably 1,000 acres of new land in cultivation that was still sagebrush 2 years ago. The "litte fellow" who had already cut his acreage was penalized for doing the very thing the "big fellow" was getting paid to do until, if he had conformed to requirements, he couldn't raise enough wheat for his own flour.

Then came the soil-conservation program and wanted the "little guy" to reduce still more for about $30 on the average farm, for planting alfalfa and sweetclover, of which crops he already had all he needed. That was supposed to bring his income up to that of his city brother. The "big boys" wouldn't have any part of this conservation "soup" after all the Triple A "gravy," so they are now demonstrating just how a surplus is produced, with the aid of a Federal subsidy.

The Department of Agriculture pays the farmer to curtail wheat production. The Department of State then makes a reciprocal-trade treaty with Canada, allowing her to put more wheat on our market, which necessitates a further reduction of wheat acreage on our farms. So the State Department makes another treaty with Russia to admit more wheat so that—oh, well, you explain it, I'm tired. Secretary Wallace says we are looking for a market for 200,000,000 bushels of export wheat. He didn't give any figures as to the wheat we've imported the past 18 months. With all the palaver and money spent the wheat grower is still at the mercy of the gamblers. So, just what has been accomplished?

Now Wallace asks for a "positive crop-control law," and the "farm leaders" are being kept busy drafting such laws for your consideration. I don't know these "farm leaders" and they don't know me or my problems, and I am millions. What I have said of wheat is true of all the major crops they have monkeyed with. If we must be "controlled," we, the millions of "little fellows," want a fair chance to supply our share of the Nation's foodstuff requirements. I don't want a "benefit" or a subsidy. I want a crack at the world's greatest market with my 50 acres of wheat. If the neighbor wants to plant 400 acres, they might practice a little "control" on him. He is the one producing the surplus, not me.

I'm not asking a thing, Ed. I'm just telling you.

Again I thank you for past consideration of the home people.

The same,

L. E. SNYDER.

BILLS INTRODUCED

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

By Mr. LOGAN:

A bill (S. 3050) establishing a 5-day workweek in the Federal service, and for other purposes; and

A bill (S. 3051) to provide for the hearing and disposition of employee appeals from discriminatory treatment by superiors in the Federal service; to the Committee on Civil Service.

By Mr. McCARRAN:

A bill (S. 3052) to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; to the Committee on the Judiciary.

A bill (S. 3053) to provide for the purchase of public lands for home and other sites; to the Committee on Public Lands and Surveys.

AGRICULTURAL RELIEF—AMENDMENT

Mr. TYDINGS submitted an amendment intended to be proposed by him to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes, which was, on page 26, lines 3 and 5, to strike out the word "shall" and insert the word "may", which was ordered to lie on the table and to be printed.

BUSINESS CONDITIONS—ADMINISTRATION PROGRAM

The VICE PRESIDENT. At the time the Senate took a recess on Wednesday evening last the Senator from Idaho [Mr. POPE] had the floor and had not concluded his remarks. The Chair recognizes the Senator from Idaho.

Mr. COPELAND. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from New York?

Mr. POPE. I yield.

Mr. COPELAND. Mr. President, a critic is not an honest critic unless he is also willing to give praise when praise is due. I have not hesitated to criticize this administration on many occasions; perhaps I shall do so in the future. This morning, however, I read in the Washington Herald an article which I shall ask to be inserted in the RECORD. The article outlines four steps in a program which the article itself seems to attribute to the White House.

Mr. President, if this outline is really the program of the White House, I wish to express my highest praise for it. There can be no question that the business world is in such a state of mind that a gesture from the administration would mean almost instant recovery. The program as outlined in the Herald proposes drastic modification of the capital-gains tax and other tax modifications; it also suggests the necessity for a housing program and other matters.

Mr. President, I happen to come from a section of the country where business is enthroned. I wish it to be understood that I do not hold any brief for Wall Street; I never bought a share of stock on margin or for speculation in my life; I am not seeking at all in what I say this morning to defend the doubtful methods of business; but, Mr. President, we need peace now, and anything that promotes peace between the administration at Washington and the business world will be abundantly rewarded by a changed attitude on the part of business interests, with the investment of money and the employment of workers by the expenditure of private capital.

I saw in the address delivered by Mr. Tabor, master of the National Grange, a very wise reference to business. It was, indeed, a wise statement, as I see it. I ask that a brief paragraph or two from that address be included at this point in my remarks. It bears out the argument I am attempting:

The VICE PRESIDENT. Is there objection?

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Business: This term is used as including capital, finance, manufacturing, transportation, distribution, and that host of intricate and complex relations that the modern world has given us. We may all regret that big business is getting bigger. We are sorry when chain merchandising and mass production supplant the smaller units and the smaller businessman; yet the tendency of the times has been for a half century in the direction of the efficiency that comes from large-unit operations. Some believe that

the pendulum will swing toward decentralization, toward smaller units; but time alone can answer this challenge.

Real Americans want to see our business institutions sufficiently prosperous to pay good wages, to pay their taxes, to maintain their equities and to finally return a fair income to their stockholder investors. The structural steelworker who carries out his trade 20 stories above the street level rightfully receives much larger pay than the man who wheels bricks on the sidewalk. He has greater skill and takes the greater risk. So the investor must be fairly paid for the risks he must take. But at this point come some of the most serious errors in American national life. In the heyday of prosperity enormous salaries and large profits have from time to time been too apparent. Too much money has been going to capital and management and sometimes too little to labor, and often too little to stockholders. Our challenge therefore is not to hamper or destroy business, but to enable this great cornerpost of prosperity to function in the interests of the other groups. Commercial leaders need to learn the lesson that property does not mean privilege—it rather means greater obligation to others.

We should turn over a new page in our relations and we believe that a new business conscience is being developed out of the turmoil of the depression and the period through which we are passing. The businessman of the future will be both a businessman and a statesman for public good. It may be wise to limit the income of capital and management. It may be wise to provide for protection of both the producer of raw materials and the consumer. We have come to a time, however, when labor must be given a larger stake in national prosperity. There is some better solution than strikes and lockouts—than the destruction of property, or the closing of factories. We must find a method so that labor can receive its dividends out of prosperity the same as stockholder and management.

Mr. COPELAND. Mr. President, I hope that this article from the Washington Herald will be read. I sincerely pray that it is well founded, because, as a frequent critic of the administration, I am here to speak in high praise of this program, if it really is the program. I do not wish to pose before my colleagues and the country as a captious critic but as one who is willing to give praise when praise is due. So I ask unanimous consent that this article may be printed at this point in connection with my remarks.

The VICE PRESIDENT. Is there objection?

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

[From the Washington Herald of November 26, 1937]

LABOR-CAPITAL UNITY, R. F. C. AID, HOUSING PART OF GOAL—SURE OF VICTORY

The Washington Herald is privileged to state on the best authority that President Roosevelt not only believes that the present recession can be conquered but that it will be conquered in the shortest time possible by the adoption of seven major policies.

Not all of these are new, for plans were being made, many weeks before the stock market broke in October, to stimulate the building program, which ran into a slump earlier in the year on account of high costs and high wages.

OTHER MAJOR POLICIES RELIED UPON

The other major policies on which the President relies are:

Settlement of the differences between the administration and the public utilities so that new construction may proceed immediately.

Radical modification of the undistributed-profits tax so as to protect particularly small and growing industries.

Passing a farm measure that will satisfy the needs of the farmer without throwing too great a burden on the Treasury.

Drastic modification of the capital-gains tax.

Aiming at a friendly feeling between Government and business, and also between labor and capital.

Further use and extension of the Reconstruction Finance Corporation.

PROGRAM OF HOUSING

To take these points in greater detail:

1. The blasted hopes of the housing program, which was going along smoothly until April of this year, was due primarily to high cost of labor and high cost of lumber.

Since the Government does not build houses but only guarantees mortgages, the program relies on the willingness of the prospective house owner to buy now, and he was deterred from buying by high costs.

FOUR STEPS NECESSARY

It is necessary, therefore, to do several things.

First, to pass a bill through Congress allowing a down payment of 10 percent instead of 20 percent, and lowering the interest rates and making insurance really mutual.

Second, interest contractors on a much bigger scale to enter the field, with the result of lowering labor costs and costs of material.

Third, to give F. H. A. power to guarantee mortgages on larger units, especially apartment buildings; and finally, arranging through R. F. C. and in other ways to give greater liquidity to mortgages.

UTILITY EXPANSION

2. The President's utility policy has already borne fruit in getting great executives like Floyd Carlisle and Wendell Willkie to agree that rates in future should be based on plant cost and not on written-up values.

On the other hand, he has told them that existing Government power projects cannot supply more than 13 percent of the population and thereby cannot be considered a menace.

He has shown no inclination to do away with existing yardsticks, but believes he can convince utility executives that it is more profitable to cooperate with the Government than to fight it.

MODIFICATION OF TAX

3. Modification of the undistributed-profits tax means exemptions high enough to give small and young industries a chance to expand; it means allowance for losses over a reasonable period of years and permission to pay off debts.

The exemption will be at least $25,000, and perhaps more, and the maximum tax on the big corporations will be reduced to 20 percent.

4. Modification of the capital-gains tax will leave very little to pay on any gains realized after a year has elapsed. This measure is far more to stimulate the real estate market than the stock exchange, although it should leave the exchanges in a healthier condition.

5. The farmers are entitled to real consideration. They are suffering again from falling prices and promises have been made by both parties which cannot be ignored.

The President believes that a useful bill can be passed without any serious drain on the Treasury.

STRIVE FOR COOPERATION

6. Every effort will be made to bring the administration and business into line to conquer the recession, not in a year or 2 years, but in a few months.

A great deal will depend on getting the new F. H. A. measure and the farm bill quickly through Congress, as well as on getting action on the maritime report.

Work on utility expansion can begin tomorrow with the restoration of confidence between Government and business.

LABOR-CAPITAL PROBLEM

But all important is to bring about better relations between labor and capital.

To this end the Government will use all the influence in its power by bringing about conferences so that labor and capital can sit down together and settle their differences.

7. Extension of the scope of the Reconstruction Finance Corporation, it is expected, will prime the business pump, while at the same time the Treasury has promised economy on the part it has to take in budgetary advice. As to balancing the Budget, administration advisers feel it would be more cautious to attempt that, in the face of a rising, instead of a falling market.

There is no part of the above program which necessitates Government spending on any great scale. What is proposed is a use of Government credit to get the housing program going and the stimulus of Government cooperation to start new spending on the part of the public utilities.

MUST CREATE JOBS

Increased spending on relief can only be avoided by increased employment. Large Government spending on public works can only be adopted as a last resort.

This is the program on which the President has been working for weeks and is now ready to push through with all his well-known vigor.

TRIBUTE TO AMERICA'S DEAD IN WORLD WAR—SPEECH BY SENATOR PEPPER

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD a tribute to America's dead in the World War, delivered on November 11, 1937, at Tavares, Fla., by Senator PEPPER, which appears in the Appendix.]

NEWLY MINED DOMESTIC SILVER AND ITS RELATION TO AGRICULTURE—ADDRESS BY SENATOR THOMAS OF UTAH

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a radio address delivered today by Senator THOMAS of Utah on the subject of Newly Mined Domestic Silver and Its Relation to Agriculture, which appears in the APPENDIX.]

CONFERENCES BETWEEN THE PRESIDENT AND UTILITY OFFICIALS

[Mr. NORRIS asked and obtained leave to have printed in the RECORD an article by Joseph Alsop and Robert Kintner appearing in the Washington Star of today, relative to conferences between the President and utility officials, which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. POPE. Mr. President, at the last session of the Senate I was endeavoring to show the effect of surpluses on the

price of commodities this year. It will be recalled that I pointed out that the production of corn is about 1,000,000,000 bushels more in 1937 than it was in 1936 and that the estimated amount that will be received by the growers is about $100,000,000 less. I also stated the amount of wheat produced this year and the amount the farmers would receive by reason of the declining prices. I did the same with reference to tobacco, rice, and other commodities.

It was very interesting during the hearings which were conducted throughout the West and Middle West to observe something of the reaction to the philosophy of this measure and of this kind of legislation. Most of the farmers who testified realize the effect of surpluses upon the market prices of the commodities. Occasionally a farmer would appear, however, and take the position that a farmer ought to be permitted to raise all the crops he could produce, and when he was asked why he took that position he would say that so long as there is a hungry man in the United States or in the world who could consume that produce, the farmer ought not to be limited in his production. Not very many farmers took that position. In fact, it was just occasionally we heard one who did. The great majority of the farmers took a different position with reference to that matter. I wish to read a brief portion of the evidence taken at Grand Forks, N. Dak. This testimony was given by the president of the State Farmers' Union in the State of North Dakota, a young man who was one of the most able and brilliant witnesses who appeared before the committee during our entire hearing.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield.

Mr. McNARY. May I ask the Senator from Idaho if he is about to read from a printed record of the hearings available to all Members of the Senate and the House?

Mr. POPE. I am sorry the record of the testimony has not yet been printed. I have in my hand a typewritten copy of the testimony. I understand various members of the subcommittee are correcting the testimony, and that it will be printed at a very early date. I myself have corrected that part in which I examined witnesses.

Mr. McNARY. Will it be printed and available in time for us to read the evidence of the farmers before we cast a final vote upon this measure?

Mr. POPE. I trust so. I do not know just when it will be printed, but I think it will be available soon.

Mr. McNARY. Some time next week?

Mr. POPE. Yes.

Mr. BORAH. Mr. President, will my colleague yield for a question?

The VICE PRESIDENT. Does the Senator from Idaho yield to his colleague?

Mr. POPE. Certainly.

Mr. BORAH. Did the committee at any time have hearings as to the advisability or practicability of excepting from the quota control the small farmer; that is, the man who sells 200 or 300 bushels of wheat?

Mr. POPE. The bill now before the Senate provides an exemption of 300 bushels of corn to the corn farmer, 100 bushels of wheat to the wheat farmer, and provides that where a farmer consumes 75 percent of his crop on the farm and sells 25 percent he shall not be subject to the law.

Mr. BORAH. Yes; I know it is in the bill; but were there any hearings from which one might be able to arrive at a conclusion as to the general opinion of what is a fair amount to be exempted? Was there any showing as to the average production? For instance, what is the average production of wheat on the farm? What I want to know is whether there was any showing before the committee as to what is a reasonable amount to be exempted.

Mr. POPE. There was considerable testimony as to the average production of wheat on farms in various parts of the country. The production varies very widely throughout the country. There was some testimony with reference to the provisions contained in the bill. Such testimony was in the way of approval of the exemption contained in the bill. Further than that, I think there was no testimony on the point raised by my colleague.

I shall now proceed to read from the testimony of Mr. Talbott. As I said a moment ago, he is a very able and brilliant young farmer. He is the worthy son of a very worthy farmer who for a long time was a leader in farm matters in North Dakota. The Senator from Kansas [Mr. McGILL], in propounding a question to Mr. Talbott, said:

This year we have produced a 235,000,000-bushel surplus. Probably 200,000,000 bushels of it would have to go into storage. Does not that suggest the immediate necessity of seeking to take care of our surplus either in a granary or by a controlled production?

Mr. TALBOTT. That is correct in our judgment, Senator McGILL; and, furthermore, for the record—we do not want to quibble over words and we recognize this to be true—that when we have an unsalable surplus of some particular farm commodity, so far as the effect of that on the man who produced the crop, the effect on the price structure, it does not make any difference whether it is an actual surplus over the needs of all of the hungry people in the United States, or whether it is a surplus occasioned by lack of purchasing power, because we have got, they tell us, seven or eight or nine or ten million people out of jobs.

The effect on the man who produced that crop is just the same as if he had a surplus over the needs of all the people of the United States, and it must be dealt with from that standpoint.

Senator McGILL. And if there is an uncontrolled surplus of that commodity, and if it can be sold at any time its owners are ready to sell it or throw it on the market, it will have a tendency to drive the price down.

Mr. TALBOTT. During the interim period it does contribute a definite weight on the kind of a price structure which we have built up in this insane, frankly speaking, this insane marketing system in the United States.

Senator POPE. A long time ago Adam Smith, who was one of the greatest economists of all time, said that demand means effective demand. That is what you meant a little while ago when you said the farmer has to face the problem of effective demand and supply. The fact that there may be unemployed ten or twelve million people, and that maybe, if they had the money, they would use the surplus wheat—the fact that they do have the money does not help the farmer in any way in disposing of his commodity.

Mr. TALBOTT. And, Senator, it would not help the fellow who does not have a job and no pay check if the farmer gave it away. Who would pay the freight on it? Who would process it, grind it into flour, and deliver it to that fellow who has not a pay check and no job?

Senator POPE. It does not do very much good to say that all the hungry people in China or even in the United States could consume it if they could buy this wheat. That does not help the farmer very much.

Mr. TALBOTT. It does not help the problem that confronts us now.

Mr. President, as a basis for this type of legislation I wanted to call attention to this philosophy. I think no one wants to see the farmer curtail his production. I wish the farmer might continue to produce as much as he desires, plant new acres, and produce still more, but if it has the effect, the direct effect, of bringing his price below the cost of production, if it has the effect of destroying his market and destroying the farmer, then I think we may as well face the fact and be practical about it. It does not do any good to say that so long as there is a hungry man in the United States or somewhere else in the world the farmer should be permitted to produce, because the farmer has no way of getting his commodity to the man who needs it. He cannot give it away and he cannot pay the freight to the man who needs it.

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

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. POPE. In just a moment. Mr. Talbott said, "I think we had better be practical about this matter and face the situation."

It was said by a few of the farmers who testified that if our distribution system were better, if we could diminish the spread between the producer and the consumer, that would enable the consumer to buy the farmer's products cheaper, and consume more of them. Perhaps so; but the question immediately arises, Are we going to wait until we can work out a perfect distribution system before we do anything for the farmer? He is now faced with his problem; and it does

not answer his question to say that we ought to work out a perfect distribution system before we do anything for him. That seemed to be the sentiment of the very ablest farmers and most thoughtful persons we found at the hearings. Therefore it seems to me, and to most of the farmers, that those who claim that the farmer ought to produce all he can because there are hungry people somewhere are merely engaged in wishful thinking and are contributing nothing to the solution of the farmers' problem.

I now yield to the Senator from Iowa.

Mr. GILLETTE. Mr. President, I simply wish to inquire of the Senator whether the subcommittee made any further inquiry at the hearing from which the Senator has read with reference to the statement made by the witness in which he designated our marketing system as an "insane" marketing system. Was any further inquiry made into that matter at the time?

Mr. POPE. He, and many other witnesses, attributed a good deal of importance to our marketing system where the principal farm commodities are made a matter of speculation in the central markets of our country.

Mr. GILLETTE. That testimony will be found, then, in the hearings?

Mr. POPE. Yes. They felt that gambling or speculating in farm commodities in the boards of trade had an undue influence upon the market price; and I think probably there is no difference of opinion among the farmers of the country in that respect. One farmer after another demanded outright that central market speculating in our farm products where these commodities are sold short should be abolished; and one of these days we are going to have to face the problem of dealing with our marketing system. The witness who made the statement had in mind, I am sure, that operations on central markets have accentuated the spread that exists between the producer and the consumer.

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

Mr. POPE. I yield.

Mr. VANDENBERG. Has the Senator yet discussed the element of compulsion under the bill?

Mr. POPE. I have not, except incidentally; but I expect now to proceed with a discussion of the provisions of the bill, and, of course, will deal with that subject before I conclude.

Mr. VANDENBERG. May I ask the Senator a question for my own information? Is there any point at which a farmer may be put in jail under this bill?

Mr. POPE. No; unless, of course, for embezzlement or some other criminal act which is usually dealt with in bills of this sort. If he sells in excess of his marketing quota, there is no criminal liability.

Mr. VANDENBERG. It appears to me from the language on page 30 that if the farmer fails to understand the rather complex records, marketing cards, reports, and so forth—which, I confess, that up to date I have not been able to understand—he may be cited for a misdemeanor and taken into criminal court. Is that correct?

Mr. POPE. Under subsection (e), on page 30, there is a provision that if a farmer does not furnish the records desired there is in that respect an offense.

Mr. VANDENBERG. Does the Senator think that the average farmer confronting records, marketing cards, reports, storage definitions, and so forth, will be able reasonably to respond to the satisfaction of the Secretary of Agriculture? Is not this a terribly complicated thing, and is it fair to hold the farmer to a criminal court if he does not meet the Secretary's requirements?

Mr. POPE. I will say to the Senator that, of course, the administration of the law must be reasonable. It will be noted in this section that the farmer is to furnish proof of acreage. That certanly would not be difficult to do. He is required to furnish proof of his yield, of his storage, of his marketing of the commodity in the form of records, marketing cards, and so forth. He is required to keep some sort of record of that, and I take it that such cards and blank forms will be furnished him as will make it fairly easy for him to comply with them; and I assume that in the administration of the law it would be only in an extreme case, where there was malice or definite refusal to cooperate, that that provision would be utilized.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield right on that point?

Mr. POPE. I yield to the Senator from Washington.

Mr. SCHWELLENBACH. Would the Senator have any objection to including the words "maliciously and willfully"?

Mr. POPE. Not at all.

Mr. VANDENBERG. It seems to me there ought at least to be that cushion, because I confess to the Senator that, while I have listened to his very able presentation and have tried to study the bill, it is still as inscrutable as anything on earth to me, so far as I am concerned; and I pity the poor farmer who confronts the ultimate net result of all this legislation in the form of a questionnaire with a demand for reports. I just do not see how he is going to be able intelligently to respond, and I should hate to see him criminally prosecuted for something of which I confess I am guilty at the moment—namely, a total inability to understand what in the world it is all about.

Mr. POPE. I think the Senator should make this distinction: A farmer does not have to understand every detail of the administration of the bill, all the formulas that may be used, and the like; but he does know what acreage he plants. He does know his yield. He does know how much he has stored, and how much he markets. I do not know a farmer anywhere who could not give that information. There is nothing complicated about that. The matters referred to in this section are not at all complicated, as I see it; and the farmer is not required under any penalty to understand all the provisions and formulas used in the administration of the law.

Mr. VANDENBERG. But I call the Senator's attention to the fact that the farmer will be guilty if he violates any regulation which the Secretary of Agriculture may ultimately conceive, in addition to all the identifications the Senator has read; and the Secretary has a superb imagination.

Mr. POPE. To what section does the Senator now refer?

Mr. VANDENBERG. Section (e), on page 30. In addition to all the things the Senator has read, the farmer will be guilty if he fails to respond to any reports that "may be necessary for the administration of this section and prescribed by regulations of the Secretary."

Mr. POPE. Assuming that the philosophy of the bill is correct, assuming that marketing quotas may be desirable for inclusion in the bill, let me ask the Senator from Michigan if he knows of any way in which he could obtain the necessary information without some sort of penalty.

Mr. VANDENBERG. The Senator stumps me at the outset, because he asks me to assume that the philosophy of the bill is correct.

Mr. POPE. For the purpose of the question.

Mr. VANDENBERG. I again confess to the Senator that I have tried to put the divers and sundry philosophies of the bill together, and I find myself stymied. Therefore, it is impossible for me to respond to the Senator's question on the basis of that premise; but I submit to him that, as the Senator from Washington [Mr. SCHWELLENBACH] has suggested, the average farmer responding to this rather amazing requirement under this very complex bill certainly ought to be protected at least to the extent that an honest error shall not send him down to the police court.

Mr. POPE. I entirely agree with the Senator, and, so far as I am concerned, I would myself join in such an amendment; and I will say to the Senator that I would go further. I should be willing to make the penalty just as mild as it is possible to make it and hope to obtain the necessary information in the administration of the law.

Mr. VANDENBERG. I think that is fair. I think the Senator will agree that we ought not to ask the farmer to com-

prehend something which I doubt whether 6 out of 96 Senators can comprehend at the present moment.

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

Mr. POPE. I yield to the Senator from Kansas.

Mr. McGILL. The section which the Senator from Idaho and the Senator from Michigan have just been discussing comes under the heading of excess-marketing penalty where the commodity is being marketed after a marketing quota has been established.

Mr. POPE. Yes.

Mr. McGILL. I should like to direct the Senator's attention to the fact that although I have no objection to adding the phrase suggested by the Senator from Washington [Mr. SCHWELLENBACH], this section deals with the farmers furnishing—

> Such proof of their acreage, yield, storage, and marketing of the commodity in the form of records, marketing cards, reports, storage under seal, or otherwise as may be necessary for the administration of this section.

In other words, in calling on the farmer, if the commodity is marketed, for information in the form of marketing records when a marketing quota has been established, I do not think it is intended to call upon the average farmer to produce records which ordinarily he would not otherwise have.

Mr. POPE. That is true.

Mr. JOHNSON of Colorado rose.

Mr. BURKE. Mr. President, will the Senator yield on that point?

Mr. POPE. Yes; I yield to the Senator from Nebraska.

Mr. BURKE. I understand from what the Senator from Kansas [Mr. McGILL] has now called to our attention that the provisions which the Senator from Michigan is questioning provide a penalty in the form of a fine and, I suppose, if the farmer does not have the amount of the fine, whatever other penalties the law has in store for a man who is fined for a misdemeanor and cannot pay the fine. These provisions, however, apply not only to the farmer who believes in the act and wants to come within its terms but to every farmer in the country, including the farmer out in Kansas who says, "I do not believe in this restriction of production at all, and I do not want to have anything to do with it"; yet, if he does not comply with every regulation in the form of furnishing information, he is subject to this penalty. Is that correct?

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

Mr. POPE. Yes; I yield to the Senator from Kansas if he desires to answer the question.

Mr. McGILL. This portion of the bill will apply to everyone producing a given commodity after a referendum has been held and two-thirds of those voting at the referendum have voted in favor of marketing quotas. There is no compulsion in this title of the bill except such as is provided after two-thirds have voted in favor of marketing quotas.

Mr. BURKE. The man in the one-third minority, however, is subject to all these requirements of furnishing information and doing everything otherwise which may be necessary for the administration of this section and prescribed by regulation of the Secretary. He is compelled to do all those things although he was in the one-third minority that did not want to go into this plan.

Mr. McGILL. That is true; and under our form of government we have Governors and legislatures of States elected by bare majorities which inflict penalties upon the minority the same as upon the majority.

Mr. BURKE. Yes; but heretofore they have not inflicted any penalties upon the farmer who wants to go his own way and produce, as a result of his labor, the products of the soil. I do not know whether anything worse than this provision can be found in Russia or Italy.

Mr. McGILL. It is evident that the Senator from Nebraska simply is not in favor of a measure of this character.

Mr. BURKE. I will say that I am not in favor of this particular provision.

Mr. McNARY. Mr. President——

Mr. POPE. Mr. President, I am perfectly willing to yield reasonably, but I should prefer that these gentlemen make their arguments in their own time. I do want to yield to the Senator from Colorado [Mr. JOHNSON], who has been requesting it for some time.

Mr. McNARY. I simply wish to make the observation that it is to be hoped that Senators will speak in the direction of the Presiding Officer. Sitting where I am, when Senators speak toward the Senator from Idaho, it is impossible to understand what is said.

Mr. JOHNSON of Colorado. Mr. President, I desire to ask the Senator a question. Referring to the matter he has just discussed—the matter of distribution under a quota system—did any one of the farmers offer any evidence, or did the committee gather any evidence from any source whatsoever, as to the likelihood of disposition of agricultural products abroad and the loss of farm markets for any of these agricultural commodities?

Mr. POPE. Oh, yes. That formed the basis of a considerable portion of the testimony. Interestingly enough, farmers desire to keep our foreign markets, to preserve our outlets for various farm commodities, but some of them who were in favor of that, immediately protested against the importation of farm commodities from other countries. So, I will say to the Senator, there is a great deal of confusion as to that particular matter in the minds of farmers as well as everybody else throughout the country. We had a great deal of discussion on that subject. It is a very important question and a very difficult question.

Mr. JOHNSON of Colorado. But before we can arrive at a quota system is it not absolutely necessary to determine the amount of each commodity to be exported?

Mr. POPE. Oh, yes. That is taken into consideration throughout the bill. Throughout the bill an estimate of the exports is given full consideration in determining the normal supply of commodities, and for other purposes. I think it is the desire of all who are interested in the bill to do all we can not only to find export markets for the commodities, but to find new uses for the commodities. Considerable testimony was taken with reference to the possibility of turning corn into alcohol, or making use of commodities in various new ways.

Mr. VANDENBERG. Mr. President, will the Senator yield to me so I may ask him another question?

Mr. POPE. I yield.

Mr. VANDENBERG. The Senator from Kansas [Mr. McGILL] referred to the provision for a referendum. May I inquire whether the question submitted to referendum will simply be a general question: "Do you wish to participate in restrictive quotas?" or is it to be a specific referendum which says, "Are you satisfied to accept such and such a reduction?" Which will it be?

Mr. POPE. There is no provision in the bill specifying or defining the question which will be asked. I cannot answer offhand and say what form the question will take. I think it will be a fair question on the basis of whether a marketing quota should be established under the conditions that exist.

Mr. VANDENBERG. Does not the Senator think that it is a totally different question to submit the general proposition of authority to be delegated to the Secretary on the one hand, or a specific question respecting a total restrictive quota, so that the voting farmer before he votes may know whether or not the Secretary proposes a degree of limitation to which actually the farmer himself would be utterly opposed?

Mr. SCHWELLENBACH. Mr. President, will the Senator yield at that point?

Mr. POPE. I will yield to the Senator from Washington in just a moment, after I have answered the Senator from Michigan.

I agree with the Senator from Michigan that the question should be as clear and comprehensive as possible, in order

that the farmer may understand it. I cannot say more than that, because I do not know. I have not given any specific consideration to the wording of the question. I have not thought of the wording of the question that might be submitted.

Mr. VANDENBERG. My question goes beyond mere words, as the Senator can see. I am merely suggesting that it is hardly conclusive simply to ask the farmer this general question: "Are you willing to let the Secretary of Agriculture restrict your production in return for such Government checks as the Secretary is willing to sanction?" That is scarcely a conclusive question.

Mr. POPE. I should say that would be a very poor question to ask, and would not be in accordance with the facts at all.

Mr. VANDENBERG. It would probably be entirely too frank, perhaps the Senator means.

Mr. POPE. No; because the farmer is not going to receive any payments in the first place if he is a non-cooperator.

I now yield to the Senator from Washington.

Mr. SCHWELLENBACH. With reference to the precise point raised by the Senator from Michigan [Mr. VANDENBERG], it seems to me there should be no difficulty with respect to an understanding of the agreement to be reached, so far as the provisions on the bill on pages 24 and 25 are concerned. The bill, in other words, provides that the Secretary must hold public hearings. Then he must issue a proclamation. That proclamation will contain the findings and the conclusions which he reaches as to what should be done in reference to quota. That proclamation must necessarily be definite. Then what the farmer votes upon is the question as to whether or not that proclamation shall be suspended. So there can be no difficulty about that. The law itself will require a very definite statement to the farmer that he is voting for or voting against continuation of the proclamation.

Mr. POPE. Mr. President, that is an entirely accurate statement of the provisions of the bill in respect to that matter.

Mr. McNARY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. POPE. I yield to the Senator from Oregon.

Mr. McNARY. I simply wish to make a suggestion. The suggestion was made day before yesterday that the bill be studied section by section, and following along the line of that suggestion we had reached a study of page 10 of the bill. If that method of procedure is continued we shall have a logical record, one that can profitably be read. But if we jump about in grasshopper fashion from page 30 to page 35 and back to page 7, we shall have a haphazard record. I desire to discuss the referendum feature when we come to it. I think that is a terrible provision of the bill. However, I do not want to discuss it at this time. The Senator from Idaho [Mr. POPE] suggested the other day that starting with title I we discuss the bill section by section, and under that suggestion page 10 of the bill had been reached. If we follow that practice logically we will get somewhere in the study of the bill.

Mr. POPE. I think the suggestion is a good one. However, I desire to be generous in answering questions that are asked me by Senators who may not be present throughout the entire discussion of the bill.

Mr. McNARY. I am not objecting to that suggestion of the Senator from Idaho, but if a Senator has anything he wishes to discuss on page 57, for example, let him reserve it until Monday or Tuesday or Wednesday of next week, whenever a discussion of that page of the bill shall be reached.

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

Mr. POPE. I yield.

Mr. COPELAND. I think the Senator from Idaho made quite clear to us that he intended to discuss at this moment the matter of compulsion.

Mr. POPE. No, Mr. President. If the Senator will allow me to proceed, I want to call the attention of the Senate to the amendment on page 8 which has reference to commodity loans, with which we were dealing the other day. It will be noted that on top of page 8 of the bill the amendment reads:

> That whenever a national marketing quota is in effect for the current crop of the commodity, then the Corporation is directed to make such loans available to any noncooperator on his stock of such crop of the commodity in excess of his farm marketing quota established for the commodity; but the loan rates shall be 70 percent of the loan rates prescribed in schedule A.

The reason the committee inserted that amendment was the realization, I think, that the noncooperator, who is compelled by reason of the referendum to participate in the marketing quotas, might be in such a position financially that he could not store his commodity without distress.

Therefore the provision is here made that the noncooperator may have a loan equal to 70 percent of the loan made to the cooperator under such circumstances. He has been forced, so to speak—at least as the result of the referendum he must take part in the marketing quotas, and it seemed fair to the committee that he should be entitled to a loan when he stored his grain under the marketing quota provision.

Mr. COPELAND. Mr. President, will the Senator yield to me at that point for a question?

Mr. POPE. I yield.

Mr. COPELAND. That was the very matter I rose to ask about. I take it from the bill as I read it, that after 51 percent, or whatever the percentage is, of the farmers raising any given crop agree that this provision be made effective, those who do not so vote are penalized. In the first place, they are forced to conform, as I understand, and in the next place, because they do not agree to the arrangement, then when they come to borrow they can get only 70 percent, instead of the usual amount prescribed in schedule A. So it would seem—and I should be glad if the Senator would answer that in his time—it would seem to me that provisions are set up in the bill in the shape of threats, or lack of ability to have all the benefits, in order that the man who is inclined to be a noncooperator shall be forced to vote with the majority.

Mr. POPE. The Senator is entitled to his own conclusion in the matter. A great majority of the farmers who appeared before the committee felt that that much compulsion was necessary in order to have an effective program. If no compulsion were provided, the farmers could not and would not reduce the surpluses to which I have referred. We felt that we were giving the farmers an opportunity, through the contract provisions of the bill, to make the necessary reductions in their acreage in order to prevent surpluses from accumulating; but most of the farmers thought that if for any reason the surpluses should accumulate it would be better to control those surpluses than to suffer such a disastrous price decline as would destroy the farmers. Therefore, they feel that this much compulsion, if necessary, would be endured in order to avoid the much more disastrous consequence of a price decline such as we had in 1932, which would destroy the farmer, remove him from his farm, and make him unable to pay his indebtedness or to support his family.

Mr. COPELAND. Just one further question, and I will be through. The bill does, then, impose upon all farmers in the United States raising a given crop all the penalties and obligations which are placed upon those who voluntarily go along?

Mr. POPE. The Senator's statement is too broad. In the first place, it will impose the obligations of a marketing quota upon those farmers who produce a given commodity after a referendum has been held among the farmers. It does not impose them upon all who grow the commodity, because many of them will be exempt under the provisions of the proposed law. Under the terms of the proposed law, after there has been a two-thirds vote in favor of imposing the quota, there will be imposed the obligations set out in the bill upon those who are producing for market and who sell their products.

Mr. COPELAND. I hope the Senator will not consider me offensive if I ask if he is not splitting hairs. Does he mean that the exemption is for the man who raises a hundred bushels or three hundred bushels?

Mr. POPE. Exactly; the exemption as set out in the bill.

Mr. COPELAND. Then, by and large, after the referendum has been taken, all the obligations, benefits, privileges, and penalties attached affect all the farmers raising the particular crop?

Mr. POPE. Yes.

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

Mr. POPE. I yield.

Mr. LOGAN. I gathered from what the Senator from New York said that he was under the impression that if there was a referendum, and two-thirds voted for the marketing quota, and one-third voted against it, there was a penalty against those who voted against it.

Mr. POPE. Oh, no.

Mr. LOGAN. May I ask the Senator if it is not true that those who vote against it have the privilege of becoming cooperators just as those who vote for it do?

Mr. POPE. Certainly.

Mr. LOGAN. If the minority want to come along after the vote has been taken, there is no discrimination at all against them?

Mr. POPE. Not at all. I may say to the Senator that the referendum method has been used frequently in American life. All of our local option laws, in effect, provide for referendums, and in all such cases, after a referendum and a favorable vote by the required majority, all whom it affects are subject to the law in exactly the same way.

Mr. LOGAN. And this penalty, or this reduction of the amount which may be borrowed, applies only to the minority who refuse to become cooperators after the referendum?

Mr. POPE. Who refuse to comply with the marketing quota.

Mr. LOGAN. That is what I mean.

Mr. POPE. The term "cooperator" is used in connection with one who signs under the original contract.

Mr. LOGAN. That is correct.

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

Mr. POPE. I yield.

Mr. BURKE. I do not understand the matter as the Senator from Kentucky does, from a reading of the bill. He says the penalty applies only to those who after the referendum refuse to go along. They do not have any choice, do they, as to whether or not they will go along? If two-thirds of the farmers in the particular group vote to apply the quotas the one-third still have to go along, do they not?

Mr. POPE. Certainly.

Mr. BURKE. That was not what the Senator from Kentucky just said.

Mr. POPE. I understood him to say just that. The mere fact that two-thirds or more vote for the proposition and one-third or less vote against the proposition does not make any difference as to the treatment of the two-thirds and the one-third, under the marketing-quota provision.

Mr. BURKE. That is correct. The one-third are in the same position with the two-thirds, so far as living up to the quota is concerned.

Mr. POPE. Exactly.

Mr. BURKE. But there is the one difference, in reference to the loan.

Mr. POPE. Yes.

Mr. BURKE. Those who feel, for any reason, that they want to vote against the imposition of the quota, and do vote against it, are limited to 70 percent?

Mr. POPE. No; the Senator is wrong about that. Those who have signed the original adjustment contracts and have become cooperators are entitled to a loan under the provisions of Schedule A. Then, under the marketing quotas, if they are established, the noncooperators, whether they voted for or against the imposition of the quotas in the referendum, will be entitled to 70 percent of the loan to which the original cooperators, those who signed the adjustment contracts, are entitled.

Mr. BURKE. Just one more question. There is no way in which those who fail to come in the class of cooperators in the original signing can later, so far as the particular crop is concerned, recant and say, "We have now decided we want to go along, and we want the 100-percent loan," is there?

Mr. POPE. As I understand, those who cooperate must sign during the 5-month period provided in the bill, which means the last 5 months of the year before the marketing year begins. Otherwise they will have no opportunity to sign the contract until the last 5 months of the next year.

Mr. BURKE. If they let that period go by, they are out in the cold, so far as getting the full loan is concerned, which their neighbors who saw the light earlier could get?

Mr. POPE. That is correct.

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

Mr. POPE. I yield.

Mr. AUSTIN. I have been studying the limitations which appear in the corn provision, both as to the subject and to the person. I wish to ask whether it is true that, after the referendum is taken, assuming that 66⅔ percent of the eligibles put the quota into effect, the law will apply only to field corn which is marketed or which is fed to stock that is marketed in interstate commerce?

Mr. POPE. I think we discussed that matter the other day, if I understand the Senator's question correctly. There are certain exemptions, and those who fall within those exemptions are not subjected to the marketing quotas.

Mr. AUSTIN. Is not the Senator off the question? I am talking about the object, the thing itself, the corn; not the farmer. I shall ask a question about the farmer later. The exemption does not relate to the corn, does it; it relates to a farmer who raises not more than 300 bushels of corn?

Mr. POPE. Yes.

Mr. AUSTIN. Now, let us have the first question answered. Is it true that the law would apply only to field corn which was itself marketed or which was fed to stock that was marketed?

Mr. POPE. I think that is correct.

Mr. AUSTIN. Is it true that the law would apply only to farmers who marketed more than 25 percent of their crops, with an exemption therein of farmers who did not market more than 300 bushels of corn?

Mr. POPE. Yes.

Mr. AUSTIN. Is it true that the farmer who would market no more than 300 bushels of corn would not be brought within the law by marketing more than 25 percent thereof?

Mr. POPE. That is correct. If he does market 25 percent of the crop, he may become a cooperator, but he is not required to.

Mr. AUSTIN. That is voluntary, as I understand.

Mr. POPE. Yes; that is voluntary.

Mr. AUSTIN. Now, another question: Is it true that the granary part of the proposed law is to apply only when there is a surplus over the normal?

Mr. POPE. It may apply before there is a surplus over the normal. When I get to that provision in a few moments I will point out how it will apply, and if I do not do so, I am sure the Senator will ask me the question then. The ever-normal-granary provision may apply before there is a normal production under certain circumstances, but I will deal with that in a few moments.

Mr. AUSTIN. If the Senator will permit another question, perhaps he might discuss it, too, when we reach the granary provision. The marketing quota, which is another feature entirely from the one to which I have alluded, is to apply only where there is a price below parity?

Mr. POPE. Yes.

Mr. AUSTIN. Of course, it is true, is it not, that the marketing quota is to apply only after an affirmative vote of 66⅔ percent in a referendum?

Mr. POPE. That is correct.

Mr. AUSTIN. I thank the Senator.

Mr. COPELAND. Mr. President——

Mr. POPE. I yield to the Senator from New York.

Mr. COPELAND. The only purpose of pressing the matter is that there may be publicity of the debate in the Senate so as to give to the farmers who have had no opportunity to know about the details of this bill knowledge of it, so that they may assert themselves, if they so desire.

I think I am right—and I will ask the Senator if I am not—in saying that, under the bill as now framed, if a farmer in my native county in Michigan or in my adopted State of New York fails to vote favorably in the referendum as regards the crop he raises, he is then forced, regardless of his own feeling, to conform to the law and the regulations set forth by the Secretary of Agriculture. If he does not conform, there are certain penalties imposed upon him, and one of those penalties even takes the form of the possibility of a charge which will lead to a conviction for a misdemeanor and a court penalty. That is the situation, is it not? If it is, I hope that it may be made very clear to the country, and then, if I know anything about the farmers, their individualism and their independence, they will rise up in opposition and protest against this proposed legislation.

Mr. SCHWELLENBACH. Mr. President——

Mr. POPE. Just a moment. May I ask Senators from now on to limit their discussion to questions if they will? It was a very good speech which was made by the Senator from New York from one who is opposed to the philosophy of the farm bill, and I should expect him to make that type of speech in his own time.

Mr. COPELAND. Will the Senator yield to me there?

Mr. POPE. Very well.

Mr. COPELAND. I am not opposed to the philosophy of farm relief. I am opposed to certain features of this bill, but they are features which could be corrected. I am not rising here to say it is all useless and nonsensical.

Mr. POPE. I am very glad to hear the Senator say that.

Mr. COPELAND. I am here urging upon the Senator that he shall use his abundant brains and capacity so to shape the bill that it may be acceptable to the American farmers and not impose upon them impossible burdens.

Mr. POPE. I want to thank the Senator for saying he is not opposed to the philosophy of the bill and this type of approach to the problem. I appreciate his statement.

Mr. SCHWELLENBACH and Mr. McNARY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. The Senator from Washington first requested me to yield, and I yield to him.

Mr. SCHWELLENBACH. I should like to ask the Senator from Idaho whether or not in the hearings which were held in all parts of the country during the last summer it was not made plain to the farmers who attended those hearings that the bill probably would contain the provisions which the Senator from New York thinks so objectionable?

Mr. POPE. That was made just as clear as the members of the subcommittee could make it. The witnesses were asked specifically as to the various provisions of the bill. When the Senator from New York assumes that the farmers do not know anything about this type of legislation, I think he is making an unwarranted assumption. I found that the farmers of the various communities were unusually well informed about this type of legislation. Many of them came prepared to discuss this bill. Some of them had not read the bill but had read excerpts from it and had seen something of it in the newspapers. So we were constantly surprised as a subcommittee to find the great ability of the farmers to discuss this matter. Their attention was called to the various provisions of the bill; they themselves raised questions about this or that provision of the bill which were discussed, and if the members of the subcommittee could answer the questions they were answered.

Mr. McNARY and Mr. COPELAND addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I now yield to the Senator from Oregon.

Mr. McNARY. I had hoped that we might discuss this bill without the able Senator from Idaho thinking because questions were propounded that those propounding them were unfriendly to the measure. Suppose some are unfriendly to the measure; the enemies of the bill, if there are any, should be permitted to bring out objectionable features as well as favorable provisions of the bill.

Mr. POPE. I think the Senator is entirely correct.

Mr. McNARY. I do not think anyone should become hypersensitive. There was a bill pending before the Senate a number of years ago, which I handled for 8 weeks, and I do not think during all that time when there was tremendous opposition to the measure anyone thought improper questions which were asked so long as they were directed to the provisions of the bill. I have not made up my mind about this bill; some provisions I like and some I do not. What my ultimate course will be will be decided by my own judgment, but I intend to say as much as I want to on the bill and to ask as many questions as I desire.

I feel, furthermore, that I labor under a handicap. The Senator speaks about the hearings that were held. No one knows about those hearings. I have never known in my 20 years' experience a previous instance when the Senate did not have before it the hearings which were actually held, so as to be able to judge for itself what the witnesses were intending by their testimony.

Mr. POPE. I think the Senator from Oregon clearly misunderstood my reference to the Senator from New York a few moments ago. I always enjoy hearing the Senator from New York express his views; I shall expect him to express them fully, as I shall expect every other Senator to express fully his views with reference to the bill. But in line with what the Senator from Oregon said a few moments ago I wish Senators would defer the expression of their opinions at length until later, in their own time, and not take my time to express their views at length.

Mr. COPELAND. Mr. President, as a matter of privilege, will the Senator permit me to say a word there?

Mr. POPE. Yes.

Mr. COPELAND. The Senator said, in effect, that the farmers who appeared before the committee were familiar with this type of legislation. I was born on a farm; I know farmers; and I know they are intelligent, even though they are born on a farm. I know they are familiar with the type of legislation, but what I want to know is, are they familiar with this proposed legislation? Are they familiar with this bill? That is my point.

I have voted, I think, for every farm bill during the 15 years I have been a Member of the Senate. This bill has in it features which I believe are antagonistic to the very spirit and soul of the American farmer, and my judgment is that when the independent farmer comes to realize that he is subject to fine, and even to imprisonment, if he does not conform, there will be resentment on the part of the farmers of this country. So it is incumbent upon the Senator to make clear not only that this type of legislation is needed but that this particular bill conforms to the type of legislation necessary to help the American farmer, and not to put him in jail.

Mr. POPE. I may say to the Senator that, with my poor ability, I am trying to make that as clear as I can not only to the Senate but to the people of the country.

Mr. CONNALLY and Mr. McGILL addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. I think the Senator from Texas first rose, and I yield now to him.

Mr. CONNALLY. I wish to say to the Senator from New York that we all realize his having voted for farm legislation heretofore; but let me suggest to the Senator that, in his private practice, when he finds a patient is sick—and the farmer is sick now—does not he as a doctor put him under a little bit of discipline? Does he just tell him, "You have a bad cold and it is snowing outside but go out and do as you please"? Agriculture is ill. We have called in the doctor.

If we are to tell the farmer, "You must do certain things but if you do not do them you can just go your own way," of course he will not get anywhere. Is not that the attitude we are in here today? We have called in an expert physician, not so good as is the Senator from New York, no doubt, in his particular line, but we have called in the doctor, and we are going to tell the farmer, "Mr. Farmer, you are sick, and if you want the doctor now you have got to go along with the program, take the treatment prescribed, and conform to the list of things that you have got to do and the list of things you must not do. If you do not do this the doctor is through." I dare say the Senator from New York, if he found a man with a great big "bay window," would not advise that he go out and run a foot race. He would say, "Walk some before breakfast, drink some orange juice, cut down on fats, and do what I am advising you to do or you are going to blow up." [Laughter.]

Mr. McNARY. Mr. President, may I suggest to the Senator from Texas there is this difference? In the case of a sick patient we put him in a hospital, but in the case of a farmer it is proposed to put him in jail. That is the difference between the two.

Mr. CONNALLY. Hospitals are confining——

The PRESIDENT pro tempore. Does the Senator from Idaho yield?

Mr. POPE. I yield to the Senator from Texas to reply.

Mr. CONNALLY. I dislike very much to disagree with the Senator from Oregon on farm matters. He is a great expert; I have read his name for years in connection with the McNary-Haugen and other farm bills; but the Senator from Oregon did not attend any of these hearings, as I understand?

Mr. McNARY. We did not have any; that is the reason.

Mr. CONNALLY. The committee went all over the United States. Did they not go to Oregon?

Mr. McNARY. No; they did not go to Oregon.

Mr. CONNALLY. The Senator from Oregon was in Oregon. Why did he not have a hearing? Why did he not call someone in?

Mr. McNARY. I was not a member of the subcommittee.

Mr. CONNALLY. I presume the Senator from Oregon was sitting under the shade tree in the morning fanning himself and playing golf in the afternoon. Why, instead of doing that, did he not listen to the farmers, and get some information on this subject?

Mr. McNARY. Mr. President, may I answer that question?

Mr. POPE. Just a moment. I want to take some of my time, if I can, now.

The PRESIDENT pro tempore. The Senator from Idaho declines to yield.

Mr. POPE. I wish to say to the Senator from Texas, to the Senator from Oregon, and to all the other Senators that they were invited in their respective sections to attend any of the hearings they desired. A number of Senators and Members of the House did attend the hearings held by the subcommittee, and they all had an opportunity to do so.

Mr. McGILL addressed the Chair.

Mr. POPE. I yield now to the Senator from Kansas, who has been asking me to do so for several minutes.

Mr. McGILL. Mr. President, I merely wish to make a suggestion to the Senator from Idaho. As he has very properly stated, the subcommittee was surprised many times at the intelligence exhibited by the farmers and their ability to discuss the question of marketing quotas generally as set out in this bill.

I think the Senate should also have called to its attention that not only did members of the Farm Bureau discuss that phase of the bill, but at our hearings at Grand Forks, N. Dak., the president of the State Farmers' Union set out in his testimony the resolutions adopted by a convention of representatives of that organization from 10 States, in which the Farmers' Union in those 10 States declared themselves in favor of the marketing quota. After this man, Glenn Talbot, had testified with reference to this particular bill and its provisions with reference to marketing quotas, the national convention of the Farmers' Union was held and passed resolutions, after electing their officers, declaring themselves, after the measure had been discussed, in favor of marketing quotas.

I think it is very important that we should know that the farmers of the country generally understand not only the provisions of the bill, but marketing quotas as discussed generally throughout the country.

Mr. POPE. Let me say in addition to what the Senator from Kansas has just stated that in my own State hearings were held. The master of the State Grange appeared in opposition to the bill. A State Grange convention was held and the whole matter was threshed out in that convention. By a majority vote the delegates to the National Grange convention were instructed to support the provisions of the bill. I think it is a mistake to assume that the farmers who have been considering the matter for many months are not more familiar with it than perhaps anybody else.

Mr. BARKLEY and Mr. McNARY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Idaho yield; and if so, to whom?

Mr. POPE. The Senator from Oregon has been trying for several moments to interrupt me. I yield first to him.

Mr. McNARY. I yield in deference to "my leader." [Laughter.]

Mr. BARKLEY. I thank the Senator from Oregon.

Is not this the situation with respect to the hearings? It was impossible for the subcommittee to go into every State in the Union if the hearings were to be concluded in time to get a bill enacted and put into effect to cover the crops of 1938. The Senate Committee on Agriculture and Forestry and its subcommittees fixed more or less central locations in various parts of the country in order to hear the farmers. As I understand, the hearings were proposed and carried out to hear the farmers, and not Senators. Senators can be heard here.

Mr. POPE. Yes.

Mr. BARKLEY. If Senators happened to be members of the Committee on Agriculture and Forestry, certainly they ought not to expect the time of the subcommittee to be consumed in hearing them when the hearings were held for the purpose of giving the farmers an opportunity to be heard.

While it may be true that the farmers do not understand the exact language of the bill—because it has been impossible to give every farmer in the United States a copy of it so he could read it—yet it is true that hearings were held in order to try to ascertain the consensus of opinion among farmers, and after that consensus of opinion was obtained by the committee a bill has been worked out as nearly in conformance with that consensus of opinion as the committee could work it out. Is not that the fact?

Mr. POPE. That is entirely true.

Mr. BARKLEY. While the farmers may not know every sentence and phrase in the bill, they do understand what it is about, and very largely and by an overwhelming majority of those who took the trouble to appear before the committee they have recommended this kind of legislation.

Mr. POPE. I think that is entirely true. I yield now to the Senator from Oregon.

Mr. McNARY. May I have the privilege of making a few remarks at this time and place?

Mr. POPE. I hope the Senator will observe the injunction which he made a few moments ago, that I be permitted to continue.

Mr. McNARY. I wish to return to the bill. The Senator from Kentucky made a statement to which I should like briefly to reply. I hope I may have that courtesy extended to me, as I yielded to him.

Mr. POPE. Very well.

The PRESIDENT pro tempore. Without objection, the Senator from Oregon will proceed.

Mr. McNARY. Mr. President, when Congress adjourned last August it was thought this bill would be taken up in January. The RECORD so stated, and it was stated by the

chairman of the Committee on Agriculture and Forestry, the Senator from South Carolina [Mr. SMITH], that January would be ample time for its consideration and passage. There is no reason, so far as the farmer is concerned, to be in undue haste in the consideration of this measure.

Mr. President, I did not attend the hearings, because they did not come within 700 miles of my home, and I was not invited. Further, as the Senator from Kentucky [Mr. BARKLEY] said, the subcommittee did not want to hear me anyway.

Mr. BARKLEY. I did not say the subcommittee did not want to hear the Senator. I simply emphasized the fact that the hearings were held for the farmers.

Mr. McNARY. I say that in all kindness, knowing the committee did not have any time for me; but I was not invited and the hearings did not come within 700 miles of my home town, to which I have no particular objection.

As to the bill itself, the bill the committee was considering was Senate bill 2787, containing 46 pages. That bill is not like the one now before us. That bill contained two or three major propositions which took up a great deal of the time of the hearings. It related to parity income, which is not in this bill. The tariff provision, which gave the Secretary of Agriculture the right to increase and decrease tariffs, is not in this bill.

Mr. POPE. Because it was not thought the Senate could initiate tariff legislation.

Mr. McNARY. But we talked about this bill of 46 pages. I am speaking about the bill on which the Senator and his subcommittee went before the farmers. The basic issue has been changed.

Mr. POPE. Not as to corn and wheat.

Mr. McNARY. Oh, no; but as to other commodities. That bill, as I have said, contained 46 pages, and was sent out in advance by the Farm Bureau Federation, mainly, whose members attended the committee hearings. The National Grange and members of the Farm Bureau are opposed to the bill, so far as I am advised.

Mr. POPE. I hope the Senator will not make the mistake of saying that our hearings were attended mainly by members of any one farm organization. There was a greater number of Farm Bureau members than of Grange members or Farm Union members, but certainly not a majority anywhere of the members of any one farm organization. Besides, many farmers were not members of any organization.

Mr. McNARY. One of the members of the committee so stated to me. I have no particular objection to that if it be true. Of course, I have not had access to the hearings.

The bill on which the Senator and his committee went among the farmers, prepared by the Farm Bureau Federation, consisted of 46 pages. The bill we studied and upon which the committee did not have hearings contained 124 pages. We studied that 124-page bill in the committee for 4 days without any hearings on it whatsoever. The bill now before us contains 97 pages. We are now considering this 97-page bill.

I only mention that to indicate that there has been no permanency of plan. This general structure was put up for us to study, but there has not been any meeting of minds, even on the subcommittee or among the farmers of the country, favorable to any one of the three different models which I have mentioned.

Mr. President, I am going to turn to the bill, because the Senator from Idaho has been very courteous in his conduct of the matter. When we recessed Wednesday we were on page 9 of the bill, paragraph (b), the so-called Bilbo amendment, which was passed over. I wish to ask the able Senator from Idaho if I correctly interpret the language found on the same page under subsection (c).

For the purposes of this act any agricultural commodity shall be deemed to be stored by the farmer under seal only if stored in such warehouses or other storage facilities, whether on or off the farm, as conform to requirements of such regulations as the Secretary shall prescribe in order more effectively to administer this act.

This would give the Secretary of Agriculture full power to determine where the farmer must store his grain or his corn. In many instances farmers have on their own places, at their own expense, constructed granaries and storehouses. When I was a boy we had one on the farm which I thought was ample to take care of the grain of the State.

In many other instances we have throughout the country warehouses or storehouses or elevators owned by private individuals for hire. In many other instances, where cooperative associations have attained considerable strength, we have warehouses controlled by cooperatives.

Here is the dilemma in which I find myself, if I am in one, and if I am, I know the Senator from Idaho can extricate me. Here is Mr. A with a warehouse on his own farm. Mr. A belongs to a cooperative association which has a warehouse. Near him is a warehouse or elevator privately owned. Under this provision of the bill, as I read it, the Secretary of Agriculture could dictate to Mr. A where his grain should be stored, and he would have no voice in the matter at all. Is not that the interpretation to be placed on this provision of the bill?

Mr. POPE. This is a provision in the original bill. The bill has been amended and modified as the Senator has suggested, but this is a provision which the farmers desired. They have had experience, in the corn section of our country as well as in the cotton States, with storage under seal, and in their experience they have found that it was desirable to give the Secretary authority to store on farms or in such other warehouses as might be specified. The practice was, in connection with the former corn loans, to store on the farm, wherever possible, and then to store in such other convenient places as might be desirable. Assuming that the Secretary of Agriculture is going to confer with the farmers and cooperate with them in doing the thing that is to their best interest—and the farmers themselves who take part in the preparation of this bill had that much confidence in the Secretary; and I am frank to say that I have, not only in the present Secretary of Agriculture but in any other Secretary who may administer this bill—I feel that in cases of this kind the Secretary would act reasonably and as much as possible in harmony with the wishes of the farmers.

Mr. McNARY. I do not like to write a bill because I bear affection toward a particular individual, or have confidence in him, or the reverse. Let us use our own brains. That is what I want to do. I think the Senator must admit that it is true that this provision gives to the Secretary of Agriculture arbitrary power to determine where the grain will be stored. That is my point. Is not that so?

Mr. POPE. He is given power to determine where the grain will be stored.

Mr. McNARY. Could we not improve the provision in this fashion? I am only trying to help improve the Senator's bill, whatever my course regarding it may be. Instead of the Secretary saying to a man who is a cooperative, "You must put your grain in this privately owned warehouse; you cannot store it on your farm," should not the farmer be given the privilege of storing his grain where he wishes to store it, subject to certain specifications by the Secretary of Agriculture? He should be able to specify that it must be stored in a place that provides safe storage from fire, or from inclement weather, and that it must be insured. Should he not specify certain conditions under which the grain must be stored, rather than telling the man, "You just store it where I tell you to store it"?

Mr. POPE. I think the desire of the Senator from Oregon in that respect is exactly the same as mine.

Mr. McNARY. I thank the Senator.

Mr. POPE. My own thought was that any man who had reached the high position of Secretary of Agriculture probably would act just as reasonably as the Senator would act, and as I hope I would act, in doing the very thing he suggests; but, personally, I have no objection to a modification of the language so as to require the Secretary to advise with

the producer, or any other language along the line suggested by the Senator.

Mr. McNARY. It could be very easily worked out in such a way as to take away the arbitrary, autocratic power which now is placed in the Secretary.

Let me say that we are always speaking about that lovable character, the present Secretary of Agriculture. He is not going to do any of this work. It is inexperienced men who go out in the fields who deal harshly with farmers, because they do not know the farm business from the practical side. I want to protect the farmer from some fellow coming along and saying, "I do not care if you do have storage on your farm, or a cooperative, you put the grain where I tell you to put it." A good many of them will do that.

Mr. POPE. As one of the authors of the bill, I shall be very glad to consider an amendment by the Senator along that line.

Mr. McNARY. I thank the Senator.

Mr. POPE. Unless there are other questions regarding pages 9 or 10, I think we will proceed now to the consumer safeguards at the top of page 12.

Mr. McNARY. Let me see if I understand the interpretation of the language in subdivision (b) on page 11, line 7:

> Notwithstanding the provisions of subsection (a), the parity payment shall be computed at a rate equal to the difference between the current average farm price for the commodity during the marketing year just closed and the maximum income rate therefor under schedule A of this title if the difference between such current average farm price and the maximum income rate is less than the applicable parity payment rate.

The "current average farm price" refers to the marketing year just closed?

Mr. POPE. Yes.

Mr. McNARY. Take the case of this year, 1937: The marketing year closed, as I read the bill, on the 30th of June of this year. The current average farm price would be considered as of that date. That is correct, is it not?

Mr. POPE. Yes; I think that is correct.

Mr. McNARY. What does the bill mean when it says?—

> Shall be computed at a rate equal to the difference between the current average farm price for the commodity during the marketing year just closed—

Which I have stated—

> and the maximum income rate therefor under schedule A.

Mr. POPE. Schedule A appears on page 21.

Mr. McNARY. That refers to parity payments in the schedule.

Mr. POPE. Yes.

Mr. McNARY. But what is meant by?—

> The maximum income rate therefor, under schedule A of this title, if the difference between such current average farm price and the maximum income rate is less than the applicable parity-payment rate.

The parity-payment rate is found on page 21.

Mr. POPE. Exactly.

Mr. McNARY. The current average farm price is based upon the year prior to the time the calculation is made. What is meant by—

> The maximum income rate under schedule A * * * if the difference between such current average farm price and the maximum income rate is less than the applicable parity-payment rate.

I am suffering from a slight confusion there.

Mr. POPE. I judge the Senator has not taken his pencil and calculated that point with reference to the table. It is the desire, of course, to pay the cooperator the parity price.

Mr. McNARY. Yes; there is no question about that.

Mr. POPE. If the difference between the current average farm price and the parity price, we will say, is 10 cents, the cooperator will receive that much.

Mr. McNARY. Yes.

Mr. POPE. If the Senator will make the calculation, he will find that in the upper part of the percentages in the table on page 21 he might have a case where a 15-percent parity payment when added to the current average price would be more than the parity price. Therefore there is the exception that if the parity payment plus the current price should exceed parity, only the difference between the current average farm price and parity would be paid.

Mr. McNARY. Will the Senator illustrate by analyzing my figures? We will say that the income on wheat for the preceding marketing year is $1 per bushel. That is the current average price for the year preceding the closing of the marketing year. The parity price is $1.25. It nearly always will be above the current average price. What would be the amount paid to the producer of a bushel of wheat under the interpretation of this language in subdivision (b)?

Mr. POPE. Of course, the Senator can see at once that I should have to make some calculations. I am having a calculation made which I think will bring out that point quite clearly.

Mr. McNARY. The Senator is not prepared to do it now? Then we will pass it over.

Mr. POPE. I think I can do it in just a moment.

Mr. McNARY. I am willing to pass it over. I do not want to discommode or discomfit the Senator.

Mr. POPE. I have it done now. Let us refer to schedule A. Suppose the supply is 100 percent of normal. Take the first figure in the first column, if the Senator will. The supply is normal. The maximum income rate is 100 percent of parity. Assume that parity for wheat is $1.25 and the current price is $1.10. The difference between the current price and the parity price would be 15 cents. A calculation strictly on the basis of this title—15 percent of parity would be 18¾ cents. But the difference between parity—$1.25—and the current average price—$1.10—would be 15 cents. Then 15 cents would be paid, and not 18¾ cents. It is the purpose of the legislation to bring the payment up to parity. It is just a method of calculation which is attempted to be described in words in the provision the Senator read a few minutes ago. By taking a little time to make the calculation the Senator will find by reference to the first percentages appearing in column 1 of schedule A that it might happen a number of times that the amount calculated first on the basis of the parity payment added to the current price would be higher than parity; so the proviso is made that when that does occur only enough shall be paid to bring up the amount to the parity price, which would be the difference between the amount of the current farm price and the parity price.

Mr. McNARY. If the current average farm price for the marketing year prior to this calculation were $1 per bushel, and the parity price were $1.25 per bushel, the maximum rate, as the Senator says, would be $1.15 per bushel.

Mr. POPE. No; I do not follow the Senator there.

Mr. McNARY. I am trying to follow the language of the bill.

Mr. POPE. Let me say to the Senator, using the illustration I used a few moments ago, if the parity price of wheat is $1.25, and we then take 15 percent of that parity we have 18¾ cents. Then add current price of $1.10 and the total of those two calculations would be $1.28¾, which would make more than parity. Therefore, we should not pay more than parity, and the amount of 15 cents between the current average price and the parity price would be paid to bring the price up to parity. In other words, the taking of the calculations in this table as to certain periods would bring the payments above parity. We want to keep them down to parity.

Mr. McNARY. Mr. President, is the very able Senator from Idaho satisfied with the mathematical tabulation as carrying out the language used in the bill?

Mr. POPE. Yes. The tables were worked out on a blackboard when the farmers were studying the bill. Then the lawyers were required to use language which would carry out the calculations and the desires of the farmers, as I have attempted to do. Therefore the Senator will see how difficult it is to make an explanation of the figures without using a chart.

Mr. McNARY. Probably it is unfortunate we have not a blackboard and a lawyer to explain the figures.

Mr. POPE. Yes; or a farmer.

Mr. McNARY. For the present I am willing to accept the figures which have been given to me by the Senator from Idaho.

Mr. POPE. If I may proceed, I return to the "consumer's safeguards," the provision found near the top of page 12. I think it will be admitted at once that the consumer has some rights and that he should be considered in the passing of any farm bill. It will be noted that, on page 12, in order to protect the consumer, it is provided that if the price has reached parity and there should be an amount of the commodity stored, stocks of the commodity should then be released onto the market so as to keep the price from going too high, and at the same time to protect the Government in the money which it has invested in the commodity. So, on page 12, beginning with line 14, it is provided that the Secretary shall "call surplus reserve loans secured by the commodity," it being borne in mind that the parity price has been reached, and that the price has gone above parity perhaps.

Or the Secretary shall "release stocks of the commodity stored under seal pursuant to section 9 (c)," which I will more specifically explain a little later.

Or he shall "release stocks of the commodity held under marketing quota restrictions."

It will be noted that there are some minor exceptions to this power of the Secretary to release these stocks when they are below parity price.

Mr. McNARY. If I may make an inquiry at this point, of course, that is anticipating the ever-normal granary?

Mr. POPE. Yes.

Mr. McNARY. Because only the stocks under seal are kept for the purpose of impounding the wheat or corn in the ever-normal granary. If the parity price exceeds the average current price, the Secretary can call the loans, I understand.

Mr. POPE. Yes.

Mr. McNARY. Then if John Smith has a thousand bushels of wheat impounded in his ever-normal granary and the parity price exceeds the average current value by 10 percent, the Secretary can call the loan. In other words, the farmer is told that he must get his wheat out on the market.

Mr. POPE. Yes.

Mr. McNARY. Does he repay the Government the money he had received on this impounded wheat in the nature of a loan?

Mr. POPE. Yes.

Mr. McNARY. He pays that back?

Mr. POPE. Yes.

Mr. McNARY. Can he take the wheat out of the impounding reservoir, the ever-normal granary, and sell it in the open market before he pays the Government the money he owes it?

How is the mechanics of the thing worked out?

Mr. POPE. I cannot answer the question as to all the mechanical devices with reference to that. The Secretary will have to make regulations concerning that matter. It seems to me that is purely a mechanical device which can be worked out satisfactorily.

Mr. McNARY. I do not want to leave too much of the mechanics to someone in the Secretary's office. I can see that if the farmer is forced to take his stock out of the ever-normal granary and pay the Government he would have to sell on a declining market. That is a certainty. That would cause dumping, in other words.

Mr. POPE. I call the attention of the Senator to the fact that the Secretary would have no power to sell these stored commodities until the parity price was reached.

Mr. McNARY. I appreciate that. I agree with that entirely. In other words, if the parity price is 10 percent higher than the current average price, we can say to every farmer who has a bushel of wheat stored in his ever-normal granary, "In order to bring the parity price down you must put this wheat into current channels of trade." That is what it means. That is the purpose of the bill. It cannot be anything else.

Mr. POPE. Of course, only to the extent that that would restore the price to parity. He could not continue to sell grain after it reached parity, or dispose of grain in the granary after it had reached parity.

Mr. McNARY. I understand that. But there is a 10-percent leeway there over parity before the Secretary tells the farmer, "Get your wheat on the market."

Mr. POPE. No. The Senator is mistaken about that. There is no 10 percent above parity with reference to the ever-normal-granary provision. There is no 10 percent above the parity price. The Senator is confusing that with the 10 percent above the normal supply in amount.

Mr. McNARY. It might go to 15 percent. The price level might ascend. Say, it is 20 percent above parity; it does not matter.

Mr. POPE. It might go up.

Mr. McNARY. Under the bill, then, it would be the duty of the Secretary of Agriculture to bring about a parity level in prices. That is obvious, is it not?

Mr. POPE. I do not know just what effect it would have. I could not say it would have just the effect the Senator has stated. There might be other factors involved, in the way of demand, which would keep it up. For instance, in the handling of the cotton pool, in the sale and disposition of cotton by the Government, it appeared from statements of Mr. Johnson, who handled that matter, that they fed cotton into the market from the pool right along, apparently without disturbing the price. That statement was made by him a number of times. Therefore, the condition of the market might be such, the demand, actual or apparent, might exist to such an extent, that the wheat could be fed into the market without lowering the price for a considerable time; but, generally, I would agree with the Senator that feeding large quantities of stored commodities into the market would have a tendency to cause a decline in prices.

Mr. McNARY. Of course, we do not need to discuss the ever-normal granary without having in mind the precedent. I helped create it by my vote when we built up that unfortunate structure we called the Farm Board. We tried to do just the very thing here proposed, and pegged the price of wheat to around 80 cents, and we wound up by losing $500,000,000 and giving the farmers around 40 cents a bushel. But I will discuss that later.

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

Mr. POPE. I was going to answer the Senator from Oregon, but I will yield. I think the Senator from Washington can answer the question as well as I could.

Mr. SCHWELLENBACH. I merely wanted to inject this thought: That I had anticipated there would be opposition and criticism of the pending bill, but I certainly hoped that even the Senator from Oregon would not attempt to compare the bill with the fiasco which we had under the Hoover administration in handling the wheat situation. There is no comparison between the measure we are now discussing and the Farm Board bill, and there is no justification, in discussing this bill, in trying to make a comparison and to cast a blot upon this bill by the inference that it is in any way similar to the efforts of former President Hoover in trying to solve the farm problem.

Mr. McNARY. Mr. President, I do not have to be lectured by my genial friend the Senator from the delightful State to the north of mine. I was here when he was practicing law in some little village in Washington, and I handled the bill on the floor of the Senate and wrote the final report, and if, in my opinion, that measure and the pending bill are comparable in reasoning, I think I may be permitted to indulge in the argument I have made. I would say in answer to him that I apologize for both the so-called Hoover bill and this bill.

Let me now continue this discussion in order to find out where we are. We are now discussing aid or relief to consumers.

Mr. POPE. Yes.

Mr. McNARY. When the price goes above parity we release from bondage some of the impounded wheat. What I want to know is whether there is anything in the bill—and if there is, I do not find it—that will protect the farmer when this order for release comes. Does he have to sell all the wheat that is impounded? He has to sell at least enough to get it back to parity level. Does the farmer sell this impounded wheat to the Government, or does the Government make him a loan on it?

Mr. POPE. I will say to the Senator that the very fact that the wheat is in storage may indicate that a loan has already been made on it, and I think it is implied that when the sale is made the Government will take the money necessary to satisfy the loan, and whatever might be obtained from the market in excess be given to the farmer.

Mr. McNARY. The able Senator does not want to write a bill on implications. I want to put language here to protect the farmer.

Mr. POPE. I should be glad to have the Senator write out the language he has in mind.

Mr. McNARY. If I may again refer to that "unfortunate" bill—I hope it will not be so distasteful to my genial friend that he will object to it. It was found by the Farm Board and the Agricultural Department that the cost of carrying a bushel of wheat for 1 year was 16 cents and a fraction. Does the farmer who puts his wheat in bondage or in jail under this so-called ever-normal granary and leaves it there 10 months pay the storage, or does the Government pay the storage? Does the farmer get the current price when he impounds his wheat, or does he get the parity price when he sells it, or does he get a loan on it? I think those are important factors that we should determine for the sake of the farmer.

Mr. POPE. All I can say with reference to the question of storage—and that is the question asked by the Senator—is that the only provision that deals with that, or that I can see, is that which says that the commodity is the sole security for the loan.

Mr. McNARY. Exactly. That is what I say. There is the trouble in drawing the bill up without hearings and on Sunday. This bill was prepared while some of us probably were in church, I am sure.

Mr. POPE. If Senators had given us of their time and their aid when we were drawing the bill, we would have been glad to have had the benefit of their wisdom.

Mr. McNARY. I do not see that the emergency is so great that I must violate the Sabbath to write the bill. I wish to ask the Senator why does not the bill provide, as it should, that when the farmer in connection with the ever-normal granary—probably it has not occurred to Mr. Wallace, because perhaps he has not had opportunity to give it sufficient thought in the limited time—at the time when the farmer impounds his wheat he ought to have the option to receive either the current parity price or a loan? If he receives a loan upon his wheat, we should determine how much that will be, 3 percent, 4 percent, 5 percent. We should determine what price he shall receive at that time for the wheat that is taken out of the reservoir. Those things are not details. Those are things that ought to be worked out here for the farmer.

Do Senators know what could happen under this bill now in reference to that proposition? A farmer would be required to put under seal 20 percent of his grain. The Secretary of Agriculture could tell him to put it in any warehouse he wanted him to put it. The criticism which I offered a moment ago was in respect to that matter, and the Senator said he would be willing to correct the situation. The Secretary could issue a proclamation directing the farmer to send all that wheat into the current of trade immediately. He then would have the storage on his hands. It could be stored in a warehouse in which he did not want it to be stored. He would have to pay the storage thereon. He would have to sell the wheat and take the price that was offered him, with the result that the dumping of the wheat would depress the price probably considerably below parity before it could be stopped. That is what you have there.

Mr. POPE. Is the Senator taking the position that he opposes the ever-normal granary, and that it is the nature of that sort of a device that it cannot be worked out, that it cannot be remedied; or is he now merely suggesting that some amendments ought to be made?

Mr. McNARY. Oh, no, I am suggesting to the able Senator some amendments which he ought to offer to this proposal, which is very incomplete and very unfair to the farmer.

Mr. POPE. Let me suggest to the Senator that if he will submit those amendments I assure him that I will give the most profound consideration to them. I should like to see the form of the amendments, however, and what they are designed to accomplish.

Mr. McNARY. I do not have the temerity to take this bill away from the able Senator from Idaho. He is the coauthor of the bill. I want him to go through with it and get the glory for it. Let the Senator propose the amendments. I shall be glad to look them over and give my advice on them.

Mr. POPE. I am not sure that I know exactly what the Senator has in mind. I do not fully and clearly understand every point that he desires to make. But if the Senator would at least write it out for me I will be glad to have his suggestions.

Mr. McNARY. Probably I should, but I had entertained a very much higher opinion of the order of the Senator's capabilities with reference to this bill.

I say to the Senator in all seriousness——

Mr. POPE. Mr. President, I would be glad to proceed with the discussion of the bill.

Mr. McNARY. Mr. President, I was afraid the Senator would get touchy.

Mr. POPE. The Senator is taking much more time than I.

Mr. McNARY. The Senator, of course, has had the bill in his hands so long that he wants to get rid of it. I do not blame him. But I say in all fairness to the farmers of the country that we ought to amplify—and I think the Senator agrees with me—this provision with respect to the ever-normal granary so far as it affects the farmer and the consumer, and I offer that as a suggestion. If the Senator wants to have the bill passed in its present form, all right. It is just too bad.

Mr. POPE. May I now proceed?

The next provision is that relating to base acreages for wheat and corn. Unless there is some particular question about that, we may proceed. It will be noticed, as I pointed out at the last session, that this provision relates only to wheat and corn and the base acreages for wheat and corn.

An important provision appears on the top of page 15 with reference to adjustments for abnormal weather conditions and for trends in acreage in determining the particular acreages for the State or the county. It was felt that some of the base acreages for the farms should be changed or modified. For instance, we found in the southern part of Missouri that the trend was toward the production of more cotton and less tobacco. In arriving at the base acreages those things might very properly be taken into consideration. So this provision is put in the bill in order to provide for some flexibility in a determination of the base acreages.

The original base acreages are set out in the bill, and then the actual amount of acres that a State may have for cotton or corn is specified by the Secretary. Then that again is divided up among the various counties or administrative areas, as they are called, and the county committees, made up of farmers in those counties, adjust the individual quotas in such a way as they think best in dealing with the individual farmers. Then they are in a position for modification

of those quotas on the farm as specified in the bill with reference to topography and other things. I will refer to the particular provision a moment later. I am now dealing with base acreages on pages 14, 15, 16, and 17, down to section 9.

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

Mr. POPE. I yield.

Mr. TYDINGS. The other day in the colloquy between the Senator from Idaho and myself, I suggested that certain parts of the bill might actually not hold water when it was brought before the courts. The Senator and I had some discussion about that. The Senator suggested that he would like me to prepare an amendment which might cure that situation. I just wanted to let him know that I have prepared an amendment, which does not change the philosophy of what the bill seeks to accomplish at all, but, in my humble judgment, it amends it in such a way that at least that provision will not be subject to attack in the courts.

I send the amendment to the desk and ask that it lie on the table.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. POPE. I thank the Senator.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. POPE. I yield.

Mr. JOHNSON of Colorado. The items shown on page 14 are the base acreages.

Mr. POPE. Yes.

Mr. JOHNSON of Colorado. And on page 18 it is provided that the Secretary of Agriculture shall determine what the actual base acreage is.

Mr. POPE. Yes; after making certain deductions, depending on the amounts of the production that year, to keep it in balance.

Mr. JOHNSON of Colorado. Then the base acreage is what the Secretary of Agriculture has figured out, and instead of being 67,400,000 acres for wheat it is 55,000,000 acres; instead of being 102,500,000 acres for corn it is actually 37,000,000 acres for corn?

Mr. POPE. Is the Senator referring to the 1937 allotment?

Mr. JOHNSON of Colorado. Yes, sir; to the acreage allotment for 1937.

Mr. POPE. I call the Senator's attention to the fact that those are soil-conservation allotments which have been made for the year 1937, and the allotments that would be made under the provisions of this measure might or might not be the same as those.

Mr. JOHNSON of Colorado. No; the allotments I have mentioned are for 1938.

Mr. POPE. Well, the 1937 and 1938 soil-conservation allotments.

Mr. JOHNSON of Colorado. Yes; but the same man makes them, and he is given power, on page 18, to determine these acreages. So it is reasonable to suppose that the corn acreage for the next year will be 37,000,000 acres, the wheat acreage will be 55,000,000, and cotton acreage 28,000,000. On page 14 we find the ceilings as to the amount of acreage that can be given to corn and wheat. Those are the ceilings only. There are no ceilings placed on cotton, tobacco, or rice, but the Secretary of Agriculture will have to figure it out in those cases. I just wonder, when we talk about the economy of scarcity, if we are not running into that very thing again under these allotments which give the Secretary power to reduce the acreage very drastically.

Mr. POPE. Let me say to the Senator that has been done continuously since the old Agricultural Adjustment Act went into effect. Certain base acreages were determined, and then reductions made from year to year in order to arrive at the number of acres which actually should be planted. Any kind of acreage-control program must do it in that way. It was done under the old Agricultural Adjustment Act, under the Soil Conservation Act, and it is proposed that it be done in that way under the pending bill. The Senator certainly cannot determine any way of reducing acreage without having a plan something like this by which to reduce them?

Mr. JOHNSON of Colorado. But, Mr. President, what I am complaining about is that on page 14 the acreages as listed are very deceptive; 67,400,000 acres for wheat, for instance, when we cannot possibly reach that acreage; and the same thing is true as to corn.

Mr. POPE. That is a very interesting observation, because the proposal was made by the Department of Agriculture to remove these base acreages and instead of fixing, say, 67,400,000 acres for wheat, making a reduction, and then making a calculation of the number of bushels the reduced acreage would produce, to go directly at it and set a new base, say, 28,000,000 acres for cotton and 55,000,000 acres for corn, or whatever the calculation may be.

The farmers themselves and their representatives desired to have it this way for the very reason that they were familiar with this method of determining base acreages. The farmers no later than yesterday gave me numerous reasons why the method should remain as it is provided in this bill. I think, perhaps, that method of determining the base acreage should be worked out pretty carefully before the bill is finally passed.

It is true that, as to cotton, rice, and tobacco, the new method of determining the number of acres which will be necessary at the normal yield to produce the amount of the commodity that should be in the country in order to maintain a balance is probably the most direct and best way. It has been calculated on that basis for the 1937 and 1938 soil-conservation program, and that method applies, as I have stated, to cotton, tobacco, and rice. With reference to the corn and to wheat farmers, however, since they have been accustomed to this method, they are rather insistent that this method be maintained in the bill.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield to the Senator from Florida.

Mr. PEPPER. I observe on page 14 that the method of the allocation of base acreage is first for the Secretary to make an allocation of acreage—

> Among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act.

Is there any standard laid down by which the Secretary shall make the allocation among the States other than that language?

Mr. POPE. I think not. The base acreage is provided, and the percentage of reduction the Secretary desires to make would apply. I think attention has been called to line 24.

Mr. PEPPER. I was coming to that. Beginning with line 24, perhaps the only standard laid down in the bill appears. I quote:

> Such allotment among the several States shall be on the basis of the acreage devoted to the production of the commodity during the preceding 10 years (plus in the applicable years the net acres diverted from such production under the agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during this period.

That is probably the only standard for the allocation of acreage that is laid down by the bill with respect to wheat and corn.

Mr. POPE. Yes.

Mr. PEPPER. What I am interested to know is whether any provision is made for the new producer who desires to come into the field; and if the Senator's answer is in the negative, whether the effect of the program is not to give the Government a specified monopoly to a given group of individuals to produce and market a given commodity? In other words, in this program, sympathetic as I am, as the Senator knows, toward it, are we not going to have to be careful not to give something like a certificate of convenience and necessity to a given number of individuals to produce agricultural commodities? Are we not going to have to make provision for new producers coming into the field?

Mr. POPE. Let me say with reference to that that such a limitation or provision as the Senator has referred to might very well apply in determining the allotment for the States or the allotment for the counties; but when it comes to making allotments for the individual farmers, there will be found at the top of page 16 another provision that affects that situation. It reads:

Such farm allotments shall be equitably adjusted among such farms according to the tillable acreage, type of soil, topography, and production facilities.

Mr. PEPPER. But does not that relate to the historical base that is specified on the previous page; in other words, to those farms that have previously been engaged in the production of the given commodity?

Mr. POPE. When carried out in an administrative way in connection with the Soil Conservation Act, the Senator will realize that the same problem exists. In that instance new lands have, I understand, been permitted to come in, and, of course, new lands have come in in various sections, by reason of the fact that the farmers concerned were not cooperators under the soil-conservation program nor even under the old Agricultural Adjustment Act. But even among cooperators in the administration of this measure certain allowances, and rather liberal interpretations, have been made so as to permit new acreages to come in, and sometimes that is done over the strenuous objection of other sections raising the same commodity.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. PEPPER. Is not the Senator afraid, however, that if we do not put language suggestive of that point of view into this bill those who administer it will think that we are regarding only the historical base in the allocation of acreage?

I call the Senator's attention by analogy to the sugar bill. I always reluctantly remember the sugar bill, but, remembering it only for the purpose of analogy at this particular time, the Senator will recall that when faced with the particular problem of new producers it was specifically written into the bill that particular consideration should be given to new producers coming into the field. I am wondering if the Senator would not feel safer about the position of a farmer's son who marries his neighbor's daughter and goes out to start a farm and a home, if he should put such language as that in the bill?

Mr. POPE. I will say to the Senator that I am entirely sympathetic toward that sort of an amendment giving to the county committees, which will have administrative power under this bill, discretion to consider new acreage in making their allotments in the county. A certain number of acres are allotted to the county, and they should have the power to permit the use of new lands and take out old lands which have been abandoned, and that sort of thing.

Mr. PEPPER. I am sure the Senator has the same sympathetic regard toward the little fellow who has to make his entire livelihood in the production of a given commodity.

Mr. POPE. Yes, sir.

Mr. CLARK and Mr. McKELLAR addressed the Chair.

Mr. POPE. I yield first to the Senator from Missouri, who has been asking me to yield for some time.

Mr. CLARK. As I understand the bill, Mr. President, there is no base acreage set up as to cotton?

Mr. POPE. No.

Mr. CLARK. In other words, cotton is put in an entirely different category from wheat and corn?

Mr. POPE. Yes.

Mr. CLARK. Has the Senator explained the reasons for the difference in the treatment of wheat? Why should there not be a base acreage for cotton as well as for wheat and corn? If the Senator has explained that, I will read the RECORD, for I do not desire to cause unnecessary repetition, and I have been absent from the floor for a while.

Mr. POPE. The Senator will note that in the original text of the bill, on page 14 cotton, rice, and tobacco were set out as well as corn and cotton. It was the idea of the authors of the bill that they should all be treated exactly alike and that there should be an original base acreage set out in the bill. However, after the hearings were held, the cotton provisions, rather by unanimous consent of the Agricultural Committee, were left to the members of the committee representing the cotton-growing States. So the Senator from Alabama [Mr. BANKHEAD], the Senator from Louisiana [Mr. ELLENDER], the Senator from Mississippi [Mr. BILBO], the Senator from Arkansas [Mrs. CARAWAY], and, as I recall, the Senator from Oklahoma [Mr. THOMAS] prepared an amendment which took the place of all the cotton provisions of the original bill. Therefore, I think the Senator would obtain more satisfaction if he would question the Senator from Alabama [Mr. BANKHEAD] with reference to the matter of base acreages for cotton.

Mr. CLARK. I do not desire to divert the Senator from Idaho from the trend of his remarks. My question was suggested by a remark just made by the Senator from Idaho having to do with the situation in Missouri with regard to cotton.

As I read the provisions on page 34, the cotton-marketing allotment would be based entirely upon a 10-year average.

Mr. BANKHEAD. No; a 5-year average.

Mr. POPE. The Senator from Alabama says it would be based upon a 5-year average.

Mr. BANKHEAD. It does not affect the Senator's State at all, and I should be glad to show him the figures.

Mr. CLARK. Very well. I shall not interrupt the Senator from Idaho further, but I shall be glad to take up the matter with the Senator from Alabama when he addresses the Senate.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of Colorado in the chair). Does the Senator from Idaho yield to the Senator from Tennessee?

Mr. POPE. Certainly.

Mr. McKELLAR. When this question was raised by the Senator from Florida [Mr. PEPPER], the Senator from Idaho indicated that he thought the Secretary of Agriculture ought to be given discretion in the matter. Does not the Senator think that so far as new planting is concerned—and I am looking at the top of page 16—language should be inserted to make it read "such farm allotments, including new plantings, shall be equitably adjusted"? In other words, I think it ought to be required, because in many cases it would be necessary that a new farmer should make a crop and the matter ought to be equitably adjusted rather than merely placed in the discretion of the Secretary of Agriculture.

Mr. POPE. I think that was the suggestion of the Senator from Florida [Mr. PEPPER] a few moments ago, with which I have sympathy. I shall be glad to have Senators interested in the question submit an amendment along that line for our consideration. I think substantially that could be done and the bill amended to that effect.

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

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. POPE. I yield.

Mr. GILLETTE. I note in distributing the national soil-depleting base acreage the bill provides that the Secretary shall allot to the various States and to the counties and to the administrative areas as selected, this national base acreage to be divided up by the Secretary. With reference to the further division of these allotments, subsection (c) provides that the allotments to the administrative areas, to the counties, and to the States, shall be divided among the individual farmers through the State, local, and county committees.

Of course, subsection (c) definitely provides that the Secretary here in Washington shall determine what the State

allotment is, what the county allotment is, and what the administrative area allotment is. Is it the Senator's interpretation of that provision that the Secretary of Agriculture may go further and here in Washington in the Department determine the individual allotments?

Mr. POPE. No.

Mr. GILLETTE. It does not say it is to be determined by the county committees, but it is allotted through the county committees.

Mr. POPE. I think that was the intention or meaning of the word "through" as used in that connection.

Mr. GILLETTE. The centralization in the Senator's opinion does not go further than determining the State allotment, county allotment, and administrative area allotment?

Mr. POPE. That is correct.

Mr. GILLETTE. The individual allotment then is determined not through them alone but by the county committee?

Mr. POPE. That is my understanding.

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

Mr. POPE. I yield.

Mr. McNARY. When I left the committee studying the bill late last Saturday afternoon, it then contained 124 pages, and all the soil-depleting base acreage provisions affecting all crops covered in the bill were deleted. We wiped out the whole proposal. When the bill now before us, containing 97 pages, was reported, cotton, rice, and tobacco soil-depleting base acreage remained deleted, but the acreage was restored as to wheat and corn. I think it is proper that one of the authors of the bill should explain what happened on Sunday when the whole program was changed as to soil-depleting base acreage. Why did they strike out wheat, insert a limitation likewise on corn, and leave cotton, tobacco, and rice free of any limitation with respect to soil-depleting base acreage?

Mr. POPE. As indicated earlier in the day, the committee print, to which the Senator has referred with some concern, contained amendments prepared by the Department of Agriculture to the entire provision relating to base acreage. That matter was all included in the committee print, which enlarged the number of pages very considerably, as the Senator has pointed out. Those amendments were placed in the committee print for the purpose of being given consideration by the committee.

As a result of the deliberations of the committee on those two plans, the plan as contained in the original bill was adopted, whereas the one prepared by the Department was rejected by a vote of the committee. That was largely responsible for reducing the number of pages, since the Senator is interested in that, from the number contained in the original confidential print to the number contained in the bill as reported. The difference was one of method of arriving at the same result.

In the original bill the base acreage was set out and the percentage of reduction was made from the base acreage. In the new approach, instead of determining the original base acreage as contained in the bill, the number of acres would be determined by the Secretary to produce a balanced production throughout the country. The cotton, rice, and tobacco people adopted that new method of approach. By the way, it is being used this year in the administration of the soil-conservation program. But the committee decided that as to corn and wheat, the original basis as set out in the bill should be retained. It seemed to us that the wheat and corn farmer preferred this method of approach, and since the committee has passed upon it a number of farm leaders have again asserted that the method of approach contained in the original bill is the one they desire.

That is the explanation. There is nothing mysterious about it, and there is nothing, it seems to me, that should be particularly critcized about it.

Mr. McNARY. I do not want the Senator to assume that because I am asking questions I am criticizing.

Mr. POPE. I thought that was the implication of the Senator two or three times.

Mr. McNARY. It seems too bad when some Senators become the authors of a bill that they should think the language therein employed is sacred. I have never considered it that way. I took a beating for several years over a bill, and I did not complain about criticisms and did not interpret questions to be criticisms. I recall some very bitter speeches made about that bill. I hope the Senator will permit me to ask questions. I do not think his purely nonchalant disposal of my questions and his indifference to them furnish an answer to my inquiries at all.

Let me see if I understand what this provision means. Soil-depleting base acreage is that acreage upon which we raise normally wheat and corn. It is soil depleting because we raise those crops on it. That is why it is called soil-depleting base acreage. There is a limitation there of 47,000,000 acres. I conceive that is probably more than is ever planted to wheat and corn, but there is that limitation upon the amount that can be planted to corn and wheat. I think that is a fair interpretation.

However, when it comes to the other crops, there is no limitation whatsoever. If limitations are fair to one commodity—and they are all in the bill and should be on a parity so far as benefits from the Government are concerned—why should not we have a maximum soil-depleting base acreage regarding all the crops chosen for special benefits? That is the reason for my questions, and not because certain provisions are contained in one print of the bill and not in the other.

I may say, so long as the Senator has raised the question, that the short bill, which went to the country and of which advance copies were sent out by certain organizations, contained provisions giving a base acreage for every one of the commodities, and the farmers came before the committee realizing that if they submitted to base acreage and limitations on their crops, the other crops mentioned therein would receive the same treatment.

Mr. POPE. Let me say to the Senator that that was one of the reasons why I preferred to have the base acreage remain as it was in the original bill—because we had gone to the people of the country; they were familiar with this method of arriving at the base acreage, and I did not want to change it, at least until I was convinced that the farmers themselves, through their representatives, desired to have it changed.

I am in accord with the Senator's further observation that, if possible, the same method of approach in arriving at the allotted acreage should occur as to all the various commodities. I had expected that perhaps an amendment might be offered to put wheat and corn on the same basis as cotton, tobacco, and rice. The only reason for retaining this method of approach is that apparently the farmers who are interested in corn and wheat, or at least the leaders of those farmers, desire this method of approach, because they are familiar with it; they have used it over a number of years; and to change it to another method would make it, they think, more difficult for them to understand.

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

Mr. POPE. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator has again referred to the opinion of farmers as obtained in these hearings. I desire to ask him just one further question upon that score.

It has been rather freely intimated that the hearings were held under auspices which invited friendly witnesses. May I ask the Senator this question? If it is an inappropriate question, the Senator may say so, and I shall be satisfied: Is it true that the Secretary of Agriculture complained about a proposal to hold hearings in one section of Iowa because he said that in that section his theories were not popular?

Mr. POPE. I think I am not at liberty to quote anybody without his permission, but I will say to the Senator that the original program, arranged before we left Washington, to hold sessions at various points, was carried out to the letter. The hearings were held at the points originally planned for. I can say that to the Senator.

Mr. VANDENBERG. I understood—and it is to the credit of the Senator and his committee that this is so—that the meeting was held in Iowa in spite of the Secretary's protest; but I also understood that when the Secretary discovered that he could not stop the hearing at that point he suggested that it would be wise to get in all the soil-conservation propagandists from his Department in that area so as substantially to control the situation.

If the Senator tells me that that is something we should not discuss, I shall subside.

Mr. POPE. I have no knowledge of the acts of the Secretary of Agriculture in that respect or in other respects which the Senator has intimated. I will say to the Senator from Michigan, however, that as wide publicity as possible was given to the invitation to farm organizations, farm leaders, and individual farmers to appear and be heard. It may be true that those friendly to a particular form of legislation were more inclined to attend. I cannot say as to that. I only know that they were all given an invitation. Every farmer who could be reached, and particularly every farm organization, was given an urgent invitation to be present and express opinions, whatever they were. At every meeting, as the Senator will find by reading the transcript, that statement was made over and over again. Anybody was permitted to testify, whatever his point of view might be with reference to farm legislation; and the testimony was not limited to the growers of wheat and other commodities specified in the bill.

Mr. VANDENBERG. The Senator refers me to the transcript of the testimony. May I inquire where I can get it?

Mr. POPE. The statement has been made several times on the floor of the Senate today that there are only a few typewritten copies of the transcript. It is being printed. The printers have at least the earlier hearings. I think the delay with reference to furnishing the printed copies of the transcript is due perhaps more than anything else to the fact that the members of the subcommittee are correcting and revising their statements, making obvious corrections in them. Two or three of the members of the subcommittee said to me day before yesterday, "I could not be here to hear the discussion because I was at work correcting and making minor revisions in the statements." So that ought to be said. I desire to be perfectly frank about the matter. I wish to assure the Senator that no effort is being made to delay the printing.

Mr. McNARY. Mr. President, will the Senator permit a suggestion? Would the Senator be willing to accept an amendment which would remove the limitations on the soil-depleting base acreage for wheat and corn, so that these commodities in the bill might be treated without discrimination?

Mr. POPE. Let me say to the Senator from Oregon that I look with a good deal of sympathy upon that suggestion. I believe that the base acreages of various commodities should be determined by the same method. However, I do not want to accept such an amendment, for the reason that apparently the farm leaders who originally prepared the bill, or took part in its preparation, seem to be opposed to the amendment, and I prefer not to accept it. If the Senator offers the amendment, I shall then reserve the right to oppose it.

Mr. McNARY. Inasmuch as we have not any hearings before us, and much of this clarification must be developed through discussion, let me ask who are the farm leaders who are opposing removing the limitations on wheat and corn.

Mr. POPE. Does the Senator mean to ask who are the farm leaders who are opposed to changing the base acreages on wheat and corn?

Mr. McNARY. I do.

Mr. POPE. Does the Senator want names, or does he want designations?

Mr. McNARY. This is my point: I am very sincere about it, as I have tried to be all through this discussion.

We have named in the bill five commodities which are to receive special favors from the Government, as against all other commodities. I think these five commodities should go through the bill on a parity, so far as benefits are concerned. If there is to be a limitation on the soil-depleting base acreage for wheat and for corn, there certainly should be such a limitation for cotton, rice, and tobacco.

The limitation on cotton, rice, and tobacco has been removed. Now, why not be fair? Why not avoid discrimination and remove the base acreage limitation on corn and wheat? There is no argument for doing otherwise.

So I asked the Senator whether he would accept an amendment placing these commodities in the same category with respect to base acreage. The Senator said that while he would like to do so, some of the farm leaders do not want it. I wish to know who they are and what organizations they represent. I think I am entitled to that information, and I am sure the Senator is willing to give it to me.

Mr. POPE. I do not know that I am at liberty to give the Senator the names of persons who spoke to me about the matter. They were representatives of the farmers in the preparation of this bill. Whether or not they are all members of the American Farm Bureau Federation, I know that at least a number of the leaders who spoke to me about it are members of that organization, and have objected to a change of the method of arriving at the base acreage.

Does that statement satisfy the Senator?

Mr. McNARY. Of course, the statement does not satisfy me. It is not calculated to satisfy me. I am trying to prevent a discrimination against the farmer who raises corn and wheat.

Mr. POPE. Let me say to the Senator that I think he is totally in error when he says there will be any discrimination between the growers of corn and wheat under this method and the growers of cotton, rice, and tobacco under the other method, because I am assured by the Department that the same result will be reached in either event.

Mr. McNARY. Where is that assurance? We have not even a report from the Secretary of Agriculture on the bill.

Mr. POPE. I am merely stating to the Senator that I have been given that assurance. It may not be of any value to him; it may have no effect upon him; but, as I understand, it is true that neither the cotton, rice, and tobacco people nor the growers of corn and wheat are discriminated against by using the two different methods of approach, because they both arrive at the same point. That is my understanding of the matter.

I do not know that I can say anything more than that. If the Senator desires to offer an amendment with respect to that subject, it will be entirely proper for him to do so.

Mr. McNARY. I want the subject matter fully developed, inasmuch as we are in it. A few moments ago the Senator said he agreed with me that there should be the same treatment of all these commodities regarding soil-depleting base acreage, which anyone must concede is fair. I am only asking for that.

Mr. POPE. Yes.

Mr. McNARY. I said, "Will the Senator accept such an amendment?" The Senator said, "No; because some farm leaders object to it." I ask, who are the farm leaders?

Mr. POPE. I gave that as a reason why I do not want to consent to such an amendment. I shall be very glad to have the Senator offer the amendment and have the Senate vote on it; but I feel that for myself I desire not to consent to an amendment which is offered, and I indicated the reason, which I need not have done, perhaps; but that is my own reason for not now accepting the Senator's amendment.

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

Mr. POPE. I yield.

Mr. TYDINGS. I should like to ask the Senator just two questions, somewhat in line with what was indicated by the Senator from Oregon. We are called into session to take up four major matters, of which the farm problem is one. Can

the Senator tell whether or not the bill now under discussion is acceptable to the administration?

Mr. POPE. I cannot answer as to that. My understanding is that there are some features of the bill which the administration, or at least the Department of Agriculture, so far as I can say, would prefer to have changed, and one of them is this provision with reference to allotments, to which the Senator himself has referred.

Mr. BANKHEAD. Mr. President, will the Senator allow me to speak for cotton in reply to the inquiry?

Mr. POPE. I wish the Senator from Maryland would make the inquiry of the Senator from Alabama.

Mr. BANKHEAD. I will say that the compulsory control feature contained in the cotton title of the bill is acceptable to and has the support of the Department of Agriculture.

Mr. TYDINGS. I thank the Senator, and I take it for granted from what he has said, then, that the philosophy of the bill is acceptable to the administration.

Mr. POPE. I think I can say the same as to the features of the bill relating to corn and wheat, in general.

Mr. TYDINGS. I should appreciate it if the Senator from Idaho would send a copy of the bill to the Secretary of Agriculture, and to any others he thinks are proper officials to pass on it, that we might have their views before we vote on it, because we were called particularly to deal with the subject, and it strikes me we ought to know whether we are dealing with it in a proper way.

The second thing I should like to ask the Senator is this. As I understand, the President has suggested that we appropriate not more than $500,000,000 for a farm program at this session of the Congress. There has been some viewpoint expressed to the effect that the bill before us would cost a great deal more than $500,000,000. I should like to know, as a member of the Committee on Appropriations, whether the Senator would think it was all right and wise, and would not defeat the purposes of the bill, if the Committee on Appropriations, in appropriating the $500,000,000, would make it definite that that was all that ought to be spent on this particular farm bill?

Mr. POPE. Mr. President, I am glad the Senator raised the question with reference to the matter of the appropriations necessary to carry out the program. Of course, I expected to deal with that later, but I will acquaint the Senator with the decision reached by the members of the Committee on Agriculture and Forestry after discussing this problem.

The Senator will note that in the original draft of the bill certain amounts were authorized for the purpose of carrying out its provisions. When the committee considered the matter, an amendment was agreed to making a general authorization to appropriate the money necessary to carry out the provisions of the bill, with a further provision that 55 percent of any amount appropriated for carrying out the Soil Conservation and Domestic Allotment Acts would be used by the Department of Agriculture for the purpose of making parity payments on the three major commodities—corn, cotton, and wheat.

It was immediately realized that no one could tell in advance just what amount of money would be necessary to make these parity payments, because if the price were down during the marketing year there would be a larger payment, and if the price were up to parity there would be no payment at all. It might be anywhere from parity or above parity down to 50 percent of parity. Therefore we cannot anticipate in advance just what it will be.

Then it seemed advisable to include a provision in the bill that if the full amount of the parity payments could not be made, they would be made proportionately to the money that might be appropriated for carrying out the provisions of the bill. Then, as suggested by the Senator from Oklahoma [Mr. THOMAS] in the committee, there would be a better opportunity at the beginning of the year, when the Committee on Appropriations might meet to consider the matter, for the Department of Agriculture then being in a better position to determine what was likely to be necessary during the coming marketing year for payments, to submit to the Bureau of the Budget or to the Committee on Appropriations what then appeared to be necessary.

Mr. TYDINGS. I follow the Senator.

Mr. POPE. It might appear at that time that nothing would be necessary, and again it might appear that a substantial amount might be necessary, and it was thought best to allow the Committee on Appropriations at that time to act upon the matter.

Then this year, assuming that $500,000,000, which has been appropriated for carrying out the Soil Conservation Act, might be all that would be available, a division of funds should be made as I have indicated.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. TYDINGS. As I understand, then, the Committee on Appropriations will be called upon to appropriate $500,000,000 flat, and to that appropriation will be added the part of the Soil Conservation Act appropriations which are not required to carry out that act, if any there are; and the soil-conservation funds will be used to make the parity payments. Am I right?

Mr. POPE. A portion of the soil-conservation funds which would pretty closely correspond to the portion now being paid out on the three major commodities.

Mr. TYDINGS. How much would that be?

Mr. POPE. Fifty-five percent of the total amount.

Mr. TYDINGS. That would be about $260,000,000, would it not, $440,000,000 being the total?

Mr. POPE. Yes, if the calculation is correct.

Mr. TYDINGS. It would be about $260,000,000 in round numbers. That $260,000,000 will go to service this program?

Mr. POPE. That is correct.

Mr. TYDINGS. How much money will the Committee on Appropriations need to appropriate now in order to service the remainder of the program?

Mr. POPE. I cannot answer that question.

Mr. TYDINGS. I do not mean to ask for an exact answer. I am just seeking to elicit from the Senator what in his opinion we will have to appropriate, in addition to the 55-percent appropriation, to service the program.

Mr. POPE. I am sorry, but I do not have a definite opinion. If I were asked that question 2 or 3 days hence, I might obtain some calculation, taking into consideration what is now the parity price and what is likely to be the current average price during the marketing year. In that way one might give some estimate of what it would be, but at this time, I cannot give any estimate.

Mr. TYDINGS. I think the Senator will appreciate the situation in which the members of the Committee on Appropriations will be placed. First of all, we have the statement from the President that he does not want the Congress to appropriate more than $500,000,000 at this session for the farm program.

Mr. POPE. Yes; unless new funds are raised.

Mr. TYDINGS. Therefore, if we take the two-hundred-and-sixty-and-odd million that will come from the Soil Conservation Act, obviously, if we are to stay within the President's request, we can add to that only $240,000,000.

Mr. POPE. Yes; if no new funds are available.

Mr. TYDINGS. I want to know, therefore, if I should not, as a member of the committee, desiring, if this bill shall be enacted, to afford the funds to carry it out, take a position that $500,000,000, as requested by the President, is all that is needed for a program behind which the administration has thrown its support.

Obviously, if the Department of Agriculture favor this program, they must favor it within the limitation the President has laid down, namely, $500,000,000; and if they are favoring a program in excess of that, the President is not being supported by his own Department of Agriculture. Therefore if seems to me that if we vote, as members of the Committee

on Appropriations, for $500,000,000 to service this program in its entirety, we will write a program which the administration wants and will provide no more funds for it than the President has requested us to provide. His position is that any money appropriated in excess of $500,000,000 at this time will be ill-advised. I think I am right about that, am I not?

Mr. POPE. I think it would have to be left to the Senator, as a member of the Committee on Appropriations, to chart his course.

Mr. TYDINGS. But the President has said, and I think he said it very sincerely and very earnestly and very properly, that no farm program at this time, with the state of the Federal finances as it is, ought to cost more than $500,000,000. Now we have a program behind which the administration, through the Department of Agriculture, has thrown its support. If we want to go along with the administration, it seems to me that we should not only vote for the program but we should not vote for a larger appropriation than $500,000,000, unless someone is authorized to say that the President requests an appropriation of $600,000,000 or $700,000,000, instead of $500,000,000, which he originally said would be sufficient. Certainly if we are going through with this thing completely, and in line with the utterances of the administration, it ought to call for no larger appropriation than $500,000,000.

Mr. POPE. I can appreciate the position of the Senator.

Mr. TYDINGS. I just wanted to know if the Senator had any rejoinder, because very shortly we shall have to start to service this bill; and before we are called upon to service it I think we in the Appropriations Committee ought to know whether the bill meets with the approval of the administration, to which matter the Senator said he will address himself. The other thing we ought to know is how much it is going to cost; and if the estimate is that it is going to cost $700,000,000 instead of $500,000,000, we ought to know whether the administration is in favor of it, notwithstanding it will cost $200,000,000, for example, more than we were told we should appropriate.

Mr. POPE. I do not think I desire to make any rejoinder to the statement of the Senator from Maryland. I think it is a matter that he can determine as well as, perhaps better than, I can. If he feels that $500,000,000 is all that can be appropriated for carrying out this program, he has a perfect right to do so. Another member of the committee might feel that an additional amount of $100,000,000 or $200,000,000 was appropriate. It is a matter for him to decide. If the Senator were a member of the House Appropriations Committee, he might consider the matter of raising additional revenue along lines which have from time to time been suggested, whereby the producers of each commodity would receive the amount of tax levied on the processing of that commodity.

Mr. TYDINGS. The Senator knows, of course, that we do not have the money either in hand or in sight from present revenues to service even a $500,000,000 farm program. We are running behind at the rate of one-half a billion dollars to $1,000,000,000 per year. Of course, if we adopt this program, even if it costs only $500,000,000, we must face the fact that we are appropriating money which do we not have and cannot expect to get.

The second thing is that if we increase the amount beyond the $500,000,000 figure we shall accentuate just that much more the depression in Government finance. There is no getting away from that. We do not have the money to appropriate even $500,000,000; so if this farm program costs more than the President said it should cost, it simply means that the deficit will be that much greater than it would have been had we stayed within the Presidential recommendation.

Mr. POPE. I am glad to have the opinions of the Senator, which he always expresses very delightfully.

Mr. TYDINGS. They are not opinions; they are statements of fact.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from Idaho yield to the Senator from Kentucky?

Mr. POPE. I yield.

Mr. BARKLEY. I desire to see if I understand the situation. I do not recall any statement that the President ever made indicating that he opposed any possible appropriation for this program larger than the $500,000,000 carried in the Soil Conservation Act, which is available. What I understood the President to say was that if we should work out a program which would cost any more than that, he would insist that we raise the additional revenue necessary to carry it forward.

Mr. POPE. That is correct.

Mr. BARKLEY. I will say, in this connection, that I do not see how any Congress can in advance determine what amount may be necessary in any given year, because it will depend upon the production of crops and the prices of crops, and those things vary from year to year. I hope, and I imagine we all hope, that it will not cost anything. I hope we can so adjust production to consumption that it will never cost anything out of the Treasury, but we cannot assume that. So the President's position has been, as I have understood it, that if the program we are trying to outline should cost any more than the amount that is available—namely, $500,000,000, with a possible contingent $125,000,000 more from duties, imposts, and so on—we should raise the extra amount by revenue.

Mr. TYDINGS. Mr. President, will the Senator yield so that I can conclude this phase of the matter? Then I will cease to discuss this particular phase.

Mr. POPE. I yield.

Mr. TYDINGS. I think what the eminent Senator from Kentucky says is accurate; namely, that the President fixed the amount at $500,000,000, but said that if Congress wanted to appropriate more than that it ought to provide the revenue. All of us know that we do not have the money. The revenue has not been provided, first of all, to take care of the $500,000,000. This year the Government revenues will be anywhere from $500,000,000 to $1,000,000,000 short. So if we are going to provide the revenue for any program, we have not even a dollar to apply on the $500,000,000. It is idle for us to assume that the Congress is going to pass new taxes to raise the $1,000,000,000 necessary to wipe out the deficit. In addition to that, it is not going to inflict further taxes in order to support an increased cost of a farm program. We all know we are not going to raise $1,000,000,000 or more in new taxes, and it is idle for us to go through the motions of passing this measure in the expectancy that the money is going to be raised.

Mr. President, all I wanted to point out was that this program ought not to cost more than $500,000,000. That alone will make a deficit as the revenues are now coming in; and until Congress raises the revenue, we have not even $500,000,000 to appropriate to this or any similar purpose.

APPLICATION OF FOREIGN DEBT AND TRADE TREATIES AND TOKEN-MONEY PAYMENTS TO AGRICULTURAL PROGRAM

Mr. LEWIS. Mr. President, will the Senator yield to me? The Senator has the right to some physical rest if it can be consistent with his presentation. If the Senator will yield, I shall take the liberty, sir, to occupy one or two moments of time to make a presentation of a prospect desired or danger feared.

Mr. POPE. I yield to the Senator from Illinois for that purpose.

Mr. LEWIS. I desire to address myself to a subject that is not altogether in the bill, save as the eminent Senator from Maryland has just introduced it by suggestion. He has just observed and, of course, appropriately, that money must be had from some source if the money necessary in order to carry out the provisions of the bill shall be forthcoming. I wish to bring the Senate's attention for the moment to a consideration of where I think that money could be had and should be demanded. I wish to refer, sir, to the information that comes to us of the new proposition of what

is to be paid in the nature of what is called a token payment on the debt due to us by foreign countries. I recall—I think we all do—that somewhere in the Scripture there comes one walking toward the prophet Zechariah, who asked him: "Whither goest thou?" And the angel answered the prophet: "To measure Jerusalem."

I rise here with the suggestion of the able Senator from Maryland in mind. As to intimations made during the colloquy between himself and the deserving Senator [Mr. POPE] in charge of the bill—I follow the prophet—I wish to measure the item and prospect of obtaining the money to meet the requirements of the bill—to measure our promised Jerusalem the Golden—from our international debtors.

Mr. President, I informed this honorable body in a previous speech, and possibly in two, that there were propositions assumed by our foreign debtors to be submitted to this Government. It would take the form of a tender of something in the nature of payment, and then would come the demand for a treaty that would give to these debtors such precedent privileges of trade as in its profits would offset at once any amount of debt they would pay or the offer they would make concerning the sum designated as "token payments."

At this point I beg to call to the Senate's attention the enviable status of these distinguished debtors. I invite the Senate's attention to a report from France—directly reported, sir, from its finance agency. I read from this as coming from Paris. I hope the Senate will forgive the personal touch I give to this matter by saying that I was not very far geographically from Paris lately, being in Berlin, when those utterances came forth in the papers of Germany and of France:

France will repay the British loan of £40,000,000 due in December, Finance Minister Georges Bonnet announced tonight.

He stated that it would be repaid [to England] in full between December 2 and December 26.

Says the Minister:

The improvement in France's financial situation permits us to do this.

And he added:

And I am happy to take this occasion to thank the British Government and banks for the assistance they gave the French Government and railways during 1937.

The article continues:

This represents a considerable achievement, as until recently it was believed the French Government would be obliged to ask for a renewal of the loan and perhaps offer special guaranties.

Now the Government of France is able at once, or certainly by December 2, to pay the sum of those £40,000,000.

At the same time, Mr. President, I beseech you to note that from the United States comes a calculation published in a paper in Paris. I take the liberty of making a very broad interpretation of the language. I would not attempt to make an exact translation. I am sure I could not do that to the equal of my learned colleagues around me—

United States trade treaty favors France.

Then the article proceeds to state that France is obtaining, upon the suggestion of her proposed treaty, such advantage in trade over the United States that its profits enable it to pay this obligation, among others, and that which is offered to this one debtor, Britain. Despite the favor of this treaty proposed, that gives France these glowing advantages and immediate profits shown by the tender that is able to give £40,000,000 to England, yet not one cent is suggested to be paid to the United States on its debts, nor any intimation by our revered France as to when it might be done if it be possible for that Government so to favor us.

Now, sir, I tender from the London Times of Sunday an editorial congratulating England upon her great prosperity in all branches, and particularly in manufacturing and trade. Says the editorial:

Springs of prosperity; why trade is good. No one disputes—

Says the editorial—

that at the moment trade in Great Britain is good. Evidences of prosperity confront us on every side.

Therefore, without going into the details of that prosperity, I beg to invite attention to the London Daily Mail, the newspaper of the distinguished member of the House of Lords who was here the other day as the guest of the Senate for a few moments, Lord Beaverbrook. The editorial in his newspaper announces that England has reached a point where she not only is paying her debts but laying up money in excess of the sum necessary to provide for what she feels is an anticipated necessary protection against assault which, it is assumed by this brave land to spring forth from named sections. The London Daily Mail of this Lord Beaverbrook, who lately visited the White House, asserts that prosperity is so great in England that it could cover all the obligations that are now necessary for the full armament program put forth before the people by Parliament. My honorable colleagues who are doing me the compliment of listening to me will recall that that program contemplated the sum of exactly $1,000,000,000. Mr. President, is it possible, in view of this situation, that we have reached such a condition that these eminent debtors confessedly merely indicate that they will tender to the United States, their great creditor and benefactor in the day of danger, some payment called a "token payment," yet no description of what they mean by "token"? We know what a "token" is. We ask, as in Hamlet, "What act that roars so loud and thunders in the index?" We have heard the suggestion that a token indicates how they will not pay, and as indicating at other times that they decline to pay, and there have been other times when it indicated that we were a miserable lot for daring to assume to ask any method whatsoever by which they must pay. But now, Mr. President, comes the suggestion that one of these debtors—I refer particularly to England—is now participating in negotiations for a treaty that will give her the advantages of the trade of the United States. She seeks, sirs, this favor despite the fact that there is existing a well-known trade treaty between England and the British Commonwealths, such as Canada, Australia, and others, giving them precedence over the United States in any trade with or shipments to England.

We are to enter into a trade treaty, as we gather the proposition, giving superiority and precedence in matters of trade and opportunity of great profit to England. Likewise to France. England, in the meantime, has given to her own commonwealths such precedence and executes it in such completeness to her own that there is no demand for anything that America could ship, to say nothing of the fact that by any arrangement under the treaty there is no chance of profit coming to America, but all the profit to come out of this proposed scheme, which is to embody "the favored-nation clause," is directly confessed to be to the advantage of those to whom we are to grant this trade treaty. We say bravo and applause to England in preparing a program that provides favor and fortune to her young daughters—the commonwealth states of Britain.

Mr. BORAH. Mr. President——

Mr. LEWIS. Does my friend the Senator from Idaho wish to interrupt me? If so, I yield to him.

Mr. BORAH. The Senator refers to a probable treaty with Great Britain. I presume he is using the word "treaty" as synonymous with the term "trade agreement"?

Mr. LEWIS. I am, sir; and I catch the point of view of my able friend. I think he and I have had some previous opportunity to exchange thoughts on the subject, and to agree that if it is in the form of a treaty, and distinctively a treaty, it should come before the Senate for ratification. If it is a mere matter of trade arrangement, it is assumed that the power and privilege have been granted the President, who will never abuse it. On these questions, I am at great variance with some of my colleagues, and later I may further harass the Senate with a discussion in detail as to our right to pass on treaties.

Mr. TYDINGS. Mr. President——

Mr. LEWIS. I yield to the Senator from Maryland.

Mr. TYDINGS. I think the Senator from Illinois will agree that if we were so fortunate as to collect the debt in its entirety we would be morally obligated to apply it, once it had been collected, to the liquidation of the existing debt of the United States, because the money that is owed to us was largely borrowed money which we, in turn, extended to our creditors in the form of credit. Therefore, were it to come back to us we would have to take the amount paid and apply it to the national debt as a matter of correct approach. In that event, the money would not be available to finance the farm program or current expenses; it ought to be applied to the reduction of the national debt.

Mr. LEWIS. I say, then, sir, that if the money shall be paid by the debtors—and I hope it will be in such amount as will give to the word "token" great dignity and some degree of elevation and pride—that sum, sir, will go into the Treasury; the Treasury will have the right to apply it to such immediate needs as may be required; and, I take it, it would be most appropriate to utilize it in carrying out the provisions of the farm program under the pending bill. I see no reason why that should not be done.

Mr. NORRIS. Mr. President——

Mr. LEWIS. I yield to the Senator from Nebraska.

Mr. NORRIS. Regardless of what we would do with the money if we got it, there would probably be ample time for us to decide that question later on, for we have not received it up to date. [Laughter.]

Mr. LEWIS. Mr. President, I will ask the able Senator from Nebraska and my friend, of course, from Maryland, to note that if there could be returned to us what we have lately given in the way of other advances we would have rather a complete debt service of equality. The Department of Commerce sends us an estimate showing that the dividends paid during 1936 on foreign holdings of American stock amounted to $130,000,000, compared with $83,000,000 in 1935; that interest payments on American bonds held abroad were little changed from the preceding year, amounting to $22,000,000, while the income of foreigners from long-term investments totaled $30,000,000, against $25,000,000 in the previous year. So my eminent friend will see that our debtor nations are receiving very generous treatment from us. We equalize with favorable payments that which could pay us in return our interest due on the debt.

Mr. President, I come to the final point which I feel is greatly to be considered at this time as meeting the only offset that is tendered by our friends the debtors.

Mr. McKELLAR. Mr. President, before the Senator proceeds to that point, will he yield to me?

Mr. LEWIS. I yield to the Senator from Tennessee.

Mr. McKELLAR. The Senator from Illinois does not apprehend that, in making a trade agreement, any department would undertake to deal with the debt question, does he? The debt question is a matter of treaty, which this body would have to consider, as I understand.

Mr. LEWIS. The Senator raises the point that once before having been alluded to is sound and well stated. But since our honorable debtors have given notice to the world that these treaties are being made concerning trade, and in conjunction with, as I would gather, or compensation for a payment they are to make on the debts or some adjustment or recommendation looking to such, I answer the Senator that seems to be the point of their contention, and the basis only upon which they offer something touching these debts in the form of payment. We know that our officials of State or Commerce will not trade the rights of the United States to any debtor.

I say to my able friends about me that lately in Europe I was in a position to hear repeated again that which has been brought to you—that France, most artful in design, asks why should she pay; that this country owes her money extending from the days of the Revolution, when Franklin, our sponsor, and his fellow commissioner entered her country. It is said by France that the Colonies obtained a loan that went to our country. This was in the days of the Revolution. That this loan remains unpaid. England responds that States called the Southern States and certain others issued bonds at a critical time, and those bonds were circulated in the world and largely bought and are now held by the residents and citizens of England; that these are now held unpaid. I, therefore, tender to our honorable Department of State, as well as to the countries in question, a proposition. I suggest now, in view of this being the only answer these large debtors make for the purpose of an offset and some excuse for never considering our debt, that France figure the full amount of the principal of the debt she claims this country owes her out of that which came forth to us from her in the days of the Revolution. That England, then, figure the full amount of the principal of the debt that is claimed to be owing her by certain States. Then, sir, that England shall take the figure of her whole debt, and France take her whole debt, and use them as immediate offsets against the billions of dollars each owes us. Then, having paid themselves by this system, return the surplus and the remainder at once in cash to the Treasury of the United States. In this manner we have paid their debts which they claim exist, and we have no altercation with them; we have entered into no parley with them, nor play with spiritual remark of professed honor superior to others, either seeking to repudiate what is right or seeking to hold back by some form of retrading a balance on the theory of a new arrangement.

We tender them the opportunity; we ask them to state the obligation which they say is owed to them and which we are willing to accept, and then pay the remainder to the Treasury so that we may use it under the agricultural bill that is now pending, and meet the proposition the able Senator from Maryland suggests, on the one hand, and that suggested by the Senator from Nebraska on the other. Then, sirs, let this be done before any trade treaty is consummated.

Mr. BORAH. Mr. President——

Mr. LEWIS. I yield to the Senator from Idaho.

Mr. BORAH. The able Senator from Illinois does not concede, does he, that there was any part of our debt to France incurred during the American Revolution that was not paid by the United States?

Mr. LEWIS. I insist that we have proved time and time again that we have discharged that debt, and I now assume, I may say to my able friend from Idaho, that when they say there is some debt that they mean to say that there is due them a balance, from their point of view and their calculations, apart from that which the able Senator from Idaho and others around me know, by the history of our country, has been paid and discharged.

Mr. CLARK. Mr. President——

Mr. LEWIS. I yield to the Senator from Missouri.

Mr. CLARK. I ask the Senator from Illinois if it is not a fact that all the accounts between France and the United States were balanced during President Jackson's administration, when it was necessary for President Jackson to draw a sight draft for the balance, an act which almost caused war between the United States and France, France then, as now, taking it as an affront to her dignity to discuss a debt owing by her to another nation?

Mr. LEWIS. The Senator from Missouri having as author left with us, as a matter of splendid contribution, a couple of his books that cover subjects generally touching these matters, I have to say that it is claimed that President Jackson, under threat, had extorted from them at the time a form of obligation and put them in a position where they were as one met on the road by a robber and by that robber deprived of all they possessed.

Mr. CLARK. Would it not be a very fine thing to study the form by which President Jackson collected those debts and put it into effect once more?

Mr. LEWIS. Not only that, but I should like to impress on some of our debtors that the spirit of America still exists where such action can be taken and can be enforced.

Mr. President, having set forth these views, I desire to say that I do not adopt the theory that is assumed—the

Senator from Idaho [Mr. BORAH] intimates he opposes it—that a trade agreement can be entered upon by honorable officials, the Secretary of State or the President, where it takes the form of a treaty. I am not able to understand from anything we have done that there ever was an intention on the part of this honorable body to abdicate its duty on the one hand or its constitutional prerogative on the other hand to ratify treaties, and become a party to this contract before it can be executed or enforced. I therefore say if there is pending a suggestion of a treaty with those debtors by which they are to obtain these advantages from the United States which they have enjoyed so long and which they have asked to have repeated to the point where they will greatly profit, before that shall be concluded I respectfully insist that the matter of the debt be taken up and in some form disposed of, and that our Government and our capable Secretary of State, whose patriotism is ever a tribute of praise, evince before the country that before the debtors shall have the advantage accorded them that is accorded other nations which have paid their debts and treated us fairly and with fairness, we insist upon an obligation to us now either to be paid or adjusted finally and the subject disposed of. I tender that suggestion that the matter shall no longer remain as something unsettled which can continue to disturb us and distress our relations of international friendships——

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

Mr. LEWIS. I yield to our distinguished leader from Kentucky.

Mr. BARKLEY. I have not seen the article from which the Senator quoted as coming from some French newspaper claiming that decided advantages accrue to France because of a trade agreement between that country and ours. I happen to be somewhat familiar in a general way with some of the features of that trade agreement, which has been in effect for a year or more. I may say in that connection that during the negotiation of that trade agreement the question of the debt of France to the United States in no way played any part.

The Senator will recall that the object of Congress in authorizing the President to negotiate these trade agreements was not to give some advantage to some other country in respect to our trade, but to offer wider trade opportunity for American products, of course realizing that in order to obtain that wider market we must, of course, give some concession if we asked concession in the matter of a broader field of international trade.

There is no mystery about the negotiations now being carried on between this country and England. I placed in the RECORD a week or two ago a statement issued by Secretary of State Hull with respect to that matter, in which he very largely took the American people into his confidence, so far as he could, of course, not attempting to reveal the confidential conversations that transpired with respect to those agreements.

I think in view of the fact that the trade agreement with France was entered into without in any way our country making any concession with respect to the French debt, it is at least prima facie evidence of the fact that our Government will pursue the same course with respect to any agreement entered into between this country and England looking toward a mutual exchange of products that may be of some advantage to both.

I happened to be in France this past summer and I learned there was a great deal of criticism of the French Government by certain elements because the French officials had allowed the United States to obtain an advantage over France in the negotiation of this trade agreement. It is not at all impossible that the article referred to and other similar articles may have been promulgated by the French Government with a view to pacifying some criticism against itself because of the claim that the French Government had been outnegotiated by this country with respect to the results of the trade agreement referred to.

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

Mr. LEWIS. I yield to the Senator from Idaho, and shall then take the liberty of adverting to the suggestion of the Senator from Kentucky.

Mr. BORAH. I desire to ask the Senator from Kentucky [Mr. BARKLEY] if it is his opinion that the Government would have authority under the trade agreement to deal with the debt question?

Mr. BARKLEY. My categorical answer to the question is no, because, as a matter of fact, under the law by which we entered into the present settlement of the debts owing this country, it was provided that they should not be reduced or otherwise dealt with without an act of Congress. I think that precludes any such possibility.

Mr. LEWIS. Mr. President, I agree with the able Senator from Kentucky that no trade agreement made by ourselves with France or any other country had for its direct purpose the benefiting of those countries over and against us. Yet I cannot overlook the fact that in the operation, after having been promised much and to that given promise of much for us, these favored nations have availed themselves of benefits which come to them under the trade agreements, while too often they have withheld or completely denied the benefits that were supposed to come to us in the form of offsets and counter benefits in trade.

My able friend from Kentucky is also correct that there is an element in France whose position was against the administration, believing that some operations of some of these treaties had worked adversely; but if in the final end it is France that has made the suggestion that something should be done about the debts in consideration of a trade treaty being repeated and, we may say, renewed, then arises the question how far could the Secretary of State go other than to receive the figures that may be suggested and report them to Congress. I respectfully insist that neither to England nor to France has our honorable Secretary of State or the President the power to come to new conclusions upon the matter of debts, and each is of devotion and responsibility too far in performance to take any opposing course. Our honorable Secretary of State could only receive the proposal that may be made by the debtors, but it would have to be promptly sent to the Senate, so far as it has jurisdiction, and to the House of Representatives, for only Congress could adopt the proposal and authorize the execution.

If such proposals are made contingent upon first getting a trade treaty to their advantage before any part of the debt is to be paid, right there the subject ends. This country is not entering into the exchange of computations with a country that expects us to say, "If you pay your debts to us while you go into further debt, there shall be given you an advantage or given to you an opportunity to obtain money from this Government by some process which we do not now approve." We know the purpose is to obtain some loan through this land, either from the Government direct or from financiers who must get the consent of the Government to make the loan.

If these subjects are to be taken up—and the able Senator from Kentucky [Mr. BARKLEY] says there is in the RECORD an intimation of some such proposal in exchanges between Great Britain and our Government—if they find, as alleged in the public press of yesterday and today, that there have been exchanges as to the amount of the debt and the method in which that amount is to be paid—of course, we have no details—I would respectfully suggest that the officers of our Government acquaint this honorable body with detail, if it does exist, that we may likewise know it and give to them either our suggestion or our approval, or, if necessary, our condemnation.

Mr. President, I did not desire to take up so much of the time of the able Senator from Idaho [Mr. POPE], in charge of the farm-relief bill, but having to go to my city of Chicago this afternoon because of an engagement made for tomorrow, I have intruded myself at this time to express my

opinion, to inform my fellow Senators as to how I myself see the situation of the debts, debtors, and trade treaties.

Now, for one conclusion; and this ends, I trust, the necessity for my further imposing upon this honorable body and its great patience so often extended to me in the matter of these debts.

Mr. President and Senators, the time has come when this United States must confront the world as it now sees it. Everywhere is conflict, and no nation which is weak or one timid or cowardly will escape the assault. The only way in which we can be sure of protection and the assurance of security is by an announcement at every available opportunity that while we will wrong no man, we will tolerate no purposed wrong from another; that if imposition shall be attempted upon us in any form, or a trading trick, or any form of military invasion against us, this country is prepared to defend and protect itself. It seeks no conquest; it loves all peace; but we have often heard the expression as used by Disraeli in his famous telegram to Victoria, "Peace with honor." Our position is no other. We want peace with dignity. We want peace with justice and right to America.

The hour is come when we behold just around us treaties of mutual assault being made by countries which once posed as friends but now are declared enemies, and those which once were enemies in conflict now gather together as friends for new assault on opponents. I warn my eminent colleagues that we are on the eve of serious changes in government by which those of foreign lands, both in Asia and in Europe, are prepared, wherever possible, to meet any advance this United States shall offer by completely overcoming it and defeating it unless it works to their direct profit. All these take advantage of us wherever possible. The only way in which we can avoid that evil or assault is by letting them know that we express our position here and now: America demands her rights. She will not tolerate, from any, unnecessary wrong. She stands firm and strong that she may remain to American citizens that which the fathers passed to us by their sacrifices, an American country for an independent America. In the vow of the sacred Ancient speaking for his people, we speak for our people:

> Men who their duties know, but know their rights; and knowing, dare maintain.

I thank the Senate for its courtesy to me.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the bill (S. 2675) to amend certain sections of the Federal Credit Union Act approved June 26, 1934 (Public, No. 467, 73d Cong.), with an amendment, in which it requested the concurrence of the Senate.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States, submitting nominations, were communicated to the Senate by Mr. Latta, one of his secretaries.

AGRICULTURAL RELIEF

The Senate resumed consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from Idaho yield in order that I may make a statement and a request?

Mr. POPE. Yes; I yield.

Mr. THOMAS of Oklahoma. Mr. President, on page 14 and subsequent pages of the committee report on this bill will be found some language seeking to explain the effect of money and monetary management on prices. I ask unanimous consent that beginning on page 14 the rest of the committee report be inserted in the RECORD in connection with my remarks, save that on page 15 I ask that the chart be omitted, for obvious reasons, and on page 16 that the portion of the report dealing with the chart likewise be omitted.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

MONEY AND PRICES

By direction of the committee, the following statement relative to the effect of money upon farm prices and farm income is incorporated in and made a part of this report.

The farm problem is a price problem. First, the price which the farmer receives for his products, and, second, the price he has to pay for the things he has to buy.

The hearings disclose that there are two factors in the main which control the price which the farmer receives for his commodities. One of these factors is the quantity of production and the other is the fluctuation in the value of the dollar.

In order to make substantial progress in solving the farm problem both of these factors or influences on farm prices and farm income must be given consideration.

The bill herein reported has for its purpose the increasing of farm prices; hence increasing the income to the farmer.

The bill, in the main, proposes a plan for raising prices through control of production and the elimination of unnecessary and wasteful surpluses. However, the committee is of the opinion that in order to make the plan workable and practicable the price level must first be adjusted and regulated and thereafter stabilized. The dollar value controls the price level; hence to adjust and regulate such price level the dollar value must first be adjusted and regulated.

Paragraph 5 of section 8 of article I of the Constitution confers upon the Congress the exclusive power "to coin money and to regulate the value thereof."

The committee reports that the constitutional power "to coin money" has been vitalized, but that the power to regulate the value of the dollar has never been given the consideration its importance demands.

The farmer buys with the products of his farm everything he uses and consumes.

The farm dollar fluctuates the most widely; hence is the most unstable dollar any group has to contend with.

The record shows that since 1800 the value of the dollar, as measured by wholesale commodity prices, has fluctuated as follows:

In 1800 the dollar was valued in commodities at 100 cents.
In 1812 the dollar was valued in commodities at 155 cents.
In 1830 the dollar was valued in commodities at 66 cents.
In 1860 the dollar was valued in commodities at 61 cents.
In 1865 the dollar was valued in commodities at 132 cents.
In 1880 the dollar was valued in commodities at 59 cents.
In 1896 the dollar was valued in commodities at 46 cents.
In 1919 the dollar was valued in commodities at 154 cents.
In 1926 the dollar was valued in commodities at 100 cents.
In 1929 the dollar was valued in commodities at 105 cents.
In 1932 the dollar was valued in commodities at 65 cents.
In 1937 the dollar was valued in commodities at 81 cents.

* * * * * * *

The committee reports that, unless and until the dollar value is regulated and stabilized, it will be impossible to regulate production of farm commodities in any kind of a satisfactory manner.

The committee further reports that, unless and until the dollar value is adjusted and regulated and such value thereafter stabilized, it will be impossible to adjust and regulate taxes, rents, wages, and salaries.

The testimony presented to the committee was to the effect that the price level should be raised, which means that the dollar value should be reduced. Farmers in the cotton States testified that, in order to produce cotton and pay costs of production and have some profit to spend with the merchants, such cotton should sell for more than 15 cents per pound.

In the wheat States farmers testified that, to make money from raising wheat, they must get over $1 per bushel. Farmers, North and South, testified that they must have over 75 cents per bushel if corn is to be produced at a profit.

The value of the dollar controls the price level—and the price level, along with the quantity of production, controls the price of any given commodity.

As the value of the dollar and the volume of production change, prices change—unless we should have a condition where the dollar value was increasing and the volume of production was decreasing in the same proportion, so that one influence would exactly offset the other. Since March of this year we have had a rising valued dollar, causing prices to fall; and at the same time we have had overproduction of farm products, likewise causing prices to fall; and both influences have been responsible for the low prices for the 1937 farm crop.

In 1932, when the dollar value was high (167), prices were low, cotton sold for 5 cents per pound, wheat sold for 25 cents per bushel, corn sold for 15 cents, and oats sold for less than 10 cents per bushel.

In 1919, when the dollar value was low (65), prices were high, cotton sold for 40 cents per pound, wheat sold for $2.50, corn for $1.50, and other commodities brought comparable prices.

In 1896, when the dollar value was the highest in history (215), prices were the lowest, and the Bryan free-silver campaign was the result of the demand of the farmers and the producers for higher prices.

In 1933 the administration, recognizing the plight of the farmer, took steps to increase prices.

On May 7, 1933, President Roosevelt made a Nation-wide radio address, in which he said:

"The administration has the definite objective of raising commodity prices to such an extent that those who have borrowed money will, on the average, be able to repay that money in the same kind of dollar which they borrowed."

On Sunday, October 22, 1933, in a "fireside chat" the President said:

"Finally, I repeat, what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels.

* * * * * * *

"No one who knows the plain facts of our situation believes that commodity prices, especially agricultural prices, are high enough yet.

* * * * * * *

"It is the Government's policy to restore the price level first.

* * * * * * *

"I am not satisfied with either the amount or the extent of the rise.

* * * * * * *

"If we cannot do this one way we will do it another.

"Do it we will.

* * * * * * *

"When we have restored the price level we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generations."

The Congress has followed and is following the recommendations of the President in trying to secure higher prices for farm commodities.

The Committee on Agriculture and Forestry, in reporting the Agricultural Adjustment Act of 1933 to the Senate, said:

"In reporting this bill favorably we feel that we should advise the Senate that, in our opinion, the bill will not alone afford the relief which the farmer must have to enable him to survive economically.

"If we concede that the bill reported will bring about all the benefits claimed—agricultural price parity with other commodities—yet we are forced to the conclusion that such limited relief will not enable the farmers to meet their fixed charges such as taxes, interest, debts, and necessary expenses.

"We report these facts and state that no substantial relief is possible for agriculture until the policy of deflation is not only checked but reversed and a substantial sum of actual money is admitted and, if need be, forced into circulation.

"Agriculture does not demand a 50-cent dollar or an unsound dollar, but does protest the retention of a 200-cent dollar. A dollar which fluctuates in purchasing power from 50 cents in 1920 to 200 cents in 1933 is neither a sound nor an honest dollar. Dollars so scarce as to be obscure, thereby forcing into existence systems of barter, trade, and scrip, are not adequate.

"Agriculture demands that the farmer should have a 100-cent dollar; that the purchasing power of the dollar should be fixed and established at that point to serve the best interests of the people, trade, commerce, and industry, and that when such value is once fixed it should be stabilized at such value.

"We report further that no just, substantial, reliable, or permanent relief can be provided agriculture or any other industry until the money question is considered and adjusted."

Pursuant to and in harmony with the report of the committee, the Congress, in enacting the Agricultural Adjustment Act of 1933, added title II, which gave the President power to cheapen the dollar for the special purpose of raising prices. The President exercised the power conferred and devalued the gold dollar some 40 percent, and such cheapening of the dollar was reflected immediately in higher prices. All must admit that had the Congress not conferred this power, and had the President not acted, the price of cotton today would be about 4 cents per pound, wheat would be selling for some 50 cents per bushel, and other commodities would command only comparable prices.

The cheapening of the dollar was a deliberate governmental policy to raise the prices of farm commodities. The policy has worked. This administration has given the farmer the first legislative "break" in history.

Now a new question has arisen, as follows: How cheap should the dollar be made and how high should prices be raised in order to serve the best interests of our people?

While the dollar was being cheapened and prices were going up, prosperity increased and all were happy. Since last March the dollar has increased in value from $1.13 to $1.19, causing prices to fall, unemployment to increase, depression to come again, and now business of all kinds has slowed down and a new depression is threatened.

In 1926, during the era of so-called Coolidge prosperity, the dollar was valued in all commodities at 100 cents.

In 1929, when the depression came upon the country, the value of the dollar had gone up to $1.05.

Today, with much higher taxes and an almost doubled national debt, the dollar value is $1.19.

The committee is of the opinion and reports that to date we have not cheapened the dollar sufficiently to raise the price level high enough to show sufficient profits upon which taxes are paid to balance the Budget.

A high price level produces high commodity prices, high wages, high farm income, high national income, and consequently high tax income to the Treasury.

A high price level produces happiness, progress, and prosperity.

A low price level produces exactly the reverse results.

In 1919, with a high price level, we had incomes and values as follows:

National income	$69,000,000,000
Value of farm property	66,000,000,000
Value of farm income	13,000,000,000
Value of exports	8,200,000,000
Income to Treasury	6,007,000,000

In 1932, with a low price level, we had incomes and values as follows:

National income	$39,000,000,000
Value of farm property	36,000,000,000
Value of farm income	5,000,000,000
Value of exports	1,600,000,000
Income to Treasury	2,100,000,000

From the foregoing it is obvious that the price level has a controlling influence upon our domestic economy. The record shows that from 1919 to 1929 we had a price level sufficiently high to permit of the collection of taxes in sufficient sums to not only keep the Budget balanced but, in addition, to reduce the national debt in the sum of $1,000,000,000 per year.

The committee is of the opinion and reports that the price level is now too low and recommends that existing powers be used and, if necessary, new legislation be enacted for the purpose, among others, of bringing about an increase in such price level to assist the farmers in securing parity prices for their products.

In February 1935, Mr. Frank A. Vanderlip, former Assistant Secretary of the Treasury, testified as follows:

"We have already tried borrowing and spending our way to recovery. We have made numberless hopeful and well-meant experiments, aimed to bring us out of the depression. Thus far we have not emerged, nor will we—until the fatal defects of our money system have been corrected. To those defects, more than to any other cause, I attribute the depression.

"What is it we want of our currency? We want money in which we will have unshaken confidence; confidence that it will be stable in its value. We want a dollar that will, in the language of the President, 'not change its purchasing and debt-paying power during the succeeding generation.'"

And again:

"Congress should fix a permanent standard of value, not a permanent gold weight, for the dollar; so that the dollar shall always buy the same cross section of commodities measured by the price index.

"Then Congress should create an executive authority to carry out its intention. It should provide a mechanism for the management of our currency."

Gen. R. E. Wood, president of Sears, Roebuck & Co., on December 10, 1935, stated:

"In the spring of 1933 the position of American agriculture as a whole was desperate. With a farm-mortgage debt of over $8,000,000,000, heavy interest charges and heavy taxes, with the index of farm prices down to 43.6 from 104.9 in 1929, American agriculture was at the bottom of the depression. Many thousands of farmers were on the verge of bankruptcy and foreclosure action had already been taken against other thousands.

"The first remedy applied was a monetary one—we went off gold and the dollar was devalued. In 2 months cotton went from 6.35 to 8.95 cents per pound, wheat from 45 to 75 cents, corn from 24 to 46 cents, and wool from 17 to 24 cents. Precisely the same effects had been previously felt in other countries leaving the gold standard, particularly in great agricultural producing countries like Australia, the Argentine, Canada, New Zealand, and Denmark. South Africa, the greatest gold producer in the world, went off gold because the pressure caused by staying on was too great for its agriculture.

"Not enough credit has ever been given to this first and very important act of the present administration. The farm organizations had and have a far better understanding of the influence of the drastic decline of the price level, and of the influence of a fixed price of gold on that price level than the great majority of bankers and industrialists."

Mr. F. W. Pethick-Lawrence, in 1929–31, financial secretary to the British Treasury, stated:

"I am convinced * * * that unemployment as it exists today is not an economic but a monetary phenomenon; a stabilized price level with neither inflation nor deflation is the only workable solution."

Later he proposed several steps to be taken by the British Government in order to successfully carry out a new monetary policy of stabilization, one of which was:

"A declaration that the Government makes the stability of the wholesale price level the main object of its policies and does not decide to return to the gold standard at the old level."

Viscount D'Abernon, formerly a prominent banker and after the war the British Ambassador to Germany, states:

"It is too much the custom to act as though prices were born and not made—as though they were sent down by Providence independently of human action, and as if they had to be accepted like the gentle rain from heaven. Such a view is, in my judgment, a

profound mistake. The price level is determined in the main by human action and by wise or unwise decisions. A stable price level is an achievement of intelligence and not an accident of nature."

Lord Vernon, a prominent leader of the coal industry, states:

"(1) Movements to change wages and hours of labor up or down are the main cause of industrial strife.

"(2) These movements are largely due to changes in the value of money, which is expressed by the average level of prices.

"(3) Changes in the value of money further aggravate the trouble by opening out a gap between wholesale prices and the cost of living.

"(4) For these reasons it is urgently necessary that the value of money should be stabilized in the interest of industrial peace."

In May 1928, 100 prominent British leaders connected with the productive industries sent to Prime Minister Baldwin the following statement:

"We believe that a more stable system of currency credit and a means of stabilizing the price level are prerequisite to the restoration of prosperity of the great basic industries of this country. It would do far more than the expedients which the Government has been compelled to adopt."

Mr. Reginald McKenna, chairman of the world's largest bank—the Midland Bank of London—recently said:

"History has shown that, apart perhaps from wars and religious intolerance, no single factor has been more productive of misery and misfortune than the high degree of variability in the general price level. This may sound like an extravagant statement, but so far from being of the nature of a demagogic outburst it is clearly demonstrable from the course of events in various countries ever since money became an important element in the life of civilized communities. A stable price level is a thing to be desired, second only to international and domestic peace."

On March 27, 1936, Mr. Marriner S. Eccles, Chairman of the Board of Governors of the Federal Reserve System, in an address at the University of Cincinnati, is reported to have said:

"* * * The Government fiscal policy and the central bank policy, credit expansion and contraction should be coordinated. I think that within the Treasury and the Reserve System there is a real possibility of money management."

The power of the Reserve System over the value of the dollar, and hence over the price level, was emphasized by the President when, in dedicating the new Federal Reserve Building on October 20, 1937, he said:

"The Board of Governors, whose building we are dedicating today, was reconstituted by the Banking Act of 1935. To this public body Congress has entrusted broad powers which enable it to affect the volume and the cost of money, thus exerting a powerful influence upon the expansion and contraction in the flow of money through the channels of agriculture, trade, and industry. In this way much can be done toward the maintenance of more stable employment. Much can be done to aid in achieving greater stability of the true value of the dollar."

At present there are many Federal agencies possessing power to influence if not control the value of the dollar.

The President has power as follows: (a) To change the weight or gold content of the dollar; (b) to open the mints for the free coinage of silver; and (c) to have issued additional Treasury notes.

The Secretary of the Treasury has power to influence the value of the dollar through control of the stabilization fund and through the management of our silver-purchase program.

The Board of Governors of the Federal Reserve System has power to influence the value of the dollar through the many specific powers granted by law. The 12 Federal Reserve banks and their agents have power to influence the value of the dollar through their control over expansion and contraction of credit and through their joint control with the Board of Governors over open market operations.

The Federal Deposit Insurance Corporation and the Comptroller of the Currency have power to influence the value of the dollar through their policies toward the national banks and State banks in the Federal Reserve System.

CONCLUSION AND RECOMMENDATIONS

I

The price level is too low and should be raised to at least the 1926 level as shown by the Bureau of Labor Statistics.

II

The power over the value of the dollar, now divided among various agencies and departments, public and private, should be coordinated and concentrated in one Federal agency with a definite congressional mandate to such agency to properly adjust and regulate the value of the dollar and thereafter to stabilize such adjusted value.

Mr. THOMAS of Oklahoma. On some subsequent date, probably Monday, I shall take an opportunity to discuss the subject covered by this part of the committee report.

Mr. POPE. Mr. President, by reason of the wide range of questions which have been asked concerning the bill, I think it unnecessary for me to proceed section by section through the rest of the bill. I shall be glad to contribute anything I can toward answering questions concerning any of the provisions of the bill as they arise on the floor. There is, however, one point which I desire to make in connection with the bill before I conclude, and I hope I may do this within the next few minutes and thereupon abandon the floor.

A question has been raised as to the constitutionality of the referendum provision contained in the bill; or, rather, I should say, the referendum provisions which relate to all the different parts of the bill concerning the various commodities. I think there is a question as to the constitutionality of the referendum provisions of the bill, but I do not think the question is a very serious one in the light of authorities which have been collected dealing with that matter.

In the first place, I call the attention of the Senate to the fact that in the bill the Secretary of Agriculture is given authority, after conferences with the farmers, to proclaim marketing quotas. Then, before the date when they are to go into effect, a referendum will be conducted among the farmers growing the commodity. If two-thirds of those voting vote in favor of such a referendum, the proclamation will be carried out and the marketing quotas will go into effect; but if one-third or more of those voting vote against such marketing quotas, the effect of the proclamation by the Secretary is suspended.

Mr. VANDENBERG and Mr. McNARY addressed the Chair.

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

Mr. POPE. The Senator from Michigan first rose. I first yield to him.

Mr. VANDENBERG. Mr. President, just one question. I wish to inquire how a referendum is to be held. Is it to be held in mass meetings that are called for the purpose, or is a ballot to be sent to every farmer who is entitled to express himself?

Mr. POPE. There are in the bill no detailed provisions as to the mechanics of holding the referendum. There is simply a general provision that a referendum may be held and an opportunity given to all the farmers growing a certain commodity to vote upon the question.

Mr. VANDENBERG. What would be the Senator's conception of the method of holding a referendum?

Mr. POPE. I think I will yield to the Senator from Alabama [Mr. BANKHEAD], who has made a rather careful study of that subject and has some experience in the matter.

Mr. BANKHEAD. Mr. President, I will state to the Senator merely as a matter of experience that under the so-called Bankhead Cotton Act, after 1 year's trial, a referendum was held under provisions similar to this. Community meetings were held within the administrative areas, all called on the same day, and very similar to a general election. Throughout the day, from, say, 8 o'clock in the morning until 4 or 5 o'clock in the afternoon, those present were permitted to vote the ticket that was sent there. The occasion was very similar to a general election.

Mr. VANDENBERG. May I ask the Senator from Alabama how the total vote in those meetings compared with the total number of cotton farmers in the respective areas?

Mr. BANKHEAD. I have the vote here, but I have not the exact number of cotton farmers. As I recall, more than a million votes were cast.

Mr. VANDENBERG. How would that compare with the total, speaking generally?

Mr. BANKHEAD. Something like plus 50 percent.

Mr. VANDENBERG. It would seem to me that if we are going to rely upon a referendum as the base for extending this rather enormous authority to the Secretary of Agriculture, we certainly should have to protect our referendum itself against being a minority expression of the farmers engaged in producing that particular commodity. Does not the Senator agree with that statement?

Let me ask the Senator whether he thinks that two-thirds of 40 percent of the wheat farmers of the United States

should be permitted to bring all the wheat farmers of the United States under a compulsory system?

Mr. POPE. I think I would answer the Senator by saying that if all had an opportunity to vote, and 50 percent of them did not vote, I think the result might very well abide by the vote of even the 50 percent, who had enough interest and were sufficiently patriotic to go and vote. We do that constantly in bond elections and in general State and county elections.

Mr. VANDENBERG. Oh, yes.

Mr. POPE. I have seen the time when only 40 or 50 percent of the total registered vote appeared and voted.

Mr. VANDENBERG. Precisely; but those votes are taken under regular electoral conditions, and are not merely the result of mass meetings or caucuses. Assuming that only 40 percent voted, does not the Senator agree that the 60 percent that did not vote would be much more likely to be opposed than favorable? In other words, would not all the machinery of the Department of Agriculture, all the organized impulse, be behind getting out the favorable vote? And if, after all that had happened, 60 percent of the farmers had not voted, would the Senator say that was a representative result?

Mr. POPE. I differ with the Senator in his statement that those who stay home are more likely to be opposed to a proposal than to be in favor of it. My observation is that those who are opposed to something get out and vote. I have seen many votes conducted with reference to bond elections, where one-third may defeat a bond issue, and I have never seen, I think, an organized effort in opposition to a bond issue that did not succeed in defeating the bond issue. So my observation is that if the eligible voters do not take enough interest to vote, they are likely to be rather indifferent or be willing to abide by the result, whatever it is.

Mr. VANDENBERG. Passing the metaphysics, am I correct in the statement that under the terms of the bill two-thirds of a minority may vote all the farmers producing a given commodity into compulsion at the dictation of the Secretary of Agriculture?

Mr. POPE. It may be done; but the provision is, two-thirds of those voting.

Mr. McKELLAR. Mr. President, will the Senator yield to me for a question?

Mr. POPE. The Senator from Oregon [Mr. McNARY] was standing a few minutes ago. I now yield to him.

Mr. McNARY. Mr. President, I think the language of the bill particularizes how the hearings are to be held. I do not consider that we could call this a referendum. The language on page 24, commencing with line 11, is plain:

> The Secretary shall * * * hold, at a convenient place within the principal area or areas where the commodity is produced, public hearings for the purpose of ascertaining the facts with respect to the total supply of the commodity.

Here the Secretary is authorized, within the principal area or areas, to hold a public meeting.

Mr. POPE. Yes; but the Senator, of course, knows that that is different from the referendum. Public meetings are first to be held, and then a referendum, a separate thing, is next to be held.

Mr. McNARY. But the point I am making is that these hearings must be held once in a whole wheat area, and it would not be possible for the average grower to attend them on account of the distance and expense involved; and the Senator knows that a public hearing affords no opportunity for an expression of a majority of those engaged in producing any of the crops mentioned in the bill.

Mr. POPE. I do not want the Senator to misunderstand that provision. These public hearings are simply advisory to the Secretary; and if, after the public hearings, the Secretary issues his proclamation putting into effect marketing quotas, then a referendum vote will be taken on the basis of his proclamation. The public meetings to which the Senator refers are one thing, and the referendum is another thing.

Mr. McNARY. The provision for a referendum is found on page 25.

Mr. McGILL. Mr. President, will the Senator from Idaho yield?

Mr. POPE. I yield.

Mr. McGILL. The purpose of the hearings referred to on page 24, to be held by the Secretary at convenient places in the principal areas, is to determine the total supply of the commodity, and to determine whether is will exceed the normal supply, for the purpose of ascertaining whether or not there are facts on which to base a marketing quota. As a matter of fact, the Secretary could determine that fact in his office here in Washington, from the public records.

Mr. McKELLAR. Mr. President, I desire to ask the Senator from Alabama a question. There was a referendum among the cotton farmers under a law which bore the Senator's name. Were there any criticisms of that referendum, or were the results accepted as the views of the farmers after the referendum had been held under a provision similar to that we are now considering?

Mr. BANKHEAD. So far as I have heard, there was never any criticism. The result was generally accepted as an expression of the sentiment of the farmers.

Mr. McKELLAR. The Senator has the figures. I hope he will give them.

Mr. BANKHEAD. The total vote for the continuance of the act for another year was 1,361,418; opposed, 160,536. The total votes cast amounted to 1,521,954. The percentage in favor of the continuance of the act was 89.5 percent.

Mr. McKELLAR. And there was no criticism of the results of that vote?

Mr. BANKHEAD. I have heard of none anywhere.

Mr. VANDENBERG. The figures of the Senator are very illuminating. Will he add a figure suggesting the total number who would have voted if all had voted who were eligible?

Mr. BANKHEAD. It is difficult to state how many cotton farmers there are. I called the Bureau of the Census this morning to get a statement of the number of cotton farmers, in order to ascertain the average return from the year's cotton crop. They replied that they had no such figures. They have figures of the number of farmers in the cotton-producing States, but not figures as to the number of cotton farmers. It is my understanding that 2,300,000 applications for allotments under the Bankhead Cotton Act were filed. If that is true, about 55 percent of the total number who applied voted. Whether those applications included a number in the same family or not I do not know. I simply give the Senator all the information I have. I think I may say to him, however, that it is very doubtful whether there was ever such a proportion as this attending any election in the Southern States within the last 20 years.

Mr. BYRNES. Mr. President, in South Carolina the number voting among those who made applications for allotments was nearer 60 percent than 55 percent, and I heard no criticism of the manner in which the referendum was conducted. I was amazed at the unanimity of the farmers. I think about 90 percent of those voting were in favor of the continuance of the act.

Mr. VANDENBERG. Mr. President, will the Senator from Idaho indicate to me the section of the bill which defines the referendum and the method of holding it?

Mr. POPE. It is found on page 25, subsection (c).

In order that I may conclude, I think I will ask that I be not interrupted until I finish my brief statement with reference to the constitutionality of this form of referendum.

Mr. McNARY. Mr. President, I shall observe the pleasure and wish of the Senator, but I purpose suggesting an amendment when he finishes the statement, on page 19, and one on page 20, so I will ask the Senator to be kind enough to go back to the text when he concludes the argument.

Mr. POPE. Very well. I stated as clearly as I could the sort of referendum provided in the bill. It will be noted that there is no original creative act involved in the referendum. The Congress does not delegate to the people or to a majority of the people power to initiate marketing quotas. That power is given to the Secretary of Agriculture, who in effect is to obtain the advice of the growers

of the commodities before his proclamations shall go into effect.

Bearing that in mind, I wish to call attention to a few of the cases which I think make the distinction.

It may be well at the outset to point out that the principle involved in the referendum provision of the proposed legislation must not be confused with that frowned upon by the Supreme Court in the case of *Carter* v. *Carter Coal Co. et al.* (298 U. S. 328). The Bituminous Coal Conservation Act of 1935, involved in that case, without prescribing any term or condition respecting the same, sought to empower a given percentage of the producers and miners of coal within a certain area to fix wages and hours of labor to be applicable throughout the area. The will of a stated majority was imposed upon a dissentient minority, which resulted in "legislative delegation in its most obnoxious form." The distinction in this respect between the Bituminous Coal Conservation Act and the provision proposed here would seem to lie in the fact that under the former power was delegated to the industry to make the law, while in the latter there is only reserved to those affected the right, by a negative one-third vote, to have a regulation which would otherwise become effective made ineffective. The Chief Justice, in his separate opinion rendered in the Carter case, recognizes the principle proposed to be employed here, saying that "legislation which becomes effective on the happening of a specified event" was not analogous to the type of legislation before the Court in the Carter case.

There is voluminous authority for the holding that the legislative body cannot delegate the power to make the law, but may make a law delegating a power to determine some fact or state of things upon which the operation of the law depends (*Field* v. *Clark*, 143 U. S. 649; *Butterfield* v. *Stranahan*, 192 U. S. 470; *Hampton, Jr., & Co.* v. *United States*, 276 U. S. 394). The principle that the legislature cannot abdicate its general legislative power, but that it can provide that a statute shall become effective upon the happening of a contingency, the determination of which is left to some other person or body, is generally recognized, but in the application of the principle there has been the widest divergence. Actually it is difficult to see any difference in principle between an act which is to take effect only when approved by a majority vote in a given district (*Santo* v. *State*, 2 Cole, 165 (Iowa, 1855)); one which is to be void unless so approved (*Corning* v. *Green*, 23 Barb. 33 (N. Y. Sup. Ct. 1856)); one which may be repealed by popular vote (*State* v. *Copeland*, 3 R. I. 33 (1854)); and one in respect of which the time of going into effect may be accelerated or postponed at the will of the people (*People* v. *Collins*, 3 Mich. 343). The courts have, however, attempted to base distinctions on these variations in form (14 Cornell L. Quarterly, 168).

The proposed provision delegates no creative power. It presents only the question of whether a regulation may become effective unless one-third of those voting are opposed to the regulation. The question of whether the contingency or event upon which the effectiveness of legislation depends can be a vote of those subject thereto has never been decided by the Supreme Court in relation to a Federal statute, but the remarks of the Court in the case of *Hampton, Jr., Co.* v. *United States* (276 U. S. 394, 407) are pertinent.

This is what the Supreme Court said in that case. Observe how closely it applies to provisions such as those contained in the bill before us.

> Congress may feel itself unable conveniently to determine exactly when its exercise of the legislative power should become effective, because dependent on future conditions, and it may leave the determination of such time to the decision of an executive, or, as often happens in matters of State legislation, it may be left to a popular vote of the residents of a district to be affected by the legislation. While in a sense one may say that such residents are exercising legislative power, it is not an exact statement, because the power has already been exercised legislatively by the body vested with that power under the Constitution, the condition of its legislation going into effect being made dependent by the legislature on the expression of the voters of a certain district.

The principle here proposed is analogous to the local-option laws, which have now become generally recognized as constituting a valid delegation of power. I read from a decision on that point:

> The local-option feature of the statute does not delegate to the counties the power to declare what the law shall be or how it shall operate when it becomes effective, but it enables the counties, respectively, to determine by an election whether certain provisions of a complete statute shall become operative in the particular counties. This is not an unconstitutional delegation of lawmaking powers (*Whitaker* v. *Parsons*, 86 So. 247; *Rippey* v. *Texas*, 193 U. S. 504; *Comm.* v. *Bennett*, 108 Mass. 270; *Cheyney* v. *Sammons*, 57 So. 196; *City of Spokane* v. *Camp*, 76 Pac. 770; *Florida* v. *Atlantic Coast Line Ry. Co.*, 47 So. 969).

The many cases involving local-option laws and zoning ordinances emphasize the fact that the contingency or event upon which making the law effective depends may be the approval of persons immediately interested. A leading case in support of this view is *Cusack Co.* v. *City of Chicago* (242 U. S. 526), which involved a city ordinance making it unlawful to erect any billboard in a certain district without first obtaining the consent of a given percentage of adjacent property owners. The ordinance was held valid, and in so holding the court distinguished the case of *Eubank* v. *Richmond* (226 U. S. 137), on the ground that the action taken by the people there involved discretion as to what the law should contain. The Eubank case is analogous to the Carter case, heretofore cited, in which the Commission was to become merely "the automatic register" of the action of miners and producers.

I ask unanimous consent to have printed in the RECORD at this point, as part of my remarks, decisions in certain other cases decided along the same line.

The PRESIDING OFFICER (Mr. BURKE in the chair). Without objection, it is so ordered.

The decisions are as follows:

> An act of the State of California providing for the creation of cooperative irrigation districts by petition and the voting of landowners, which districts, when so created, should have a designated form with prescribed powers, including the power to make assessments, was held not to constitute an invalid delegation of power (*Fallbrook Irrigation District* v. *Bradley*, 164 U. S. 112; *Roberts* v. *Richland Irrigation District*, 289 U. S. 75; *Judith Basin Irrigation District* v. *Wolcott*, 73 F. (2d) 146). It is competent for the legislature to enact a law complete in itself to take effect of its own force upon the happening of a contingency. The provisions of an act that a law take effect upon the casting of a designated affirmative vote provided for in the act is to make the act complete in itself, effective upon the happening of the stated contingency. This contingency is the affirmative vote and there can be no valid objection to such selection by the law as the basis upon which the complete terms of the act are to operate.
>
> The Agricultural Adjustment Act contains a referendum provision much like that proposed here. There the Secretary is required, upon determining certain facts, to issue an order which is to become effective upon a showing by the Secretary that a given percentage of a designated group of handlers or producers approved or favored such issuance. The effectiveness of the order may be dependent upon a vote of those who, while they may be affected, are not directly subject thereto.

Mr. POPE. I shall conclude my discussion by referring to the case of United States against Edwards, decided July 22, 1937, by the Circuit Court of Appeals for the Ninth Circuit, which held the producer-approval provisions of the Agricultural Adjustment Act valid in the following language—and I call the attention of the Senate to the fact that essentially the same provision with reference to obtaining the approval of the growers and producers found in the Agricultural Adjustment Act is now being used in many parts of the country:

> The fact that if the findings satisfy the statutory requirements for the regulation the order "shall become effective" only on the making of the marketing agreement and consent of the growers confers merely the power of negation and not of creation on the shippers. * * *
>
> We think it clear that there is no delegation of legislative authority to private individuals effected by the provisions of the act which are assailed here. It is the Secretary who makes the decisions and issues the orders, not the growers or handlers whose approval he must have.
>
> We, therefore, conclude that the act before us contains no delegation of legislative authority, either to the Secretary or to private individuals.

It is true that that is a decision of the circuit court of appeals and has not yet been passed upon by the Supreme

Court of the United States; but, in the light of such authority as we have in the way of dictum, I will say, from the Supreme Court, it seems to me the decision is well-founded.

Finally, I want to conclude my remarks with a statement from Mr. Justice Holmes on this point, made in a dissenting opinion while he was an associate justice of the highest court of Massachusetts. He then made the following statement, which is applicable to this question:

> But the question, put in a form to raise the fewest technical objections, is whether an act of the legislature is made unconstitutional by a provision that, if rejected by the people, it shall not go into effect. If it does go into effect, it does so by the express enactment of the representative body. I see no evidence in the instrument that this question ever occurred to the framers of the Constitution. It is but a short step further to say that the Constitution does not forbid such a law. I agree that the discretion of the legislature is intended to be exercised. I agree that confidence is put in it as an agent. But I think that so much confidence is put in it that it is allowed to exercise its discretion by taking the opinion of its principal, if it thinks that course to be wise.

That case was decided in One Hundred and Sixtieth Massachusetts Reports, page 594.

I wanted to give to the Senate the authorities on the question of the constitutionality of a referendum provision such as that set out in the bill. At the time the provision was put into the bill, consideration was given to that very point; and I believe the authorities uphold this sort of a provision as being within the power of the Congress to enact.

Mr. President, I promised the Senator from Oregon [Mr. McNARY] to yield to him for a moment with reference to some proposed amendment.

Mr. AUSTIN. Mr. President, will the Senator yield to me at this time?

Mr. POPE. I yield to the Senator from Vermont.

Mr. AUSTIN. Before we get onto other grounds, while this matter is fresh, I wish to ask a question, and that is whether the Senator from Idaho treats alike the two types of questions comprehended in these referenda. I consider that they differ essentially. I desire to know whether the Senator considers that they are equally within the Constitution and without the prohibition against the delegation of legislation. Namely, in the referendum relating to corn, for the establishment of a quota for corn, the provision is that if more than one-third of the farmers voting in the referendum oppose such a quota for the commodity, and the proclamation should follow that, thereupon—

> Surplus-reserve loans shall not be available thereafter with respect to the commodity during the period from the date of such proclamation until the beginning of the second succeeding marketing year.

That type of provision appears on page 26 of this draft of the bill.

Mr. POPE. Let me say to the Senator that I think that is purely incidental to the question we have been discussing. It merely says that if marketing quotas do not go into effect, and the commodity is not to be stored, then loans will not be made, which is merely incidental to the question we are discussing as to a referendum.

Mr. AUSTIN. Where is the language in the corn part of the bill that the Senator now refers to as being discussed?

Mr. POPE. I may say at this point that I have not attempted to cover the cotton part of the bill or the other parts. I found it was quite a large enough task to deal with this part of the bill. The Senator wants to know where the provision is?

Mr. AUSTIN. Yes; where is it? As I understand, we have two different types of referendum here.

Mr. POPE. On page 25 is the provision relating to corn and wheat, I think.

Mr. AUSTIN. That is exactly the provision I am referring to. Mr. President, the other type which I find in this bill appears on page 34. There it is provided that following the referendum and the proclamation of the result thereof, the quota itself shall not become effective. There is this difference between the two things, is there not—that in the one case you submit to the people, not the legislation itself but only the time when it shall go into operation? In the other case you submit to the people by referendum the legislation itself, and let them say whether it shall go into operation at all.

My question is, Does not the Senator recognize an essential difference there, and that if the latter method is used the people can strike the legislation itself out of operation?

Mr. POPE. I must confess to the Senator that I have not discussed the cotton provisions relating to a referendum. I have confined my remarks entirely to the provisions relating to corn and wheat referendums. I am sorry to say that I have not had the time to study them and to make the comparison which the Senator now invites. At a later time, when I shall have studied the provisions as to the other commodities, I shall be glad to give the Senator my opinion, if he thinks it of any value.

Mr. AUSTIN. I do regard the opinion of the Senator from Idaho as of value. I will lay aside the cotton element of the bill and confine my question solely to the corn element. I ask the Senator if he now knows where to find the other provision relating to the referendum, if there is any, in the part of the bill relating to corn.

Mr. POPE. There is no other. Corn and wheat are now together in the bill, and the referendum relating to them is to be found on page 25.

Mr. AUSTIN. Very well. Will the Senator permit one further question which relates to the practical operation of a referendum? Is it a correct interpretation of the provision on page 25 that there is only the limited time of 15 days in which to take this referendum?

Mr. POPE. The time is specified here. I think the Senator is correct.

Mr. AUSTIN. Does the Senator think that it is possible to take such a referendum within that time?

Mr. POPE. I think it is entirely possible. I think it would be better if we had a longer period of time; but by reason of the fact that the crop estimates come in on the first of the month—I am referring particularly to corn, as to which the marketing year begins on July 1, and I think it is early in May when the crop estimates are published—the Secretary, it was thought, would wait until those are available, and then, if it appeared that there would be a large crop, as appeared this year, he would call together the farmers in an advisory way and proceed with the referendum. I admit the time is rather short, and that is one of the difficulties we found in drafting the bill, particularly this provision, because of the shortage of time; but due to the facts that existed, it seemed that was the best we could do.

Mr. AUSTIN. Did the committee take any evidence tending to show what percentage of those qualified would probably vote as based on the experience heretofore had?

Mr. POPE. There was very little testimony with respect to that; only the opinion here and there of a farmer who thought the number would be small or the number would be large. There was no real evidence other than suggestions of that kind.

Mr. AUSTIN. The committee had no case history of referenda?

Mr. POPE. No; that is correct.

Mr. PEPPER. Mr. President——

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

Mr. POPE. I yield to the Senator from Florida.

Mr. PEPPER. I wish to have made clear a few things, if I may. As I observe in the bill, the commodities which are included within the bill are cotton, wheat, corn, tobacco, rice, and no other commodity.

Mr. POPE. That is correct.

Mr. PEPPER. May I ask why the list of commodities included was restricted to that number?

Mr. POPE. In the first place, I understand the farmers, who met with the Secretary of Agriculture, as I have already indicated, thought it was wise to limit this bill to

those commodities of which we export a considerable amount. With reference to corn, the Senator knows very little actual corn is exported, but the exported product is largely in the form of hogs and hog products. But it was thought there were certain differences existing between those commodities which were produced for domestic consumption primarily and those which were exported.

Then, another consideration was that these commodities covered by the bill would be subject to an ever-normal-granary provision or ever-normal-storage provision. Wheat can be stored; corn can be stored; tobacco and rice can be stored, as well as cotton. They lend themselves to the storage feature of the proposal.

Constantly the question was raised as we went over the country, Why not apply this to fruits, dairy products, and various other commodities? One obvious answer was that they are perishable or semiperishable, and would not lend themselves to this type of legislation providing for an ever-normal granary and marketing quotas involving storage.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. PEPPER. Should the bill be adapted to the circumstances or the circumstances to the bill? In other words, I am wondering if logically the first consideration should not be given to the protection of those crops which are the least susceptible to storage, and, therefore, the most vulnerable to a violently fluctuating market?

Mr. POPE. I will answer the Senator in this way: The Senator from Washington the other day made the suggestion that not all farm legislation can be taken care of in one measure. There may be a number of measures designed to reach different features that ought to be cared for by farm legislation. This particular type of legislation, the ever-normal granary and the marketing quota type, seems to be adapted to the commodities which are included in the bill.

The marketing act adapts itself rather well to milk, citrus fruits in Florida and California, and other products in some localities. That type of legislation is adapted to such perishable commodities. Therefore, it was thought by the committee that since the ever-normal granary and marketing quota type of legislation should be covered in this bill it should be limited to those commodities to which, as a matter of fact, it would apply.

Let me say one other thing, for I should like to have the Senator understand the point; he did not seem to appreciate it in the questions asked a day or two ago. He and all others will recognize two primary hazards to the farmer. First, is the hazard to his price—fluctuations up and down which will destroy him. The other is the hazard to his yield.

The individual farmer may be ruined by the loss of his crop whatever the price may be. Therefore, we should deal with those two hazards. It is not quite true to say one approach is more fundamental than the other, for they are both fundamental to the interest of the farmer. So the crop-insurance program to protect the farmer in his yield was in the mind not only of the members of our committee but of the farmers throughout the country. That distinction has been pursued.

This proposed legislation is not designed at all to deal with the matter of yield hazards. It is designed to deal with the matter of fluctuation in prices. So again the Senator can see how the picture of the different types of legislation to deal with the different problems of the farmers comes into view.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. PEPPER. Is not the tragic phase of it, though, will not the Senator admit, the fact that this is to the people of the United States the farm bill of the United States Congress, and if we do not deal with these subjects in this bill, so far as I know, there is not any legislation in prospect to deal with them?

Mr. POPE. I will say to the Senator that the Committee on Agriculture and Forestry seriously considered the matter of attaching to this bill our crop-insurance bill in order that we might deal with both those hazards to the farmer, but there was in our mind the question whether or not it was good practice to legislate in that way. The Senate has passed the crop-insurance bill and it is now over in the other House, there calmly, peacefully reposing, awaiting the good time of the Members of that House. Whether we shall attach to this bill a bill which has already passed this body and is now pending before the House of Representatives might raise the question as to whether or not that was desirable legislative procedure.

Mr. PEPPER. Is it not possible, in the Senator's opinion, that the House may have declined to consider the wheat crop insurance bill for the very reason that only one crop was included within the protection of that bill, and that if we were to submit to the House a crop-insurance bill which applied to all the substantial crops of the country the House would take a considerably more friendly attitude toward that very vital piece of legislation?

Mr. POPE. I think perhaps there is some force in the statement the Senator has made, but the fact is that every Member of the House, so far as I know, was assured of our interest in insuring his particular commodity as soon as the data were available and an appropriate plan could be worked out to deal with the problem. The fact is that we have information and data only as to wheat. Therefore I am not convinced that the Members of the other body are holding up that bill over there, which I may say that probably more farmers in the United States want than any other type of legislation. I wish the Members of that House could hear the voice of farmers of this country demanding some protection against the hazard with regard to their yield.

Mr. PEPPER. I am emphasizing this point because I know the Senator from Idaho and I are as one on the question of crop insurance. If I may so indicate to the Senator, I cannot escape the individual feeling, humbly as I submit it, that we have not approached this matter in the first place from the fundamental point of view. I fear that logically we are put in a bad situation, for this reason: We admit that the hazards to which the farmer is primarily subject are the hazards of the yield, the hazards of Nature, and the hazards of the market to which the Senator has just adverted. If that be true, then, in the logical course of things, we should first give consideration to those commodities which are primarily subjected to those hazards. That would lead us to the conclusion that the first commodities to be included in this bill should be those crops which come in that category. But the truth is that we have taken just the contrary course and left them out. In other words, we put in the more staple commodities, subject to less fluctuation in market and to fewer hazards of Nature, and have excluded the commodities which are more subject to natural hazards and to fluctuations of the market. Can we justify ourselves at a special session of Congress, devoted to dealing with the farm problem, not an ever-normal-granary plan or any other particular plan, but to deal fundamentally with the question of agriculture, if we do not so deal with it? Is not that what the people of the country are expecting us to deal with, and are we not going to disabuse their minds and the faith they now entertain if we do not approach it fundamentally in the very beginning?

Mr. POPE. I think the Senator is overlooking the fact that marketing agreements, which provide the same kind of relief so far as controlling surpluses and controlling production if need be, are already authorized by law. For instance, in the Connecticut Valley a group of several hundred farmers are producing a particular type of tobacco. They were in a state of chaos until a very few years ago. Now, under a marketing agreement authorized by the old Agricultural Adjustment Act, they are able to control their production, control their marketing, even control their prices, to the point where one tobacco grower after another came before

our committee when we were holding hearings in New York City saying, "We simply want to express our appreciation of the fact that we are able to get along now and make a living."

That applied to tobacco in the Connecticut Valley. We had evidence that the same sort of thing might apply to citrus fruit in California or the growing of fruit or the growing of vegetables in other sections. They could all be controlled largely by the marketing agreements already authorized. They do not contain provisions for an ever-normal granary, but they do contain provisions regulating and controlling their marketing and controlling their production. I would invite the Senator's attention to those marketing agreements which are available to his people and apply to smaller industries and smaller areas in their operation.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. POPE. I yield.

Mr. PEPPER. Of course, the Senator will appreciate the embarrassment of a Senator from a State like Florida, which has most of its commodities in the fruit and vegetable class, trying to explain to his people that a bill which purports to deal fundamentally with the problem of agriculture has rice in it, which is twenty-fourth in the list of commodities in quantity of dollar value in the United States, and does not have vegetables in it, which are part of a three-quarter of a billion-dollar crop every year, and taking money out of the Federal Treasury to buttress the rice producer and neglecting the vegetable and fruit producer.

Mr. POPE. With reference to rice and tobacco, only the soil-conservation payments will be made. The same is true as to any other commodity which is grown in the Senator's State or any other State. Therefore, so far as benefits are concerned, the fruits in his State will be entitled to the same benefits as rice and tobacco.

The three major commodities, cotton, corn, and wheat, are promised parity payment; but unless the money is made available by the Congress to carry out fully those payments, my judgment is that those three major commodities will receive no more in the way of benefits than any other crop mentioned in the bill or any other crops in the United States. However, the importance of the proposed legislation is that the growers of those major commodities are enabled to control their marketing and control their production so that they will have the hope of getting parity of price for their commodities and doing what the tobacco growers of the Connecticut Valley have done in the past under marketing agreements.

Mr. PEPPER. Would not the marketing agreement be applicable or available to the producers of cotton and corn and wheat without the enactment of this bill?

Mr. POPE. Probably not, because the wheat growers and corn growers and cotton growers are so widely scattered that it would be exceedingly difficult to get them all to sign an agreement even if they could reach an agreement. Therefore, it is thought the marketing agreement provision applies more specifically to smaller groups who can get together, or at least their leaders can get together, and perhaps have a mass meeting where they can be present and talk over the question. Out of 3,000 counties in the United States, 2,600 grow wheat. Therefore the wheat growers are so widely scattered that it would be almost impossible for them to operate under a marketing agreement.

Mr. PEPPER. Would not the Senator think the same thing is true with respect to vegetable producers? Are not they so numerous in number that a marketing agreement is almost inapplicable to them?

Mr. POPE. I recall that certain advantages appeared in the marketing agreements in dealing with citrus fruits in California and citrus fruits in Florida. The marketing agreements may not be wholly applicable and would not meet all the ills of those growers of commodities, yet they have been of considerable advantage and in some places have worked out to the very great advantage of the grower.

Mr. PEPPER. Am I to understand the Senator to contend that the rice growers, who are included in this bill, have no advantages with respect to marketing agreements over the vegetable growers, who are not included in the bill?

Mr. POPE. They have no advantages by way of benefit payments. The rice growers will get their soil-conservation payments just as the Senator's fruit growers will get soil-conservation payments. The same thing is true of the tobacco growers. Tobacco and rice were taken out of the important provisions of the bill and will not receive parity payments. The tobacco and rice growers are contenting themselves with soil-conservation payments.

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

Mr. POPE. Certainly.

Mr. McNARY. If that statement be true, why did the Senator include them in the bill?

Mr. POPE. Because they desired to be included. They wanted the advantage of controlling their production and controlling their marketing, which is quite a distinct advantage, in order to obtain a better price.

Mr. McNARY. If there are advantages in the bill for the rice and tobacco growers, who are not referred to in the soil-conservation program, why are they not applicable to vegetables?

Mr. POPE. I have already pointed out to the Senator from Florida that the smaller crops have advantages under marketing agreements which the growers of the larger crops do not really possess.

Mr. PEPPER. Mr. President, will the Senator from Idaho yield further?

Mr. POPE. Certainly.

Mr. PEPPER. The Senator stated, I believe, that he has not yet available the facts and statistics upon which crop-insurance laws could be written for commodities other than wheat, because to proceed upon that indefinite and inadequate basis would be an experiment on the part of the Government.

Mr. POPE. Exactly.

Mr. PEPPER. Is it not a fact that somebody, either the farmers or the Government, is going to have to run the risk of that experiment? Has not the disaster following the experiments with the farmers in the past justified us in shifting, for a little while at least, the responsibility and risk of the experiment to the shoulders of the whole number rather than that particular few?

Mr. SCHWELLENBACH. Mr. President, will the Senator from Idaho yield on that point?

Mr. POPE. Certainly.

Mr. SCHWELLENBACH. I should like to explain to the Senator from Florida that it is not merely a matter of running the risk of a loss through the payment of indemnity. The matter of crop insurance is a singularly difficult problem. The hearings we held last January and February indicated that enterprises for crop insurance had been carried on by private insurance companies, but the efforts of private insurance companies to carry out a program of crop insurance proved a failure for the reason that the companies did not have sufficient capital and did not cover a sufficient portion of the United States.

It was the feeling of our committee that we should take the crop-insurance theory and work it out with one crop, with the idea of perfecting it, with the idea that if it was going to be successful at all it would be successful with one crop, while it might fail entirely and might cause the abandonment of the principle if we spread it over too large a field. It is not merely a matter of bearing the risk or the amount of money it would cost. The chief risk in having a crop-insurance law which would cover a large number of commodities was that, not having the experience, not having the data, not knowing exactly how the thing would operate, there would be a much greater risk of failure of the plan, and then after it had failed it would be abandoned

and we would never have crop insurance either for wheat or any other commodity.

I do not think it would be an intelligent approach to this legislation to try to cover all products or commodities under a crop-insurance law until after the wheat plan has been tried out and we have had some experience to know how to operate it. I think the farmers who produce their commodities will be much better off ultimately if we can make a success of this one commodity and then take on the other commodities as the result of the experience we have had with wheat.

Mr. PEPPER. Mr. President, if the Senator from Washington will permit me to ask him a question, how long does the Senator anticipate it is going to take to indicate to the country that crop insurance is a good policy by experimenting with wheat? How many years ahead may we look forward to a program of crop insurance generally?

Mr. SCHWELLENBACH. If we do not make any more progress than we have made during the past year, of course, my answer would have to be very indefinite. I do not think it should take such a very long period of time. As for the matter of setting up the machinery, I should say that a year or not more than 2 years of experience with one would show us how to operate that sort of business; and after that, assuming that it is successful, we should be perfectly safe in adding other commodities.

Mr. PEPPER. Just one more question. I will ask the Senator from Washington if we do not come back to the choice I indicated a moment ago? Either the farmers have to take the risk of the hazards of Nature or the Government has to take it. Somebody has to take the risk.

Mr. SCHWELLENBACH. I thought I made myself clear that when we talk about risks there are two kinds of risks: One the risk of losing some money; the other the risk of having a failure of the whole proposal and forcing its abandonment and depriving the farmers in the future of the privilege and opportunity of protection of crop insurance. The Senator knows that if we should have a crop-insurance bill and it should be a complete failure, not because it was fundamentally wrong, not because it was unsound, but because of the fact that we rushed in too fast with it and did not know how to operate it, and we should be compelled to abandon it, it would be a long, long time before the Congress would ever write another crop-insurance law.

Mr. PEPPER. Mr. President, I am not so sure that the Congress is deserting the experimental process; that it will quit the first time it has a temporary failure. I do not think we are so unstable in our approach to the problem as to do that.

Would it not be possible for somebody to find out on an average about how many times the potato crop fails in various sections of the country on account of weather conditions? Is it going to take 2 years to get statistics of that sort? Can we not figure, then, that on an average the potato growers of this country have lost a crop once every 5 years, we will say; and can we not figure what is the average value of the potato crop; and can we not divide the proportion of the loss which the Government should pay and the proportion which the farmer should pay when losses occur; and upon such statistics as those can we not write at least a measure that has in it something more than a mere guess and speculation as a crop-insurance proposal? That is to say, the farmer will pay a part of the premium, and a part of it the Government will guarantee. If we do not estimate quite accurately enough, and the Government has to pay in the earlier years a larger share than it will eventually pay when we learn more about the data, can we not then correct the legislation so as to minimize the percentage of loss on the part of the Government? But are we ever going to have a crop-insurance bill unless we start now, when we are here for the purpose of dealing with agriculture?

Mr. COPELAND. Mr. President——

Mr. POPE. Mr. President, I desire to conclude in just a moment.

Mr. COPELAND. I wish to ask a question of the Senator with his permission.

In my State and section of the country we have dairy farms and poultry farms. Is there in this bill anything which would interfere with planting acreage of wheat and corn to be used for feeding animals—cattle for milk and poultry for eggs?

Mr. POPE. Simply this provision: A definition of "producing for market" is to be found in the bill. That definition is, in substance, that whenever commodities are grown by the farmer or a member of his family for the use of stock regularly kept on the place that is not producing for market. It might be construed that if a man raises corn and feeds it to hogs, and the hogs are sold, he is producing for market. In fact, I think it would be so construed. Just how far that would go, I do not know. I am not sure whether or not it would go as far as dairying and poultry. I should have to look further into that matter.

Mr. COPELAND. Of course, Mr. President, those of us who represent sections like mine would be quite unwilling to have anything put in the bill or left out of it which could bear upon this important matter in such a way as to interfere with the industries I have mentioned. I realize that if corn were used to fatten hogs, and they were sold to market, there would be a restriction there; but take the case of the dairy farmer, for example: He has a farm of a fixed size, which he has had, perhaps, for a generation. He has been in the habit of raising such grain as he needed for feeding his animals. His industry, the business in which he is engaged, is developing milk for the market. If his acreage is to be reduced in proportion to the acreage elsewhere, it would be a fatal blow to carrying on the dairy industry; and the same thing is true of the poultry industry.

Mr. POPE. My attention has been called to the provision of the bill at the top of page 72, which indicates quite clearly that the marketing of poultry or other livestock would place one in the position of a producer for market; but I think in almost every case the other exemption provisions—300 bushels of corn and 100 bushels of wheat for the farmer—would protect such a producer.

Mr. COPELAND. No, Mr. President; I am sorry I cannot agree with the Senator about that. Suppose a dairy farmer had 20 or 30 or even 50 cows: He could not get along with any such limited amount of grain as the Senator suggests; and I venture to say that the Senator would not resist an amendment which might be offered to give protection in this particular field.

Mr. POPE. I shall be very glad to confer with the Senator about that, and to consider any amendment he may offer.

Mr. COPELAND. But the status of the thing, as I see it, is that unless there should be such an amendment, in all human probability a restriction would be placed upon the acreage planted by the dairy or poultry farmer in order that there might be general protection of that particular crop, or one of those crops, throughout the country.

Mr. POPE. I shall be glad to confer with the Senator about the matter.

Mr. McKELLAR. Mr. President, if the Senator from Idaho will yield, that would apply to poultry, too.

Mr. COPELAND. I so stated.

Mr. McKELLAR. I did not understand the Senator. That would apply to poultry as well as to dairying.

Mr. POPE. Mr. President, in conclusion let me say that the bill now before the Senate is, of course, not perfect. Nobody contends that it is perfect. It may not be the best bill that could be prepared; but it is a sincere effort, made by a considerable number of farmers, representatives of the Department of Agriculture, and the Senator from Kansas [Mr. McGILL] and myself, with the advice of the Committee on Agriculture and Forestry, to approach a solution of the problem of surpluses.

It seemed to us that in the West and Middle West and North the farmers were not ready to submit the compulsory control of production and marketing. It seemed to us that a majority of them desired to operate along the line of this

bill. Their position seemed to be, "Try out your voluntary program and, if that does not work, then have a compulsory provision after the farmers themselves have voted."

I do not know of anything that is more democratic than an expression of the people themselves. A referendum of the farmers in which they themselves decide to impose certain restrictions upon themselves is to me very persuasive as a method of procedure. Therefore, this sort of a bill was worked out.

With reference to cotton, tobacco, and rice, the Senators who represent the sections in which those commodities are produced, after conducting hearings throughout the South, have prepared the amendments to this bill which appear in it. I, for one, felt disposed to yield to those Senators, who know the sentiment of their people, and who know the problems of their section. So you have before you the bill. We hope it may be the basis of something constructive and helpful to the farmer. I think we are now convinced that the welfare of the farmer is absolutely essential to the welfare of all the people of the country.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. POPE. I should prefer to conclude, unless the Senator desires to ask me a question.

Mr. O'MAHONEY. Before the Senator concludes, I desire to ask him a question.

Mr. POPE. Since agriculture is so vital, since a diminution in the returns to the farmer has such a profound effect upon our entire economic system, it seemed to me that Congress would not be doing its duty unless it made an effort to control the surpluses which are produced in these major commodities, which surpluses we believe have the effect of destroying the price of the commodities to the farmer.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I judged from what the Senator was saying that he was about to conclude his statement.

Mr. POPE. That is correct.

Mr. O'MAHONEY. I may say that I think the Senator has covered the subject matter in a very effective way in spite of innumerable interruptions which have made it very difficult for him. I had hoped that perhaps he might have a half hour without any interruption whatsoever to discuss the bill section by section; but perhaps it would be asking too much to ask him to do that now.

Before he takes his seat, however, I wish the Senator would discuss the bill from the point of view of its effect upon those who are interested in the production of livestock. There was some brief discussion of that matter a few days ago. The suggestion was made by some Senators who interrupted the distinguished Senator from Idaho that the effect of the bill and the effect of the bill introduced in the House dealing, as both do, with only four or five major products, would be to tend to increase the production of other products.

Livestock is not dealt with in the bill before us, but we all know that practically 80 percent of the corn that is produced in the United States is marketed through livestock. Therefore, any bill which controls the production of corn necessarily has a direct effect upon the production of livestock.

There are two major differences between the pending bill and the House bill, which was introduced only Wednesday, and which I understand was reported favorably by the House Committee on Agriculture today. Those are differences with respect to the effect upon corn, and therefore upon livestock. One of these differences is that the House bill provides that the corn supply shall consist not only of the normal supply, that is, the normal consumptive supply, and the normal export supply, but 7 percent in excess. The Senate committee bill does not contain that excess-percentage provision.

The Senate committee bill provides that the marketing quotas upon corn shall not go into effect until the corn supply is 10 percent more than the normal supply. The House bill provides that the marketing quotas shall not go into effect until the corn supply is 15 percent in excess. I am given to understand that this means a difference of about 300,000,000 bushels per year.

The effect of the bill reported by the Senate committee would be to increase the price of corn. Therefore, it would increase the cost of livestock feeding.

Mr. POPE. It would increase the price of corn, we hope, over what it is now, but we trust it would not increase the price of corn to what it was a year ago, say, when it was selling for $1.30 or $1.40 a bushel. The effect hoped for is a stabilization and uniformity in the price of corn, rather than an increase or decrease in that price.

Mr. O'MAHONEY. I interrupted the Senator merely to ask him to discuss this phase of the bill before he concludes, if it is convenient for him to do so. I want to discuss the matter with the Senator, because I know he is just as much interested in protecting the interest of the livestock producer as any of the rest of us are. I know, of course, that he realizes the intimate relation between corn and livestock. Several of us have been discussing this subject, and as a result of the colloquy which took place the other day I have a plan to work out an amendment to the provision which appears on page 18, beginning in line 23, the object of which apparently is to see to it that every adjustment contract would have the effect of preventing the use of diverted acreage for the creation of a surplus of some other commodity not mentioned in the bill. Do I understand the purpose of that section correctly?

Mr. POPE. I think the purpose is as the Senator has stated it.

Mr. O'MAHONEY. The senior Senator from New York [Mr. COPELAND] discussed at length the effect of the bill upon the dairy industry, and, as I understood the Senator from Idaho, the language on page 19 referring to dairy practices, in line 7, was inserted at the request of the dairy industry, the purpose being to make certain that acreage diverted from wheat or cotton or tobacco or what not would not be used to create an oversupply of dairy products. Obviously the same provision should extend to livestock production. My colleague mentioned this the other day, and several other Senators referred to it, including the Senator from Colorado. I am wondering whether the Senator would agree to some amendment by which it would be made clear that the purpose of this section is to prevent any cooperator from using the land which is diverted for the creation of a surplus in another crop.

Mr. POPE. I suggested the other day, in response to a question from the Senator's colleague, that such an amendment might be prepared and submitted to us for consideration. I think undoubtedly the same thought would apply to livestock as to dairying, if it were thought there was danger of an increase in the production of livestock as a result of the diverted acreage. Personally I would have no objection to such an amendment, but since the Senator from Kansas [Mr. McGILL] is one of the coauthors of the bill, I should desire to confer with him. I think the idea might be worked out in an amendment.

Mr. O'MAHONEY. As I stated, the thought was that the diverted acreage should not be used for the production of crops that would contribute to an oversupply in any other commodity.

Mr. POPE. I should think that whatever would apply to the production of livestock would apply to the dairying industry.

Mr. O'MAHONEY. If the Senator would care to discuss that phase of the question, I think it would be very much appreciated.

Mr. POPE. As I said in response to a question from the Senator from Wyoming day before yesterday, I have not been convinced that the normal consumptive demand for corn, as expressed in the bill under "normal supply," would not amply cover all the needs of the livestock men. It will be noted that normal supply is made up of domestic con-

sumption, exports, and in the original bill there was also a percentage, sometimes called a cushion, of 5 percent, in addition to domestic consumption.

I have not had opportunity to look into the method of determining domestic consumption. The Senator can readily see that if the term "domestic consumption" includes all that is really needed by livestock men, the cushion would be unnecessary. If it is a rather restricted method of determining domestic consumption, then the cushion of an additional percentage might be advisable. I have had no opportunity to see just how the term "domestic consumption" is arrived at so as to give a definite answer to the Senator from Wyoming.

I wish to say further that I am very much interested in the production of livestock. I want the livestock industry to be protected in the bill, as I want any other industry to be protected, so that if when I have the opportunity to investigate the matter I come to the conclusion that there is any real restriction upon the producer of livestock as a result of the other provisions of the bill, I will be glad to confer with the Senator with a view to rendering full justice to the livestock industry.

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

Mr. POPE. I yield.

Mr. McNARY. Since the Senator is discussing a very important subject, having application to the industry of livestock production, I wish to call his attention to the provision at the bottom of page 71, line 23:

> The term "for market" in the case of wheat and corn means for disposition by sale, barter, exchange, or gift, or by feeding (in any form) to poultry or livestock which, or the products of which, are to be sold, bartered, exchanged, or given away; and the terms "marketed" or "to market" mean to dispose of in any such manner.

Should we not, in discussing this subject, consider the application of this provision in addition to the one suggested by the able Senator from Wyoming?

Mr. POPE. That is the provision which I discussed with the Senator from New York a few moments ago. I think I should say at this point that the suggestion has been made, and was considered by the Committee on Agriculture and Forestry, that the operations of the bill be limited to the large corn-producing areas.

Such divisions have been made in our country in administering the Soil Conservation Act. So I think further consideration might be given to that sort of a proposal—that a corn area be established, and that outside that corn area the provisions of the bill are not to apply. However, many difficulties would arise in attempting to establish that regional application, and the committee was working under very great pressure, as most Senators know, and the bill was reported. It may be that further consideration should be given to that matter, which would, of course, relieve many parts of the country from the application of the bill.

Mr. McNARY. I assume that when the Senator spoke of the farm area, he had reference to the area where most of the corn is raised.

Mr. POPE. Yes.

Mr. McNARY. Probably it embraces the States of Iowa, eastern Kansas, Nebraska, part of Oklahoma, the southern part of Illinois, and part of Indiana.

Mr. POPE. Yes; that area.

Mr. McNARY. But the New England States, the Southern States, the far Pacific Coast States, and the Intermountain States would not come within the corn area. Is that true?

Mr. POPE. That is true; but the Senator can immediately see the difficulty that would attend such a decision at that, because the other sections that can produce corn conceivably would largely increase their production so as to offset the sacrifices being made by the farmers in the corn area. That raises a question which must be considered. Most parts of the country can raise corn; and if a certain area should be established, and the farmers within that area should vote to establish marketing quotas and to make further sacrifices for the purpose of reducing their surplus in order to keep up the price, and then the farmers outside were without restriction in their production of corn, a serious question would be presented, and a condition might be brought about that would not be just to the farmers who were making sacrifices in carrying out the program.

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

Mr. POPE. I yield.

Mr. COPELAND. The question I raised, and which the Senator has been discussing, about acreage for raising crops to feed dairy cattle and poultry, is a question of vital interest to the great consuming centers like New York. In New York we use every day 3,000,000 quarts of milk, and at certain seasons of the year it is extremely difficult to get enough milk. If anything were to come to pass that would reduce the grain acreage of these dairy and poultry sections of my State and area, it would cause very great embarrassment and result in a great wrong to the consuming people of the cities. The Senator sees that, and I hope some amendment may be worked out which will justify an exemption for such acreage as we have been discussing.

Mr. POPE. Mr. President, I have concluded.

Mr. McNARY. Mr. President, will the Senator yield to me for a moment?

Mr. POPE. I yield.

Mr. McNARY. Earlier in the day, while we were discussing the bill, I gave notice to the Senator from Idaho that there were some other parts of the bill which should be discussed. I realize that the Senator has been on his feet continuously for 5 hours, and I do not insist upon his now discussing those matters. I shall be glad to discuss them with the Senator on Monday.

Mr. POPE. I shall be glad to discuss them on Monday.

Mr. McNARY. Mr. President, I wish the RECORD clearly to show that there are several provisions of the bill which I want the Senator to discuss and explain on Monday or Tuesday, and not this afternoon.

Mr. BANKHEAD obtained the floor.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

Adams	Clark	Herring	Neely
Ashurst	Connally	Hitchcock	Norris
Austin	Copeland	Johnson, Colo.	Nye
Bankhead	Davis	King	O'Mahoney
Barkley	Dieterich	Lee	Overton
Bilbo	Duffy	Lewis	Pepper
Borah	Ellender	Logan	Pittman
Bridges	Frazier	Lonergan	Pope
Brown, N. H.	George	Lundeen	Schwartz
Bulkley	Gibson	McAdoo	Sheppard
Bulow	Gillette	McCarran	Smith
Burke	Graves	McGill	Thomas, Utah
Byrd	Green	McKellar	Townsend
Byrnes	Guffey	McNary	Truman
Capper	Harrison	Miller	Tydings
Caraway	Hatch	Minton	White
Chavez	Hayden	Murray	

The PRESIDING OFFICER (Mr. LEE in the chair). Sixty-seven Senators having answered to their names, a quorum is present.

Mr. BANKHEAD. Mr. President, I wish to address myself to the majority leader. We have devoted 2 days to a discussion of the general principles of the pending bill with respect to corn and wheat. It is evident that there is not a quorum now present. Senators may have been here, but they are not here now. The phase of the bill which I am going to discuss, namely, that relating to cotton, is important. I think we ought to go over until Monday, if we are not likely to have a quorum tomorrow, before entering upon this phase of the debate. I have no desire to speak merely for the purpose of addressing the Senate. Unless I can have a reasonable attendance of those who are interested in the subject, I have no desire to occupy any time at all. We have now been in session for 5 hours, and the Senator from Idaho [Mr. POPE] has made a very fine presentation of the bill.

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

Mr. BANKHEAD. I yield.

Mr. BARKLEY. I appreciate what the Senator says. At the same time, it is obvious that we shall never secure action on this bill during the extraordinary session if we content ourselves with just one speech a day on it. I realize that the Senate has been in session now for 5 hours, and I realize that the Senator from Alabama is going to discuss an important phase of the measure which ought to be listened to by a larger attendance. There is no way of preventing Senators from leaving the floor except when a quorum does not develop, in which event Members can be sent for.

The question has arisen as to whether the Senate shall hold a session tomorrow. So far as I am personally concerned, I would be perfectly willing to work tomorrow, but we adjourned last Saturday, which seems to be regarded as a sort of precedent for the remainder of this session. I will say to the Senator that, after considering the matter, it is my purpose to move that the Senate take a recess until Monday, but I wish now to give notice to the Senate that I shall hope to be able to have the Senate convene every day next week and until the pending bill shall have been disposed of, at 11 o'clock a. m. The committees are not working; there is nothing that any committee is doing now; I think we can all do our work in our offices by 11 o'clock a. m., and we ought to devote ourselves to this bill. Therefore, if the Senator does not wish to go on now, I am willing to move a recess until Monday.

Mr. BANKHEAD. It is not a matter of personal consideration at all.

Mr. BARKLEY. I appreciate that.

Mr. BANKHEAD. I merely think we ought to have an opportunity to have more Members present when the question I intend to consider shall be discussed.

Mr. BARKLEY. I do not think there is any certainty that there will be any more Senators present on Monday than there are now.

Mr. BANKHEAD. I think it is evident that there is not now a quorum present.

Mr. BARKLEY. There has not been a very full attendance during any part of the discussion on this bill.

Mr. BANKHEAD. The Senator very well knows that the Committee on Agriculture and Forestry has been exceedingly and unusually diligent.

Mr. BARKLEY. I grant that, and I congratulate the committee.

Mr. BANKHEAD. The committee even worked on last Sunday and Sunday night. I have been here since yesterday morning ready to go on at any time. I certainly do not want any delay.

Mr. BARKLEY. I appreciate that.

Mr. BANKHEAD. I do not want to waste time. We have had a full and thorough discussion of the general phases of the bill; the explanation has been enlightening, as have the colloquys which have taken place, and the time has been occupied in a legitimate way.

Mr. BARKLEY. I grant that; I appreciate that; and no Senator on the committee or off the committee has worked harder than has the Senator from Alabama. I appreciate fully the exhaustive explanation which has been concluded by the Senator from Idaho, which I think was very helpful.

Under the circumstances, Mr. President, if the Senator from Alabama will yield, I will move an executive session, and following that, I will move a recess until Monday.

Mr. BANKHEAD. I yield.

EXECUTIVE SESSION

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

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LEE in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. DUFFY, from the Committee on Foreign Relations, reported favorably with a reservation Executive E, Seventy-third Congress, second session, being a convention for the protection of literary and artistic works as revised and signed at Rome June 2, 1928, and submitted a report (Ex. Rept. No. 1) thereon.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state in order the nominations on the calendar.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of William Dawson, of Minnesota, to be Envoy Extraordinary and Minister Plenipotentiary to Uruguay.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk proceeded to read sundry nominations of secretaries and consuls in the Diplomatic and Foreign Service.

Mr. PITTMAN. I ask unanimous consent that the nominations of secretaries and consuls in the Diplomatic and Foreign Service be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

That completes the Executive Calendar.

LEGISLATIVE SESSION—AGNES K. O'BRIEN

The Senate resumed legislative session.

Mr. BARKLEY obtained the floor.

Mr. BYRNES. Mr. President, will the Senator yield to me in order that I may report a Senate resolution and have it considered at this time?

Mr. BARKLEY. I yield.

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 199, and I ask unanimous consent for its immediate consideration.

Mr. McNARY. What is the purport of the resolution?

Mr. BYRNES. Mr. O'Brien, an employee in the office of the Senator from New Jersey [Mr. MOORE], died sometime ago, and this is the customary resolution to pay 6 months' compensation to his widow.

Mr. McNARY. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 199), submitted by Mr. MOORE on the 23d instant, was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Agnes K. O'Brien, widow of John J. O'Brien, late an employee of the Senate in the office of Senator A. HARRY MOORE, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RECESS TO MONDAY

Mr. BARKLEY. I move that the Senate take a recess until Monday next at 11 o'clock a. m.

The motion was agreed to; and (at 4 o'clock and 5 minutes p. m.) the Senate took a recess until Monday, November 29, 1937, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate November 26 (legislative day of November 16), 1937

DIPLOMATIC AND FOREIGN SERVICE

Forrest K. Geerken, of Minnesota, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

David A. Thomasson, of Kentucky, to be Foreign Service officer, unclassified, vice consul of career, and secretary in the Diplomatic Service of the United States of America.

UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Hon. D. Lawrence Groner, of Virginia, to be chief justice of the United States Court of Appeals for the District of Columbia.

Hon. FRED M. VINSON, of Kentucky, to be an associate justice of the United States Court of Appeals for the District of Columbia, vice Hon. Charles H. Robb, retired.

Hon. Henry White Edgerton, of New York, to be associate justice of the United States Court of Appeals for the District of Columbia, vice Hon. D. Lawrence Groner.

POLICE COURT, DISTRICT OF COLUMBIA

John P. McMahon, of the District of Columbia, to be judge of the police court for the District of Columbia. (He is now serving in this position under an appointment which expired March 4, 1937.)

UNITED STATES ATTORNEY

Carl L. Sackett, of Wyoming, to be United States attorney for the district of Wyoming. (Mr. Sackett is now serving in this office under an appointment which expired June 13, 1937.)

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

TO QUARTERMASTER CORPS

Maj. Donald Sutter McConnaughy, Field Artillery, with rank from July 1, 1937.

Capt. William Andrew Smith, Infantry, with rank from January 14, 1933.

TO FIELD ARTILLERY

Maj. William Mayer, Chemical Warfare Service, with rank from August 1, 1935.

First Lt. Richard Claire Carpenter, Infantry, with rank from November 1, 1934.

PROMOTIONS IN THE REGULAR ARMY

TO BE MAJORS

Capt. Curtis DeWitt Alway, Infantry, from November 18, 1937.

Capt. Louis James Lampke, Infantry, from November 22, 1937.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 26 (legislative day of November 16), 1937

DIPLOMATIC AND FOREIGN SERVICE

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

William Dawson to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Uruguay.

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

Edwin A. Plitt
John P. Hurley
David C. Berger
Hiram A. Boucher
Austin C. Brady
Charles C. Broy
James G. Carter
Harris N. Cookingham
John Corrigan
Leonard G. Dawson
William E. DeCourcy
Howard Donovan
Albert M. Doyle
Maurice P. Dunlap
Curtis T. Everett
Samuel J. Fletcher
Walter A. Foote
Richard Ford
Lynn W. Franklin
Raymond H. Geist
Bernard Gotlieb
Harry F. Hawley
Thomas McEnelly
James E. McKenna
Renwick S. McNiece
John J. Meily
James P. Moffitt
Edmund B. Montgomery
Charles Roy Nasmith
Alfred T. Nester
Harold Playter
Christian M. Ravndal
Sydney B. Redecker
Horace Remillard
Lester L. Schnare
Paul C. Squire
Christian T. Steger
Leo D. Sturgeon
Samuel R. Thompson
Marshall M. Vance
Samuel H. Wiley
Rollin R. Winslow
Damon C. Woods
Romeyn Wormuth
Maurice W. Altaffer
William H. Beach
Gilson G. Blake, Jr.
Lee R. Blohm
Ralph A. Boernstein
Lewis V. Boyle
Russell M. Brooks
John H. Bruins
Leo J. Callanan
John S. Calvert
Prescott Childs
Thomas D. Davis
Charles H. Derry
Charles L. DeVault
Samuel G. Ebling
Augustin W. Ferrin
C. Paul Fletcher
Ilo C. Funk
Herndon W. Goforth
Joseph G. Groeninger
George J. Haering
Julian F. Harrington
Richard B. Haven
William W. Heard
Charles H. Heisler
John F. Huddleston
Joel C. Hudson
George R. Hukill
Benjamin M. Hulley
Charles W. Lewis, Jr.
Stewart E. McMillin
Erik W. Magnuson
Marcel E. Malige
C. Warwick Perkins, Jr.
Austin R. Preston
Walter S. Reineck
John S. Richardson, Jr.
Quincy F. Roberts
Thomas H. Robinson
William A. Smale
E. Talbot Smith
George Tait
Sheridan Talbott
Harry L. Troutman
Frederik van den Arend
William Clarke Vyse
James R. Wilkinson
Herbert O. Williams
Gilbert R. Willson
Howard F. Withey
Leslie E. Woods

TO BE CONSULS

Edward S. Crocker, 2d
Richard M. de Lambert
Gerhard Gade
Stanley Hawks

POSTMASTERS

ALABAMA

Mildred A. Ray, Waterloo.

COLORADO

Herman W. Neuhaus, Woodmen.

CONNECTICUT

Thomas P. Smith, Brooklyn.
Harold M. Kenney, Mechanicsville.

FLORIDA

Harry P. Herbert, Immokalee.
Flora Agnes Labors, Laurelhill.
Thomas F. Connell, Weirsdale.

ILLINOIS

Warthen K. Kimball, Gurnee.

MAINE

Henry L. Holden, Jackman.
John R. Walsh, Kennebunk Beach.
Garfield John Jones, Millinocket.

PUERTO RICO

Jose G. de Iturrondo, Carolina.
Sergio A. Valentine, Catano.
Julia Chacon de Vidal, Ensenada.
Rafael Castaneda, Humacao.
Francisca Rodriguez, Juan Diaz.
Miguel A. Franco Soto, Sabana Grande.

VIRGINIA

Edward L. Willis, Belle Haven.
Lewis M. Rayburn, Bonny Blue.
Daniel V. Richmond, Ewing.
Gerdena S. Pettit, Fredericks Hall.
Ireland M. Baker, Haysi.
Ruth H. Underwood, Meadows of Dan.

Marion B. Harvey, Roseland.
Edna E. Dudley, West Graham.
John S. Hinegardner, Weyers Cave.
Marguerite Alden Walker, Woodberry Forest.

WASHINGTON

Winifred L. Killion, Bryn Mawr.
Mable R. Clothier, Burien.
Ira A. Moore, Greenacres.
Lillian Brain, Thorp.

SENATE

MONDAY, NOVEMBER 29, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PRENTISS M. BROWN, a Senator from the State of Michigan, appeared in his seat today.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, November 26, 1937, 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.

CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Clark	Hitchcock	Overton
Ashurst	Connally	Johnson, Calif.	Pittman
Austin	Copeland	Johnson, Colo.	Pope
Bailey	Dieterich	King	Radcliffe
Bankhead	Donahey	Lee	Russell
Barkley	Duffy	Lodge	Schwartz
Berry	Ellender	Logan	Schwellenbach
Bilbo	Frazier	Lonergan	Sheppard
Bone	George	Lundeen	Shipstead
Borah	Gerry	McAdoo	Smathers
Bridges	Gibson	McCarran	Smith
Brown, Mich.	Gillette	McGill	Steiwer
Brown, N. H.	Glass	McKellar	Thomas, Okla.
Bulkley	Graves	McNary	Thomas, Utah
Bulow	Green	Maloney	Townsend
Burke	Guffey	Miller	Truman
Byrd	Hale	Minton	Vandenberg
Byrnes	Harrison	Murray	Van Nuys
Capper	Hatch	Neely	Wagner
Caraway	Hayden	Norris	White
Chavez	Herring	O'Mahoney	

Mr. MINTON. I announce that the Senator from West Virginia [Mr. HOLT], the Senator from Delaware [Mr. HUGHES], and the Senator from North Carolina [Mr. REYNOLDS] are absent from the Senate because of illness.

The Senator from Montana [Mr. WHEELER] is absent because of a death in his family.

The senior Senator from Florida [Mr. ANDREWS], the Senator from Illinois [Mr. LEWIS], the Senator from New Jersey [Mr. MOORE], the junior Senator from Florida [Mr. PEPPER], the Senator from Maryland [Mr. TYDINGS], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is necessarily absent.

The VICE PRESIDENT. Eighty-three Senators have answered to their names. A quorum is present.

THEODORE AUGUSTUS WALTERS

Mr. POPE. Mr. President, on November 27 Theodore A. Walters, First Assistant Secretary of the Interior, died at the Naval Hospital in Washington.

Mr. Walters was long a resident of my State. He was an attorney of distinction, he held high official positions in the State; and he possessed to an unusual degree the respect and confidence of the people.

I knew him for more than a quarter of a century, and was closely associated with him during all that time. His death came as a severe shock to me. I pay to him my tribute of love and respect.

In this connection, I ask to have inserted in the Appendix of the RECORD a memorandum for the press issued by the Department of the Interior on November 27, 1937.

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

PRIVATE CONSTRUCTION AND FINANCING OF HOUSING (H. DOC. NO. 406)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The message was read, referred to the Committee on Banking and Currency, and ordered to be printed, as follows:

To the Congress of the United States:

In my message to the Congress upon the convening of the extraordinary session on November 15 I said that I would address you further in regard to proposals to encourage the private construction and financing of housing on a large scale. The proposals which I am presenting for your consideration now are an important part of the program for increasing general business activity and employment during the coming year.

From the point of view of widespread and sustained economic recovery, housing constitutes the largest and most promising single field for private enterprise.

Housing construction has not kept pace with either the needs or growth of our population. From 1930 to 1937, inclusive, the average annual number of new dwelling units constructed in the United States was 180,000, as contrasted with an annual average of 800,000 in the 7 years prior to 1930. In addition much of our existing housing has seriously deteriorated or has been demolished.

It is estimated that an average of 600,000 to 800,000 dwelling units ought to be built annually over the next 5 years to overcome the accumulated shortage and to meet the normal growth in number of families. In other words, we could build over the next 5 years three or four million housing units which, at a moderate estimate of $4,000 per unit, would mean spending from twelve to sixteen billion dollars, without creating a surplus of housing accommodations and, consequently, without impairing the value of existing housing that is fit for decent human occupancy.

The long-continued lag in building is a drag on all industry and trade. This presents an urgent problem which is the common concern of industry, labor, and government. All business needs the infusion of orders and the diffusion of purchasing power that come when building is thriving. Great numbers of people look directly or indirectly to the construction industry for employment. This industry, to a greater extent than any other, can put idle funds to work and thus speed up the circulation of the Nation's money supply. This, in turn, would increase national income, reduce unemployment, and, as a result, contribute toward a balancing of the Budget.

Since 1933 we have had a great recovery movement in which housing construction has played only a minor part. That it should play a major part has been clearly recognized by this administration from the outset. But, though much has been done to encourage construction activity, the results have not yet been satisfactory. Instead of a seasonal rise in housing construction through the past spring and summer, there was an early downturn. This was one of the principal reasons why general business failed to forge ahead during the latter part of the year.

We must recognize clearly that housing will not be built if costs are too high in relation to the consumer's income. The fact that housing costs rose sharply—far too sharply—between September of 1936 and March of 1937 was primarily responsible for the downturn in housing and thus in recovery generally this year.

Revival of housing construction must be based on reduction of the costs of building and the payment for buildings rather