postmasters who serve until the regular appointment is made should be left to the best judgment of the Department. There would be no objections to providing that acting postmasters should serve not to exceed 6 months from the date of such designation so as to insure that the regular appointment would be made without unnecessary delay. Provision should be made that the time could be extended beyond 6 months with the permission of the Civil Service Commission, in order that there may be time to work out difficult cases and establish eligible registers, if necessary.

S. 49 is similar to H. R. 1531 in that it provides for the extension of the classified civil service to Presidential postmasters.

Section 2 provides that appointments at offices of the first and second class shall be made by the promotion of an employee in the vacancy office or the reappointment of the incumbent postmaster, if there be one, provided such employee or the incumbent postmaster is found to be qualified through noncompetitive examination. This section also provides (lines 6 to 12, p. 2) that the Postmaster General must certify to the Civil Service Commission that no employee in the vacancy office is qualified and that the incumbent postmaster is not qualified before an open competitive examination can be requested. The Department could not approve of this provision for the reason that it would not be practicable or in the interest of the service to require that the Postmaster General make such certification.

Section 2 (b) relates to the appointment of postmasters at third-class offices and provides for the reappointment of the incumbent postmaster, if there be one, through noncompetitive examination or the selection from an eligible register established by the Civil Service Commission through open competitive examination. No provision is made for consideration of a classified employee. The clerks in third-class post offices have no civil-service status; however, a number of rural routes are attached to third-class offices, and there would be no good reason for failure to recognize and consider rural carriers. There is no valid reason for making any different provisions at third-class offices than are made for first-class.

Any legislation extending the classified civil service to Presidential postmasters should provide, in connection with appointments due to vacancies through death, resignation, retirement, removal for cause, or expiration of term, for the filling of the vacancy by the Postmaster General by either of the following methods:

1. By the reappointment of the incumbent, if there be one, through noncompetitive examination.
2. By the promotion of a classified employee in the vacancy office through noncompetitive examination.
3. By the selection from an eligible register established by the Civil Service Commission in accordance with the Civil Service Act and rules. The selection from an eligible register in accordance with the Civil Service Act and rules should be made in the same manner as governs selections from eligible registers in filling all other civil-service positions.

Sincerely yours,

(Signed) JAMES A. FARLEY,
Postmaster General.

EXHIBIT A

[S. 3022, 75th Cong., 2d Sess.]

A bill to amend the law relating to appointment of postmasters

Be it enacted, etc., That section 6 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1877, and for other purposes," approved July 12, 1876, as amended (U. S. C., 1934 ed., title 39, sec. 31), is hereby amended to read as follows:

SEC. 6. Postmasters of first, second, third, and fourth classes shall hereafter be appointed without term in accordance with the provisions of the act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883; *Provided*, That in the cases of postmasters of the first, second, and third classes, the appointment shall be made by the President, by and with the advice and consent of the Senate: *Provided further*, That in the case of postoffices of the fourth class, postmasters shall be appointed and may be removed by the Postmaster General, by whom all appointments and removals shall be notified to the General Accounting Office: *Provided further*, That whenever a vacancy occurs in the office of postmaster of the first, second, or third class as the result of (1) death, (2) resignation, (3) removal, (4) retirement, or (5) expiration of term of the present incumbent, the Postmaster General may recommend to the President the appointment of the incumbent, if there be one, or the appointment by promotion of a classified-civil-service employee in the Postal Service in the vacancy office, and the President may appoint the person so recommended.

JOSEPH C. O'MAHONEY,
M. M. LOGAN,
ROBERT M. LA FOLLETTE, Jr.

VIEWS OF MR. BRIDGES

[To accompany S. 3022]

The Senate Committee on Post Offices and Post Roads has for the past 2 weeks been considering a bill to amend an act of Congress which was approved June 12, 1876, as amended (U. S. C., 1934 ed., title 39, sec. 31), having to do with the methods of appointment of postmasters of the first, second, and third classes. This amending bill introduced by Senator MCKELLAR will again saddle the Post Office Department with the spoils system. It is merely a perpetuation of the patronage method and the spoils system at its worst. Its purpose is to cover all the present incumbent postmasters of the first, second, and third classes and give full opportunity for their reappointment regardless of merit.

The passage of this bill will put a premium on politics to the detriment of the Postal Service. It will mean the change of postmasters with every change of administration, with a great confusion and a great expense to the Post Office Department and to the taxpayer. It may impair the service in each community and the Postal Service as a whole.

Its enactment would be a direct repudiation of the platforms of both major political parties and in bold defiance of public opinion. Its enactment would be a direct contradiction to the desires of President Roosevelt as expressed by his statements concerning the merit system, to wit:

"1. The merit system in civil service is in no danger at my hands; but on the contrary I hope it will be extended and improved during my term as President.

"2. It matters not what political party is in power by the elective will of the people, Government functions for all, and there can be no question of greater moment or broader effect than the maintenance, strengthening, and extension of the merit system established in the competitive principles of the Civil Service Act * * *."

Its enactment would completely nullify the Executive order of July 20, 1936 (No. 7421), relating to the appointment of postmasters to post offices of the first, second, and third classes.

Although it is believed that the present system of selection of postmasters is inadequate as a permanent measure, this system is better than that which would result from foisting on the public more spoils system, which passage of the McKellar bill would insure.

This minority believes a measure should be enacted to provide for the appointment or promotion of classified civil-service employees in the Postal Service to the office of postmaster; or that such office shall be filled as the result of an open competitive civil-service examination in which the person receiving the highest mark shall be appointed unless the President or Postmaster General shall certify to Congress some reason for the failure of said appointment. In this way this minority of your committee believes the reforms sought may be attained.

Let us defend the civil service and the merit system from further encroachment by political spoilsmen.

H. STYLES BRIDGES.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 21 minutes p. m.) the Senate took a recess until Monday, December 6, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 4 (legislative day of November 16), 1937

POSTMASTERS

KANSAS

Dorothy H. Claassen, Bethel College.

MINNESOTA

Cora E. Cook, Chandler.
Nettie A. Terrell, Elysian.
Anna E. Smith, Foreston.
George E. Roche, Garfield.
Robert R. Green, Medford.
Claire M. Peterson, Stanchfield.
Lura V. Frahm, Triumph.

TENNESSEE

Charles L. Wells, Byrdstown.
William H. Fox, Graysville.
Roy B. King, Madison College.
Leonard F. Robinette, Mosheim.
John Crittenden Pope, Springfield.
James K. St. Clair, White Bluff.

SENATE

MONDAY, DECEMBER 6, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, 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 calen-

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dar day Saturday, December 4, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. MINTON. I announce that the Senator from Washington [Mr. BONE], the Senator from Texas [Mr. CONNALLY], 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 junior Senator from New Jersey [Mr. SMATHERS] is absent because of illness in his family.

The Senator from Tennessee [Mr. BERRY], the Senator from Illinois [Mr. DIETERICH], the senior Senator from New Jersey [Mr. MOORE], the Senator from Connecticut [Mr. MALONEY], and the Senator from Nevada [Mr. MCCARRAN], are unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Massachusetts [Mr. LODGE] is absent on official business.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

FORTIETH ANNIVERSARY OF SECRETARY HALSEY'S CONNECTION WITH SENATE

Mr. BARKLEY. Mr. President, 40 years ago today there came into the Senate as a page a young boy from the State of Virginia under appointment of his uncle, then United States Senator from that State, the Honorable John W. Daniel. During that 40 years he has remained a part of the Senate organization. He has advanced from page, step by step, because of his efficiency, his loyalty, the outstanding charm of his personality, and the recognition, regardless of party, of his qualifications and his qualities as a public servant, until today he is the honored Secretary of the Senate. I wish on this fortieth anniversary of his entry upon service here in the Senate not only to felicitate him upon his record but also to felicitate and congratulate the Senate in keeping in its service a man who has grown up in it, who has become a part of it, and who, not only to us as individual Senators but to the Senate as a body and to the country has rendered outstanding and efficient service of the highest character.

I should not want this day to go by without calling attention to the fact that Mr. Edwin A. Halsey, our efficient Secretary, today celebrates his fortieth anniversary as a servant and an employee of the United States Senate. I wish for him long life, prosperity, and happiness, and that even higher honors may await him in the service of the Senate and of the country.

Mr. MCNARY. Mr. President, the service rendered by Colonel Halsey is unusual in its length. It has been characterized by faithfulness and capacity, a public service well rendered. I join the Democratic leader, as the Republican Senators join me, in wishing Colonel Halsey many more years of good health and that he may continue to serve the Senate in some worthy capacity for many, many years.

Mr. VANDENBERG. Mr. President, I have a particularly intimate and friendly feeling for Colonel Halsey. Forty years' service in any field of endeavor is an epic. Forty years of service in the Senate is not only an epic but an achievement in resistance and endurance. Colonel Halsey is one of the most affable, industrious, able servants I have seen in the public service. He is loyally partisan in politics and loyally unpartisan in service to every Senator on the floor. I join in these felicitations and express the hope that Colonel Halsey's life begins at 40.

Mr. ASHURST. Mr. President, after the felicitous and gracious addresses that have been delivered, mine must be a poor contribution. In cooking a dinner, in constructing a temple, in winning a battle, no matter what is to be done, someone must do the irksome, laborious, the difficult, and sometimes the unlovely work—the spade work. For many years it was Colonel Halsey's lot to perform the laborious, tedious, unnoticed tasks here.

When he was promoted to high place, in addition to performing daily his regular and particular duties, he has done that which will interest and enlighten those who come after us in future days. Colonel Halsey, who has a flair for history, has rescued from obscurity and decay many documents that are poignant and priceless memorials of the early days of our Government; he has had them photographed and placed at the disposal of historians. Some of these documents are of tremendous importance.

I remember, when, 13 years ago, it became necessary for Senators to make a technical investigation in the field of a great project the Committee on Irrigation and Reclamation, of which the able and genial Senator from Oregon [Mr. MCNARY] was then chairman, considered who should be in charge of that committee and who should have authority as a sort of generalissimo for the committee, the able Senator from Oregon chose Colonel Halsey for such duty, and the Senator's judgment was vindicated.

Mr. SHEPPARD. Mr. President, I want to express my cordial agreement with what has been said of Colonel Halsey. The Senate has never had a more courteous and faithful, nor a more capable official. He holds the admiration and the confidence of the entire Senate.

Mr. PITTMAN. Mr. President, when I arrived in this body 25 years ago Mr. Halsey was quite a young man. He was at that time assistant on the Democratic side to Mr. Keller, who had been here a great many years. I have had occasion, of course, during that time to become intimately acquainted with Mr. Halsey, as has every Member of this body during his service. I consider him a very remarkable man. I do not know the exact date when he came into the service of the Senate, but it was 15 years before I came here. During that time he has earned his promotions. It is true that he came from a splendid family in Virginia and was aided in his early history by Virginians, but the honors that have come to him are due to his own merit, and earned through his courtesy, his industry, and his ability.

Not only in this body has he rendered great service but as a partisan Democrat he has served his party through every great convention within my memory, at first in minor capacities, later as sergeant at arms of those great conventions. He has served with the same industry and impartiality. He is known today throughout the country.

I have no doubt I shall be sustained by every member of the Republican Party and other parties in this body when I state that, notwithstanding his frank partisanship to the Democratic Party, he has always been courteous and impartial in his conduct in any service to other Members of this body. This, for a partisan, is sometimes very difficult. I recognize not only his courtesy but I fully realize his great ability, his great adaptability. Any Senator in this body who desires any information can obtain it more expeditiously and accurately through the Secretary of the Senate than through any other source I know of.

For all these reasons I am very happy to join in the felicitations to Colonel Halsey on this occasion.

REPORT OF DAUGHTERS OF THE AMERICAN REVOLUTION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the National Society of the Daughters of the American Revolution for the year ended April 1, 1937, which, with the accompanying report, was referred to the Committee on Printing.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Local No. 114, United Retail Shoe Employees, of Philadelphia, Pa., favoring the enactment of the wages and hours bill, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the Public Affairs Association of the Santa Monica Bay District, Calif., favoring the prompt enactment of the so-called Wagner-Van Nuys antilynching bill, which was ordered to lie on the table.

He also presented a resolution adopted at a recent meeting of the Filomat Society, Buffalo, N. Y., protesting against the enactment of crop-control legislation on the ground that such control plan might result in serious food shortage, which was ordered to lie on the table.

Mr. VANDENBERG presented a petition of sundry citizens of Pinconning, Mich., favoring the adoption of the so-called Ludlow resolution, being the joint resolution (H. J. Res. 199) proposing an amendment to the Constitution of the United States providing for a referendum on war, which was referred to the Committee on the Judiciary.

Mr. GILLETTE presented resolutions adopted by the annual meeting of the Cherokee County Farm Bureau and a mass meeting held at Sioux Center, in the State of Iowa, favoring the enactment of legislation providing agricultural relief, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the convention of the Societies of Christian Endeavor, New York City, N. Y., endorsing the principle embodied in proposed amendments to the Constitution whereby the people may decide by referendum as to whether the cause for which the Nation may go to war is worth the cost, which was referred to the Committe on the Judiciary.

He also presented resolutions adopted by the Olean (N. Y.) Council for Peace Action, protesting against the enactment of the bill (S. 25) to prevent profiteering in time of war and to equalize the burdens of war and thus provide for the national defense and promote peace, and favoring enforcement of the terms of existing peace treaties as the basis for international peace, which were referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Brooklyn and vicinity, in the State of New York, remonstrating against the enactment of legislation which might in any way increase taxes on foods so as to result in higher food prices, which was referred to the Committee on Finance.

He also presented the petition of members of the Harlem Industrial Workers, New York City, N. Y., praying for the enactment of House bill 1507, the so-called antilynching bill, which was ordered to lie on the table.

He also presented memorials of Eden Grange, No. 1199; Orange County Pomona Grange; and Seeber's Lane Grange, No. 1193, of Canajoharie, all of the Patrons of Husbandry, in the State of New York, remonstrating against the enactment of pending wage and hour legislation, which were ordered to lie on the table.

REPORT OF COMMITTEE ON ARGICULTURE AND FORESTRY

Mr. SMITH. From the Committee on Agriculture and Forestry I report back, without amendment, the bill (S. 3043) to provide for loans to farmers for crop production and harvesting during the year 1938, and for other purposes, and I submit a report (No. 1297) thereon. This morning the committee was unanimous in recommending the passage of this so-called seed-loan bill.

The VICE PRESIDENT. Without objection, the report will be received and the bill will be placed on the calendar.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. CAPPER:

A bill (S. 3097) for the relief of Elijah Wallace (with accompanying papers); to the Committee on Interstate Commerce.

A bill (S. 3098) to provide for uniform regulation of marriage and divorce; to the Committee on the Judiciary.

By Mr. HARRISON:

A bill (S. 3099) for the relief of Forrest H. Overstreet; to the Committee on Military Affairs.

By Mr. CAPPER:

A joint resolution (S. J. Res. 234) proposing an amendment to the Constitution of the United States relative to marriage and divorce laws; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A joint resolution (S. J. Res. 235) providing for adjustment of the civil-service retirement annuity of George E. Richards; to the Committee on Civil Service.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. HATCH, Mr. BANKHEAD, Mr. OVERTON, and Mr. BAILEY (by request) each submitted an amendment, Mr. JOHNSON of California (for himself and Mr. McADOO) submitted an amendment, and Mr. CLARK submitted two amendments intended to be proposed by them 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 were severally ordered to lie on the table and to be printed.

LOUD-SPEAKING SYSTEM FOR SENATE CHAMBER

Mr. BILBO. Mr. President, I ask unanimous consent to submit a resolution for appropriate reference, and also request that it be printed in the RECORD.

There being no objection, the resolution (S. Res. 206) was received and referred to the Committee on Rules, as follows:

Whereas it is evident to every Member of the Senate, as well as to all visitors to the Senate galleries, that the acoustic properties of the Senate Chamber are very poor and unsatisfactory; and

Whereas it is the ardent wish and desire of every Member of the Senate, as well as visitors to the galleries, to hear and understand every statement and speech made by Members of the Senate; and

Whereas the recent developments of loud-speaking instruments are so thoroughly improved and perfected that they can be installed upon the top or side of each Senator's desk without obstruction and inconvenience, making it possible for every Senator to be heard in all parts of the Senate Chamber and galleries as well when speaking from his desk; and

Whereas it is necessary for Senators in the rear of the Senate Chamber to leave their seats and occupy, or attempt to occupy, the seats of other Senators at the front and near the President's chair, if they hear or understand anything that is said and done, and, in doing this, it is not only embarrassing to the intruder, or trespasser, but it is exceedingly annoying to the older Members of the Senate who, by right of seniority, occupy these seats of advantage; and

Whereas if it were possible for each and every Member of the Senate to hear everything that is said and done on the floor of the Senate, it would bring about a more satisfactory and expeditious transaction of the business of the Senate; and

Whereas the Senate Rules Committee has the power, right, and authority to direct the installation of a loud-speaking system in the Senate: Now, therefore, be it

Resolved, That the Rules Committee be respectfully requested and urged to give favorable consideration to the proposition of directing the Sergeant at Arms to install a loud-speaker system in the Senate Chamber before the convening of the third session of the Seventy-fifth Congress.

LEADERSHIP OF REPUBLICAN PARTY—LETTER FROM GOVERNOR OF VERMONT

[Mr. GIBSON asked and obtained leave to have printed in the RECORD a letter written by Hon. George D. Aiken, the Governor of Vermont, to the Republican National Committee concerning the leadership of the Republican Party, etc., which appears in the Appendix.]

FIFTH ANNIVERSARY OF FIRST ELECTION OF PRESIDENT ROOSEVELT—ADDRESS BY HON. JAMES A. FARLEY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a radio address by Hon. James A. Farley delivered

on November 9 to the Young Democratic Clubs of America dinner gatherings throughout the country in celebration of the fifth anniversary of the election of Franklin D. Roosevelt to the Presidency, which appears in the Appendix.]

HOW THE TARIFF HURTS THE FARMER—EDITORIAL FROM MEMPHIS COMMERCIAL APPEAL

[Mr. CLARK asked and obtained leave to have printed in the RECORD an editorial entitled "How the Tariff Hurts the Farmer," from the Memphis Commercial Appeal, which appears in the Appendix.]

AGRICULTURAL RELIEF

The Senate resumed the 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. BORAH. Mr. President, before the Senator from North Dakota proceeds will he yield to me?

Mr. FRAZIER. Certainly.

Mr. BORAH. I have a pamphlet on the farm problem written by William Hirth, president of the Missouri Farmers' Association, and editor and publisher of the Missouri Farmer. The pamphlet is too long to be inserted in the RECORD, but I ask permission to have printed in the RECORD as a part of my remarks several paragraphs which seem to me more particularly pertinent.

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

If Congress will treat the farmer as it has treated industry and labor—if it will make the tariff work to assure our farmers a price on those of their products that are consumed in our home markets that will give them a fair return for their labor as nearly as the whims of Nature permit, and upon their capital invested in their farm plants—from the hour that such an adjustment of the tariff is made, and farmers are aided in segregating their surpluses so that fair home-market prices can be maintained, the so-called farm problem will begin to fade out of our national picture, and Congress will no longer need to bother its head about it. Also, the farm-tenant problem will begin to disappear like mists before the rising sun; for, once farmers have an income that will enable them to make payments on a farm home from time to time, they will soon cease to be tenants and become owners instead. And, failing to give the tenants of today such an income, all the surveys and fine-spun theories about resettlement and rehabilitation, etc., will be what John J. Ingalls, of Kansas, called an "iridescent dream"—unless farmers are placed in position to have something left over for their arduous toil at the end of an average year the time is not far distant when 75 percent of our farms instead of 50 percent will be in the hands of tenants, and in proof we need only contemplate the rate at which tenancy has increased during recent years.

* * * * * * *

DETERMINING HOME-MARKET NEEDS

How would we determine the probable production of the various crops included under protected home-market prices?

As crops of corn, wheat, cotton, tobacco, potatoes, rice, etc., approach maturity, the Secretary of Agriculture should be directed to ascertain the probable yield of each crop and the amount necessary for domestic consumption, and then any surplus should be segregated under Government seal in the manner suggested. In estimating the amount needed for domestic consumption the Secretary should always err on the side of conservatism in order that the home markets will not be oversupplied and then release whatever of the surplus may be needed later on. The United States Department of Agriculture has long maintained a Nation-wide crop-reporting service, and thus this machinery is already in existence.

* * * * * * *

"SHOT IN THE ARM" RELIEF

Meanwhile, if the proposed new farm bill should increase farm prices to the extent of the subsidies either by taking it out of the Treasury, or by making it up out of new taxes, would this even remotely solve the farm problem? This is too absurd to discuss, for was not our gross farm income during the Hoover years sharply above $11,000,000,000, and was not the farmer on a rapidly sinking ship at that time? When our gross farm income this year will be at least $2,000,000,000 under that of the Hoover years, will an additional billion dollars or so be anything more than another shot in the arm?

* * * * * * *

PRODUCTION CONTROL UNSOUND

Is production control a sound national policy?

In the opinion of the writer it is not only not sound but, as recent crop failures have demonstrated, it is extremely dangerous, and in this connection it is interesting to recall that in 1932 the Democratic national platform declared for the control of farm surpluses, while the Republican platform declared for the control of production, and yet hardly had Secretary Wallace gotten his seat warm in Washington when he forgot all about the pledge the President had made to the farmers in the 1932 campaign, and boldly appropriated the Republican doctrine. We Democrats had made all manner of sport of Arthur M. Hyde, of Missouri, when, as Secretary of Agriculture under Hoover, he proposed that every third row of cotton be plowed under, but following the leadership of Mr. Wallace not only did we compel the bewildered mules of the Southland to plow under cotton, but we "massacred" trainloads of little pigs besides.

That top-heavy surpluses should be guarded against, everybody will agree, but, as I have said, have not the crop failures of the last 3 years demonstrated that an attempt to adjust production to the domestic demand is not only impractical but an exceedingly dangerous policy? Granting that unwieldly surpluses are undesirable, was not the importation of $1,538,000,000 worth of farm commodities during the last 12 months vastly more so? And this in the greatest food-producing Nation in the world. Because a given acreage will produce a surplus one year and a famine the next, this shows that while surpluses should be kept within bounds, on the other hand, we should always endeavor to produce enough food, fiber, and other farm staples so we will not be compelled to resort to imports, and then so segregate these surpluses that they will not demoralize fair home-market prices.

* * * * * * *

AS TO OUR HOME MARKETS

Should the American market belong to the American farmer?

In view of the fact that for many years we have fenced in the home markets for our manufacturers by means of the protective tariff, and have constantly tightened up our immigration laws for the benefit of our workers, the mere asking of this question is absurd, and yet when during the last 12 months we have imported $1,538,000,000 worth of foreign farm commodities, $866,000,000 of which were directly competitive to our farmers, this question not only becomes extremely pertinent, but presents a grave situation which deserves the immediate attention of Congress. That because of recent crop failures the importation of a certain amount of corn, oats, meat products, etc., was permissible may be true, but instead of enforcing "crop control" at such a time, should not farmers be encouraged to fill up their cribs, bins, and feed lots to the end that in times to come our consumers may have the assurance of plenty at fair prices, and in pursuing this goal, will not our farmers have the right to demand that the home markets shall belong to them, and to them alone?

That Secretary Wallace should be lying awake at night for fear that we will produce too much at a time when we are importing shiploads of food, is not this a situation that Eddie Cantor or Amos 'n' Andy should be asked to figure out? However, when one contemplates certain recent expressions of the Secretary, his attitude in these premises becomes more clear. In addressing the American Farm Bureau Federation at Pasadena, Calif., in December of last year he was quoted as saying: "In the cause of peace the farmers of the United States must say 'Yes' as often as possible to agricultural imports from Pan America, while at the same time reserving the right to say 'No' when any vital branch of agriculture is likely to be menaced by too great imports," and is not this new doctrine most astounding? What branch of agriculture has not been utterly prostrate since the World War, and when has "peace" between the United States and Pan America or any other country become either so strained or important that the American farmer should be offered up as a sacrifice upon its altar?

OUR STAGGERING FARM IMPORTS

That peace with Pan America and the rest of the world is overwhelmingly desirable no one will deny, but is it desirable enough to permit the peon farmers of South America or the peasant farmers of Europe to appropriate or even seriously invade the American farm market? In his book, Why Quit Our Own, George N. Peek charges that our farmers are getting the hot end of the poker through the trade agreements that have been perfected during the last year or so between the United States and Canada and other countries, and it is high time that Congress found out exactly what is happening in this respect. A reciprocal treaty should always be a good horse trade for the United States, or we shouldn't enter into it, and often this can result for both nations that are parties to the deal—certainly no treaty of this kind should be permitted to do serious injury to agriculture, labor, or industry upon which the welfare of America's millions depends. I have no patience with the so-called favored-nation clause by which other nations automatically take advantage of the concessions we make to nations with which we perfect trade agreements, and this without these nations making the slightest concession to us; in my opinion we should deal separately with each nation, and enter into trade agreements only when we can expand our exports on those things of which we produce a surplus, and when the commodities we receive in return will not do injury to the production of similar commodities within the United States. In these premises I am not in favor of sacrificing our farmers for the benefit of our manufacturers, or vice versa. Speaking of farm imports, if I have correctly analyzed the figures of the Bureau of Agricultural Economics, from July 1, 1933, to June 30, 1937, we have imported 1,187,000 head of cattle, 298,121,000 pounds of beef and veal, 125,325,000 pounds of pork products, 200,000 pounds of lamb and mutton, 131,168,000 bushels of wheat, 129,929,000 bushels of corn, and 16,011,000 bushels of oats, and also from 1934 to December 1, 1937, we imported 33,802,000 pounds of butter, and this, as I have said, in the greatest food-producing Nation in the world!

UNCLE SAM AN "EASY MARK"

Ever since the World War we have bewailed the loss of our erstwhile farm export markets, but if now in addition our farmers are to lose their great home markets, which are a hundredfold more important, then God help them. As I write, hog prices are tumbling, and one reason is that we are importing around 1,000,000 pounds of pork products per week. In my opinion, the favored-nation clause should be abrogated and the Senate given the power to ratify all trade agreements. On the one hand we are limiting production of farm commodities here in the United States, while on the other the peasant and peon farmers of South America and Europe are making a delightful playhouse of our home markets, and to me this situation is too stupid for words. A recent editorial in the Saturday Evening Post states that in 1936 we imported 1,000,000 pairs of shoes from Czechoslovakia, and predicts that during 1937 this Nation will import 3,000,000 pairs, and this at a time when we have millions of idle workers and when Congress is asked to pass the Black-Connery bill to increase employment. While the good neighbor-policy is fine in theory, can we afford to rush pell-mell in the direction of free trade when our production costs are perhaps higher than those of any other nation, and when the rest of the world has turned nationalistic? In my opinion, when we approach a trade agreement with another nation we should say frankly, "We will scratch your back if you scratch ours"; and if this be a degrading ideal, let those who will make the most of it, for charity begins at home. Furthermore, if our Democratic leaders don't want to encounter a rural cyclone in coming elections they will lose no time in finding out how the trade agreements and the favored-nation clause are coming out in the wash, and Senator CAPPER's article in the November 15 issue of the Saturday Evening Post shows how the wind is blowing in this respect.

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GREATER CONSUMING POWER

In the book, America's Capacity to Produce, published some months ago by the Brookings Institution, it is pointed out that in 1929 we had 16,000,000 nonfarm families (or 59 percent of all the families in the Nation) who received an annual income of less than $3,000. The above families consisted predominately of wage earners and are divided into four groups whose yearly incomes average $800, $1,300, $1,800, and $2,700, respectively; those in the $2,700 group spent from $715 to $932 for food, while those in the $800 group spent only from $346 to $382; the $2,700 group spent from $270 to $550 for clothing and shoes, while the $800 group spent only from $53 to $125; the $2,700 group spent from $508 to $871 for shelter and home maintenance, while the $800 group spent only from $192 to $412; the $2,700 group spent from $454 to $1,030 for "other living," while the $800 group spent $83 to $101; or, to put it in another way, the $2,700 group spent more than twice as much for food, more than twice as much for shelter and home maintenance, three times as much for clothing and shoes, and seven times as much for "other living" as the $800 group.

The wealthy and well-to-do families with an annual income of over $10,000, and unattached individuals with incomes of over $5,000, constituted only 2.4 percent of the families and unattached individuals in the Nation, but accounted for 6 percent of the total spent for food, 19 percent of the total spent for shelter and home maintenance, 16 percent of the total spent for clothing and shoes, and 33 percent of the total spent for "other living."

After citing the above and much other interesting data the Brookings Institution statisticians go on to say that if the annual income of the 19.4 million families which is now below $2,500 were raised to this level, the annual expenditure for food would be increased from ten to fourteen billion dollars, or 40 percent; for shelter and home maintenance, from seven to eleven billion dollars, or 65 percent; for other consumers' goods and services, from less than five to nearly ten billion dollars, or 115 percent, and adding these various amounts would enable the above families to spend more than $16,000,000,000 more annually for food and other comforts and necessities than they are spending at the present time and therefore is not greater consuming power our greatest national problem?

According to the Bureau of Home Economics of the United States Department of Agriculture, our various groups are now existing on a restricted or emergency diet, an adequate diet at a minimum cost, an adequate diet at a moderate cost, and a liberal diet, and living in the greatest food producing and manufacturing nation in the world. Should it not be our goal to provide all our groups as nearly as possible with a liberal diet? Well, if we should ever suceed in doing this, then according to the Government's own statisticians we would increase the annual consumption of goods and services from 70 to 80 percent, and, instead of making war on food production when millions of our people are compelled to exist on an emergency diet, or a minimum diet, should we not approach this situation from the foregoing angle? The great problem in the United States today is not to produce less of the things that contribute to human happiness, but to so increase the purchasing power of the millions on the farm, and the millions who toil in our shops, mills, and factories, that they will be able to buy more of these things, and if we should ever reach this goal in even a measurable degree, it will not be a question of struggling with surpluses (except possibly on cotton), but of greatly expanding farm and industrial production.

Mr. VANDENBERG. Mr. President, will the Senator from North Dakota yield to me?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Michigan?

Mr. FRAZIER. Certainly.

Mr. VANDENBERG. Recently I issued a brief statement to the Michigan press regarding the pending farm bill. I ask permission to have the statement printed in the RECORD as a part of my remarks.

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

STATEMENT REGARDING FARM BILL BY SENATOR VANDENBERG

I am opposed to the pending farm bill because it is an impossibly complicated measure which delivers five major crops to the dictatorial control of the Secretary of Agriculture and leaves these farmers largely at the mercy of his exploded scarcity schemes. It is the most amazing and reckless mixture of patent medicines that has come to the Senate floor in my time. It is a veritable jig-saw puzzle. I defy any citizen to read it and know what it actually means or what it specifically contemplates. I defy any dirt farmer to read it and know his rights or his obligations. After 10 days of painful explanation by its sponsors the Senate itself is more muddled and mystified than when the debate began. The authors of the bill even decline to make a guess as to what these blind but ambitious schemes will cost; and the bill itself is content to appropriate "whatever sums are necessary." Irresponsibility could not rise to greater heights of error. Even the President has found it necessary to utter a warning on this score; and even Secretary Wallace himself had to repudiate certain sections of the bill at the end of a week's Senate debate. To cap the climax, the poor farmer can be put in jail if he does not ultimately comply or if he fails to keep all the complicated records which the Secretary of Agriculture may require in the administration of a law which not 1 Senator in 20 could attempt consecutively to explain.

One or two things, however, seem somewhat plain. The bill adroitly pretends to provide for crop restrictions on a purely voluntary basis. But in net effect it actually provides for compulsory crop restrictions which, under certain circumstances, a minority of farmers can impose upon the majority and make them like it. Thereupon the farmer has little or nothing left to say about when, where, or what he shall plant on his own farm. He sells his birthright for an inadequate Government check. In net effect it is a price-pegging bill; and price fixing by Government mandate never worked and never will. So far as Michigan agriculture is concerned there is little promise of farm aid even if these mixed and mystifying schemes should succeed. Michigan agriculture is diversified. This bill deals only with wheat, corn, cotton, rice, and tobacco. What it too easily could do to Michigan agriculture would be to provide new and fatal competition for our Michigan farm commodities upon subsidized acres withdrawn from the production of these five so-called basic crops.

Unquestionably there is need for effective farm legislation. I should be glad to support reasonable benefit payments which realistically combat soil erosion. I will support crop insurance. I believe in assisting the farmer, financially and otherwise, to handle the exportable surpluses which depress his domestic price. I believe in giving him complete control of his domestic market; and particularly I believe in the encouragement of new industrial uses for farm commodities. I believe the farmer is entitled to cost of production and a fair profit; and that stabilized agriculture will spell a generally stabilized prosperity. But I do not believe in any such vague, speculative, and potentially despotic schemes as have been hastily and wishfully flung together in this pending omnibus bill; and my mail leads me to believe that few Michigan farmers believe in it either.

Mr. FRAZIER. Mr. President, the farm question has been discussed and debated for years on the floor of the Senate and in the body at the other end of the Capitol. The farmers have many times been promised legislation and have gotten some legislation.

About the hardest condition the farmers have been in during recent years at least was at the end of the Hoover administration. At the beginning of the present administration what was known as the Agricultural Adjustment Act was brought forward. The bill, as I recall, was written by someone in the Department of Agriculture. It was introduced in both the House and the Senate. The bill passed the House first and came to the Senate, where it was referred to the Committee on Agriculture and Forestry. At that time it was stated that the bill was an experiment; that it was brought forward in an effort to better the condition of the farmer; and, while it was an experiment, that later on it was hoped to have a permanent bill to take care of the agricultural situation.

The agricultural adjustment bill was passed and put into operation. Although it was in the nature of an experiment, it was of a great deal of help to our farmers. In some localities they seemed not to get much assistance from it, but in

most places I think they got a great deal of assistance, and the work under it has been carried on.

Then the Soil Conservation Act was passed. That also was of benefit to the farmer, and that work is to be carried on.

Last winter, at the beginning of the last session, the Department of Agriculture, as I understand, called in the heads of some of the agricultural organizations in an effort to draft a permanent farm bill. A number of delegates met here for several days. Finally they went home without agreeing, as I understand. Later on, along in the winter, the representatives of the Farm Bureau came back to Washington, and, as I understand, they, together with the attorneys of the Agricultural Committee, drafted what is known as the ever-normal-granary bill. The Farm Bureau group came before the Agricultural Committee of the Senate prior to the time any specific bill was introduced. The Secretary of Agriculture and some others from the Agricultural Department came before the committee and endorsed in general the principles set forth by the Farm Bureau group. Later on the pending bill, known as the ever-normal-granary bill, was introduced, and was commonly referred to as the Farm Bureau bill and the Department of Agriculture or administration bill.

Later on it was decided by the Committee on Agriculture and Forestry of the Senate to hold hearings. Subcommittees of the main committee were appointed and went out to hold hearings. I happened to be a member of the subcommittee which held hearings in the wheat and corn States. We started at Spokane, Wash. Unfortunately not all of the reports of those hearings have yet been printed. Only this morning I received a copy of the report of the hearing held at Spokane. That was the first one held by the so-called wheat and corn group. It was held at Spokane beginning on the 30th of September. I should have liked to have time to go over some of the hearings and make a brief summary of some of the statements made by witnesses there, but I have not had time as I received the hearing only this morning. The reports of the other hearings have not been printed, but the clerk of the committee tells me they will be ready within the next few days; and I am sure the Members of the Senate will find much of interest in the hearings.

It has been charged on the floor of the Senate that a good deal of politics, or whatever it may be called, was used in getting witnesses to the hearings. Out at Spokane and Boise, where the first two hearings were held, I could not help noticing that a great many soil-conservation men were there; the county agents of the various counties of those States and surrounding States were present; and, of course, the Farm Bureau men also were there. The bulk of the testimony seemed to be from those persons, who, of course, were in favor of the so-called ever-normal-granary bill.

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

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. FRAZIER. I am glad to yield.

Mr. AUSTIN. I have been curious to know whether those who are interested in administering the soil-conservation law were then aware of the possibility that their operations under that law might not only be seriously interfered with, but that in certain sections they might be entirely cut off by the operation of the bill we are now considering.

Does the Senator know whether the penalty that is contained in this bill, consisting of the cutting-off of payments under the Soil Conservation Act, was then contemplated and was debated in those meetings?

Mr. FRAZIER. I do not recall that it was debated in the meetings. I believe that is a committee amendment; is it not?

Mr. AUSTIN. Yes. My understanding is that it is an amendment which was offered by the Senator from Louisiana [Mr. ELLENDER], and extends the scope of the commodities to include all commodities necessary for consumption by man and beast on the farm; and it contains a penalty of loss of benefits under the Soil Conservation Act in case of failure to comply with that particular amendment to the bill. It seems to me that is exceedingly serious, and that it might interrupt the wonderfully good work that is now going on under the Soil Conservation Act. What I desire to know is whether that was contemplated in the meetings the Senator is now describing.

Mr. FRAZIER. Mr. President, I do not think it was contemplated at all at that time. At least, I did not hear of it until later.

Naturally, the soil-conservation men expected to continue their work. If this program is adopted it is, of course, going to take a good deal of field work to carry out the program. I have no criticism at all of the soil-conservation men coming in and supporting the so-called administrative bill. Naturally they are interested, and, naturally, too, of course, they want to hold their jobs. In a large number of the meetings, however, a very noticeable number of the witnesses—a majority, and I think in many instances as high as 75 percent, or perhaps more—were representatives of the Soil Conservation, extension departments, county agents, and members of the Farm Bureau group.

As I say, I have no criticism of that. These people were urged to come in, I suppose, and I have understood that copies of the bill were sent out in large numbers; and upon questioning the witnesses as to whether or not they knew anything about any other agricultural bill that was pending before the Agricultural Committees of the Congress, in many instances the witnesses said they did not know of any other measures. They knew nothing about them. They had heard something about a cost-of-production bill, or something of the kind, but they knew nothing about any others.

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

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

Mr. COPELAND. The Senator will recall that a few days ago I showed him a letter from a correspondent of mine in Nashville, Tenn. I quote from the letter:

> I suppose you know the public statement made by Senator LYNN FRAZIER, who was a member of the committee that held hearings all over the country. Senator FRAZIER publicly stated that not less than 75 percent of those who attended the hearings was made up of county agents and others holding jobs with the Government and the expressions of those attending the hearings could not be classed as coming from the real dirt farmers.

Mr. FRAZIER. I included in that statement the members of the Farm Bureau who were instrumental in writing the bill.

Mr. COPELAND. This morning I received a letter from a farmer in Carbondale, Kans., enclosing a clipping from the Kansas City Star Weekly, an article written by Marion Russell, a master farmer of Garden City, Kans. I will quote very briefly from the article:

> Senator MCGILL announced at the beginning of each hearing that anyone that wished to be heard place his name with the clerk. It seemed that they were trying to be fair about the hearing, but all is not gold that glitters. The meeting had not proceeded very far until it was very evident to the close observer that it was a packed meeting.

He goes on further to say that—

> The county agent and the county committee for soil conservation fixed up their resolutions favoring the Pope-McGill bill, and some of their own committee represented the county at the meeting. Most of them were on the pay roll of some of the agricultural acts and naturally wanted to be continued on the pay roll. They were not representative of the wishes of the mass of the farmers.

Then he says, very quaintly:

> The law does not promise anything definite that the farmer will receive from the law except the fine and jail sentence.

Mr. President, both these writers, and I think the Senator himself in his remarks, have pointed out that these meetings were not representative of the farmers, of those actually engaged in farming, but were attended by the political farmers who farm the farmers. I have been more and more impressed, and I ask the Senator what his impression is, that the support of this bill has been largely engineered. It is not a spontaneous uprising of the farmers. Of course, the farmers in my State are in bitter opposition to it, without exception so far as my correspondence indicates. But if it be true, as the Senator points out, that these meetings were attended largely by representatives of the Government

and not of the farmers, it is no wonder that the hearings have not been printed and brought to us. We ought to have had them. I ask the Senator, are we not proceeding with a measure concerning which we in the Senate have not been informed; and are we not really proceeding with a measure which is a politically or selfishly written measure, and not one which will benefit the farmer?

Mr. FRAZIER. Mr. President, I have had a number of letters along the same line as that from which the Senator quotes, objecting to the number of "pay rollers," as they are called, who came to the hearings, and especially Farm Bureau groups, coming in large numbers.

As I said before, that was perfecty natural, inasmuch as they were particularly interested. But I must say that personally I do not like the attitude of the Agricultural Department and of the Secretary of Agriculture. The Secretary is naturally very much interested in the bill, but writing letters like that read into the RECORD the other day, it seems to me, is going a little too far, and the interest the Secretary has taken in the hearings and the interest the Department has taken rather thwarted the idea of the chairman of the committee. I remember very well, when the question was first spoken of in the Committee on Agriculture and Forestry of the Senate, the chairman of the committee said:

> We want to hear the dirt farmers, those who are actually out on the farm doing the work. We have heard the leaders of the farm organizations, and that is all well and good. They come to Washington, but very few of the farmers, the actual farmers, can come here, and we want to hear them.

It was my thought, too, that we should hear that group of people.

Mr. McGILL. Mr. President, before the Senator leaves that point, will he yield for a question?

Mr. FRAZIER. I yield.

Mr. McGILL. On account of the letter referred to by the Senator from New York, and because of the fact that he referred to the measure as somewhat of a political move, I wish to say to the Senator from New York and to the Senator from North Dakota that every farm organization in Kansas was invited to have its representatives before the committee at the hearings, both at Topeka and at Dodge City, and every Member of Congress from that State, regardless of political affiliation, was invited to have appear before the committee persons he regarded to be well qualified to give the committee valuable information.

I wish to ask the Senator from North Dakota whether it is not true that at the hearing at Topeka representatives not only of the Farm Bureau but of the Farmers' Union and of the Grange of Kansas appeared?

Mr. FRAZIER. I believe they did.

Mr. McGILL. Is it not likewise true that, so far as the heads of the organizations are concerned, the master of the State grange was the only one who asked to appear at both hearings in Kansas, and was he not given the opportunity to be heard at both the hearings in Kansas?

Mr. FRAZIER. Yes; he was heard at both hearings.

Mr. McGILL. So that, so far as this letter is concerned, and so far as any maneuvering with reference to witnesses in Kansas is concerned, I wish to refute any such imputation. There is no justification for the accusation. So far as reading newspaper articles is concerned, I could do the same thing. I have some in my possession in which I do not concur. Of course, the Senator from New York is entitled to concur in any letter some newspaper may see fit to publish.

I wish to ask the Senator from North Dakota whether it is not true that at the hearing at Spokane, which was described, members and presidents of State farmers' unions in Oregon and Washington and masters of the State granges of those two States did not also appear and give their testimony?

Mr. FRAZIER. Yes; there were representatives of the various farm organizations at all these hearings.

Mr. McGILL. Was it not apparent to the Senator that the major farm organizations of those two States were the Farmers' Union and the Grange, rather than the Farm Bureau?

Mr. FRAZIER. Yes; I think those are the principal farm organizations.

Mr. McGILL. Does the Senator take the position that they were not given a free and full opportunity to be heard?

Mr. FRAZIER. No; I have never made that charge at all. I have no criticism of the Senator from Kansas, who was chairman of the subcommittee. He announced, I think, at every place, practically, that all farmers were to be heard, whether they agreed with the bill or did not agree with it.

Mr. McGILL. And that the hearings were not confined to the scope or limitations of any bill?

Mr. FRAZIER. Yes; that is true.

Mr. McGILL. I rather gathered from the Senator's remarks that he felt that farmers were not given a fair opportunity to be heard in these hearings.

Mr. FRAZIER. I did not mean to leave that impression. What I said was that I think that at the Spokane and Boise meetings fully 75 percent of the witnesses represented or were influenced by the farm bureau, the county agents, and soil-conservation men. I think the Senator from Kansas will agree with me.

Mr. McGILL. No; the Senator from Kansas will not agree with that statement, because I think the majority of the witnesses who appeared at Spokane from Oregon and Washington State and northern Idaho were members either of the Grange or of the Farmers' Union or did not belong to any farm organization. I did not find at that hearing that there was much of a farm bureau in either of those two States. With reference to Boise, did not the master of the State Grange appear at the hearing?

Mr. FRAZIER. Yes.

Mr. McGILL. And did not other members of the Grange appear?

Mr. FRAZIER. Yes.

Mr. McGILL. And at Great Falls, Mont., were not most of the farm organization groups represented members of the Farmers' Union?

Mr. FRAZIER. At Great Falls, Mont., and St. Paul, Minn., there were more of the Farmers' Union men present than there were at any of the other meetings.

Mr. POPE. Mr. President, will the Senator yield before he leaves the Boise situation?

Mr. FRAZIER. I yield.

Mr. POPE. The Senator understands, I take it, that in Idaho there is no Farm Bureau Federation organization at all. We have only the Grange and the Farmers' Union. I have said before, and I wish to say again, that the heads of the farm organizations in Idaho were invited to be present, and were present and testified, and they did not include any Farm Bureau Federation men, because there are none in Idaho. It is true that from Utah and from Nevada there came certain representatives of the Farm Bureau Federation, but not from Idaho at all, and about two-thirds of the witnesses who testified at Boise came from eastern Oregon and from Idaho. When the Senator says that 75 percent of those attending represented the Farm Bureau, or the Farm Bureau and the county agents, I think he is entirely mistaken. There was a substantial number of representatives of the various county committees present, but as I know those men personally, I think the Senator is entirely mistaken when he says that 75 percent of them represented that group. I think there were very much less than 75 percent of that group, because I happened to know nearly all the men personally who met there and testified, and there were farmers from all around there whom I have known for a long time, who were members only of the farmers' organizations which exist in Idaho.

Mr. BARKLEY. Mr. President, will the Senator yield to me to ask a question?

Mr. FRAZIER. I yield.

Mr. BARKLEY. Regardless of the organizations of which those attending were members, or whether they were members of any organization, was anyone denied an opportunity to be heard at these meetings who came there to be heard?

Mr. POPE. Of course, no member of the committee can say that anyone was denied an opportunity. Not only were they not denied, but they were invited to come. I myself went on the radio and invited all farmers, whether members of State organizations or not, to be present and testify. I invited them all to testify, and they appeared and testified without reference to what organization they were members of or whether they were members of any farm organization or not. And we did not deny the right of the county committees to testify.

Mr. BARKLEY. The committee could not go further than invite them to be present and testify. The committee could not send a United States marshal out and ask them to come in and be heard. If they did not show up and did not ask to testify, I do not suppose the committee is chargeable with any negligence on that account.

Mr. McGILL. Mr. President, I do not desire to interrupt the address of the Senator from North Dakota, but I wish to ask another question or two, if I may.

I desire to ask the Senator whether it is not true that at each and every one of the meetings, from the beginning to the close, I did invite those who had not had the opportunity to be heard orally, to send to the committee any statement in writing they might see fit to make, or to file any statement or argument with the subcommittee they might see fit to present, and if I did not likewise extend that invitation to each of those who had been heard orally but had not been extensively heard.

Mr. FRAZIER. Oh, yes; they were invited to send in written statements, and many of them have sent in written statements which have been put into the RECORD.

Mr. McGILL. Did not the Senator preside at the meeting at Grand Forks, N. Dak.?

Mr. FRAZIER. Yes.

Mr. McGILL. The Senator was invited to arrange for the places in the State of North Dakota and in the State of Minnesota at which hearings were to be held. Is not that correct?

Mr. FRAZIER. That is correct.

Mr. McGILL. I wish to ask the Senator whether he did not make this statement when he called the meeting to order in North Dakota:

> We have had some very fine hearings so far, and I am sure, judging from the representative group that is here today and more that will come, I am sure that we will have a fine hearing. A lot of interest has been shown so far, and I am sure it will be the same throughout the hearing.

Did not the Senator make that statement after we had had the hearings at Spokane, Boise City, and Great Falls?

Mr. FRAZIER. I did. We had a very good meeting at Grand Forks, too; I think one of the best we had on the trip.

Mr. McGILL. I think we had very good hearings at every one of the meetings in that section.

Mr. FRAZIER. I agree to that.

Mrs. GRAVES. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Alabama?

Mr. FRAZIER. I yield.

Mrs. GRAVES. I may say in regard to the question as to whether or not the hearings were inspired, that I came into this matter with a perfectly open mind, because I was not familiar with the proposed legislation. I attended the hearing that was held in my city, Montgomery, Ala., though, of course, I was not a member of the committee.

Just to show the personnel of those who came to the meeting and testified I may say that, of course, the commissioner of agriculture of our State was very prominent in the meeting. He is, as Senators know, elected not only by the farmers largely but, in fact, by the whole people of the State. He was there and testified. There were small farmers and large farmers present who gave their testimony.

In addition to that, I recall that the president of the largest cotton mill in the State was on hand. Representing the other end of the line, there was present a union labor organizer of farm workers. These representatives all came to the meeting, and all gave their points of view. At the conclusion of the meeting, and from the reports that I was able to glean afterwards, I came to the very definite conclusion that the farmers of my State badly wanted some form of control. We had tried noncontrol, and it had failed the farmers. So an expression of the opinion of the farmers of my State was very definitely in favor of some sort of control bill; and it was not a controlled expression, but a very free expression of the farmers themselves.

Mr. FRAZIER. I am glad to have the statement of the Senator from Alabama.

Mr. President, I attended only two of the meetings in the South; one at Oklahoma City and one at Memphis, Tenn., and I think that at both those meetings the State departments of agriculture had had charge of getting the witnesses and arranging for them to come before the committee, and I understood that that was the policy of the chairman of the subcommittee, the Senator from South Carolina [Mr. SMITH].

Mr. COPELAND. Mr. President, will the Senator bear with me for another question?

Mr. FRAZIER. I should like to proceed with my address.

Mr. COPELAND. I do not blame the Senator, but I believe that it is very important to find out what sort of a bill was presented to the farmers; whether the real farmers were there, and whether they understood what the bill was about. I refer Senators to an article appearing in a Kansas City newspaper which was written by a master farmer, in which he said:

> Some objected to the compulsory part of the bill. They were immediately informed by Senator POPE or Senator McGILL that there was nothing compulsory about their bill. That seemed to satisfy them.

Was this bill, which has in it the compulsory features and the penal features, explained and presented to these farmers so that they knew it actually contained a provision for compulsion, and that provision was made for fine and imprisonment in case of violation of the terms of the bill?

Mr. FRAZIER. Mr. President, the Senator from New York does not understand the bill now the way the junior Senator from Kansas [Mr. McGILL] and the junior Senator from Idaho [Mr. POPE] explain it. They still claim there are no compulsory features in it, and it was generally brought out in the hearings that there were no compulsory features, unless, of course, a referendum was taken and two-thirds of the farmers voted for a compulsory feature.

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

Mr. FRAZIER. I yield.

Mr. McGILL. Inasmuch as the Senator stated our views I should like to interrupt the Senator, if I may. My view is and I think it is the view of the Senator from Idaho [Mr. POPE] as was stated by us on all occasions when we were asked anything about it, that insofar as the control of production is concerned, the bill as it was then written and as it now applies to wheat and corn provides a voluntary program, and that the only compulsory phase of the bill so far as those commodities are concerned is with reference to the marketing quota feature.

Mr. FRAZIER. That was about the way I stated it.

Mr. McGILL. No, Mr. President; the Senator did not state it that way, and I am glad he gave me the opportunity to present my view of it.

Mr. FRAZIER. I am glad the Senator did, because he stated it at the several meetings. Of course, there were some witnesses who differed with the other two Senators on the subcommittee with regard to the compulsory features, and some insisted that there were compulsory features even in the crop control.

In the hearings at Spokane and Boise—I had not intended to mention this, but since the matter has been brought out more definitely I shall do so—it was stated by several witnesses that county or community gatherings had been called. The county agent or the soil-conservation men had called in a group of farmers, perhaps 20 or 25 of them, as many as would come in, and the bill was read and explained, and was very satisfactory, and they adopted resolutions, which were read at the subcommittee hearings, and which will be found in the hearings. In some instances they went so far as to

say in their resolutions that they not only favored this bill, but such features as crop insurance; that they also favored a special session of Congress to pass farm legislation; and in one or two instances they even went so far as to go on record as favoring the President's Supreme Court control plan. The farmers themselves might have made that suggestion—I do not know—but it rather looked to me as if some county agent or some soil-conservation man was the one who was back of it.

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

Mr. FRAZIER. I yield.

Mr. NORRIS. I hardly think it is fair to the Senator from North Dakota to interrupt him with the long statements which has been made during his discussion of the bill, but I am going to venture to disobey the rules, as other Senators have done. I should like to ask the Senator from North Dakota, or any other Senators, if they can suggest any other thing that this subcommittee should have done that it did not do by way of getting farmers to the hearings. It is demonstrated here, and no one denies it, that the representatives of all farm organizations were specifically invited by letter; that by radio all farmers were invited to come. Now the criticism is made, and has been made during all this debate, that there was not a fair hearing; that the matter was engineered by somebody.

Mr. FRAZIER. Mr. President——

Mr. NORRIS. I am not charging the Senator with making that statement.

Mr. FRAZIER. I do not want the Senator to do so.

Mr. NORRIS. But it has been made. Intimation has been made of it today. Some dissatisfied person writes a letter and it throws out the idea and impression that the subcommittee had not done its duty, had not invited everyone. For God's sake, do Senators want the subcommittee to go out in the country and go to the farmers' houses and invite them personally, or get their statements there? Is there anything that the subcommittee could have done to give a fair hearing that it did not do? I should like to have the critics of the conduct of the subcommittee state what ought to have been done that they did not do.

It seems to me that the discussion in that respect is unfair. It seems to me unfair that the subcommittee should be criticized as it has been and that fault should be found with it in the conduct of its hearings. I have heard the statements which have been made on the floor of the Senate, and I cannot understand how the members of the subcommittee could have done anything other than they did do. They used their best endeavors to get everyone who was interested to attend the meetings. It is natural that the farmers should hold meetings. It is a good thing that they should get together and hold meetings. It is a good thing that the Farm Bureau went out and invited all farmers and all the farm organizations to the meetings, whether opposed to the bill or not.

Mr. President, I take it that simply because the Farm Bureau is for the bill it should not be considered an argument against the bill. The fact that some other farm organization is against it should properly be considered. Certainly those interested had an opportunity to be present at the hearings, and if they did not appear and were not heard they can blame no one but themselves.

Mr. FRAZIER. Mr. President, I appreciate the statement of the Senator from Nebraska. I am frank to say that in North Dakota, before the hearing was called, the chairman of the subcommittee, the junior Senator from Kansas [Mr. McGILL], asked me to arrange for a place for the hearing and to invite people to come; to give the meeting some publicity. I gave notice of the meeting and arranged for publicity in the press. I wrote letters to the heads of the farm organizations. Practically the only regular farm organizations we have in North Dakota are the Farmers' Union and the Holiday Association. I wrote letters to the heads of those organizations and urged them to attend. I knew that the Farmers' Union was having its State convention just a few days before the hearing was to be held by the subcommittee at Grand Forks, and I called the attention of some of the officials to the bill and suggested that they discuss it at their meeting and send a delegation to the hearing. They did.

When the president of the Farmers' Union got through speaking there at Grand Forks, the chairman of the subcommittee, the junior Senator from Kansas [Mr. McGILL], made the statement that he had been the best witness we had heard on the trip, or something to that effect. I think he did make a very good statement. I have his statement here and perhaps will quote from it a little later.

I sent a letter to every county agent in North Dakota, and to the commissioner of agriculture of the State. He happened to be away and could not attend, but I sent a letter to him, nevertheless, and invited him.

In Minnesota I talked with the secretary of the Governor and suggested that he make arrangements for a place for the hearing, and he did. Also that he call in or get in touch with the leaders of the farm organizations. That was done. We found out after we arrived there that the Governor had called in representatives of the farm organizations and the farmers themselves from various parts of the State, and they had held a conference and adopted a set of resolutions, which were read at the hearing. In my opinion, they adopted a very fair and very straightforward set of resolutions.

Before we reached Sioux City we had heard that there was some dispute or opposition to the so-called ever-normal-granary bill, and there was a very large crowd, I think, by all odds, the largest crowd we had at any place. And again, in my opinion, a large majority of those there, from 75 to 80 percent, I think, were representatives of the Farm Bureau, the soil-conservation program, and the extension service. There was a good sprinkling of others, of course. There was a mass meeting the second day of the hearing, and a large number came in. The hearing was held in the auditorium, and someone told me it seated 1,500. At any rate, it was crowded; I do not think there was an empty seat there on the afternoon of the second day of the hearings. We had some good witnesses, and there were very sharp differences of opinion.

I have an article here from a Marshalltown (Iowa) newspaper which says that Marshall County would profit at least $1,250,000 by this bill and the carrying of loans on corn. It goes on to say that is the reason the Marshall County Farm Bureau, the Marshall County Soil Conservation Committee, and various other farm groups, and the Marshalltown Chamber of Commerce are so eager to have Marshalltown business interests and Marshall County farmers well represented at the hearings in Sioux City the first half of the next week. I merely mention that to show that they took a great interest in getting a crowd there.

I was also handed copy of an editorial from Wallace's Farmer, published in the State of Iowa, regarding the Sioux City meetings. The headline is—

Hearings planned to wreck bill.

The editorial is from Wallace's Farmer of October 9, just a few days before we got there, and reads:

[From Wallace's Farmer of October 9, 1937]

HEARINGS PLANNED TO WRECK BILL

When Corn Belt farmers attend the hearings of the Senate Committee on Agriculture at Sioux City, October 18, 19, and 20, they should remember that these hearings were planned, in part at least, by those who would knife the program.

This Senate committee was given an outline of recommendations for legislation last February. But it is still refusing to put these recommendations into a bill.

These hearings were intended to be another step in the campaign against effective farm action. Those behind the hearings hope for two things:

1. A fight between farm groups at the hearings over different methods of farm legislation. This will give the committee a chance to pass the buck to farmers. "The farmers couldn't get together."

2. Even though a farm split doesn't develop, the hearings give an excuse for more delay. The committee, having stalled since last February, is an expert at this now.

The chairman of the subcommittee immediately in charge of the Sioux City hearings is Senator McGILL, of Kansas, a firm friend of the farm program and one of the authors of the Pope-McGill

bill embodying the farm plan. Farmers can expect him to do all he can to give the hearings a constructive value.

The real responsibility, however, rests on the farm groups that attend. Let them forget minor differences, center on the main principles of the ever-normal-granary program, and demand an end to committee delay.

These committee hearings are designed to wreck the farm program. Let farmers convert them into a weapon to force early action on the farm bill.

Of course, the other author of the farm bill, the Senator from Idaho [Mr. POPE] was also there with the subcommittee. No one ever accused him of being unfriendly to the bill, and, of course, he is not unfriendly to it. So if anyone was trying to wreck the program I suppose it must have been myself, because I was the only other member of the subcommittee there. I could not quite understand the reason for the attitude of Wallace's Farmer, because I had nothing particularly to do about arranging the meeting at Sioux City. The subcommittee talked it over, and someone suggested Sioux City as a central point for farmers in Nebraska, South Dakota, southwestern Minnesota, and Iowa, and we all agreed that that was the place where the meeting should be held. There was an excellent crowd there. There is no doubt about that.

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

Mr. FRAZIER. I yield.

Mr. POPE. Notwithstanding the suggestions which were made even in Wallace's Farmer of the possible packing of the hearing of the committee as well as certain charges, or, at any rate, intimations I have heard here, does not the Senator think, that despite any suggestions of that kind by anybody, the hearing was perfectly fair, and everybody who could be heard was heard at that hearing, and that there was no packing on the part of anybody? Was it not a full, open, free, and fair hearing?

Mr. FRAZIER. There was no packing on the part of any member of the committee. Is that what the Senator means?

Mr. POPE. Exactly. And does the Senator think that anybody succeeded in packing it?

Mr. FRAZIER. But the Senator will agree with me, I think, that there was considerable opposition by quite a sprinkling of representatives, who felt that witnesses, in some instances, had been coached, and that in some respects it was a packed proceeding.

The Senator will probably recall the little poem that was read there. I have a copy of it here, and I should like to read it. I do not think it has gone in the RECORD, and it is rather amusing.

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

Mr. FRAZIER. I yield.

Mr. McGILL. I hope the Senator, when he reads the poem, will read the remaining portion of the witness' testimony—that he will read it all instead of merely reading the poem.

Mr. FRAZIER. I have not a copy of the hearings. If the Senator has a copy of them, he can read the testimony.

Mr. McGILL. I thought the Senator had the testimony of the witness since he has the poem.

Mr. FRAZIER. One of the witnesses who appeared before the committee at Sioux City read a little poem. I do not know who was the author of the poem, but at any rate it read as follows:

Half a league, half a league,
Half a league onward
Into Sioux City rode
The crop-control six hundred;
County agents to right of them,
Pay rollers to left of them,
Brain trusters back of them,
Volleyed and thundered.
Someone had blundered!
Theirs not to make reply;
Theirs not to reason why;
Theirs just to testify.
So into the valley of death,
Into the shadow of hell,
Ready to sell their soul
For compulsory crop control,
Valiant six hundred;
No; not because they felt that way;
But just to get four bucks a day.

[Laughter.]

I thought it was rather an amusing little poem. It struck me as rather an original thought on the part of the one who had written it. I know there were quite a number at the hearing who got a laugh out of it when it was read, and it was copied into several of the newspapers.

At Springfield, Ill., where the senior Senator from Oklahoma [Mr. THOMAS] was the chairman of the subcommittee, the same question arose several times about "pay rollers" coming in there. There was no particular evidence except that a large percentage of that crowd did, I think, represent the Farm Bureau group, because that is the strong organization in that section of the country; they were well represented, and there were also some representatives of other organizations.

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

Mr. FRAZIER. I yield.

Mr. NORRIS. I think now it is demonstrated the subcommittee was not packed and was not unfair. It is also shown that the subcommittee sent invitations to all county agents, and that not all of them but many of them came. Now, somebody is kicking because the county agents came. They were invited to come; and was it not a part of their business, if they were interested in their work, to come, no matter how they felt about this bill? How can anybody complain that a farm agent, having been invited by the committee to come, accepted the invitation and came?

Mr. FRAZIER. I know of no complaint about their coming. Of course, we were glad to have them come; but my opinion was in the Committee on Agriculture, when the resolution was discussed as to holding hearings, that hearings were to be held on farm legislation generally, but these witnesses took it for granted, apparently, that the ever-normal-granary bill was the only bill that was to be discussed, and that was the only one that most of them knew anything about.

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

Mr. FRAZIER. I yield.

Mr. BARKLEY. I am interested to know whether the poem the Senator read was written by a farmer?

Mr. FRAZIER. It was read by a farmer; I do not know who the author was.

Mr. BARKLEY. If a farmer could write that kind of poetry he could probably do better writing poetry than he could do on the farm.

Mr. FRAZIER. I do not know about that; perhaps he could.

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

Mr. FRAZIER. I yield.

Mr. McGILL. In order that there may not be any misunderstanding, let me say that, so far as any arrangements made by me were concerned, I did not invite specially county agents. I understand, however, the Senator from North Dakota said that in his State he did invite the county agents.

Mr. FRAZIER. Yes; and we have a good group of county agents in North Dakota.

Mr. McGILL. All over the United States, in my judgment, we have a fine group of men as county agents representing the agricultural interests of the country; but I did not invite them especially. I did not want to be misunderstood in the matter. My invitations went generally; and I wish to state that, so far as the hearings in Kansas are concerned, with regard to the meetings at Dodge City, I had the Wichita broadcasting station announce them 2 or 3 days ahead of time. They announced it a number of times, inviting farmers all over western Kansas, Oklahoma, and Colorado to attend the meeting.

Mr. POPE. Mr. President, will the Senator yield with reference to that matter?

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

Mr. FRAZIER. I yield.

Mr. POPE. It appears that some witnesses and apparently some Senators feel that the members of the county committees should not have appeared and should not have given any testimony at the hearing. The fact is that the witnesses testifying about the Soil Conservation Act in many places

represented 95 percent of all the farmers in that locality, and that 95 percent or 85 percent or 90 percent, whatever it might be, elected the county committees who consequently represented the very best farmers in the locality. They were members of the Grange, members of the Farmer's Union, members of the Farm Bureau, and occasionally they were not members of any organization.

When the heads of the Grange and Farm Bureau and Farmer's Union invited representative farmers, they themselves often invited members of the county committee because they were familiar with the work and really represented the farmers of the particular locality.

Even if it were true that 75 percent of those present were members of the county committee—I think the Senator is entirely mistaken about that because my own observation about it was that a very much smaller percentage of those who testified were members of the committee—but even if they were so numerous, they represented almost invariably the very best farmers in the locality and had been elected by those farmers to the positions they held. Therefore, I am unable to see why any sort of criticism should be directed at those good farmers throughout the country, elected by a large percentage of farmers under the Soil Conservation Act. I do not think anyone should even intimate that they should not have been present and should not have given their testimony.

Mr. FRAZIER. Mr. President, it occurred to me it was piling it on a little too strong that the farmers who had been chosen and elected by their own groups and were on the pay roll at the Department of Agriculture should come in so strongly as they did in some instances for the bill. As I said, it is perfectly natural for them, but it looked a little out of place to me because I thought it indicated that they wanted to continue their jobs, which of course was perfectly natural also.

Be that as it may, I had been in hopes of being able to get a copy of the printed hearings so I could check up on the percentages of those representing the various groups which had been at the hearings, but I could not get a copy in time to do so.

Mr. AUSTIN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. FRAZIER. I yield.

Mr. AUSTIN. Before the Senator leaves that part of the discussion and in connection with the colloquy which has just occurred, I invite attention to a report which came to us from Vermont on the 23d of November from the Bureau having to do with the soil conservation program, which I think tends to prove that it reached many farmers and that if these farmers who are enjoying the benefits and cooperating under the soil conservation act really attended the meetings and participated in them, they represented a fair cross section of the farmer thought. Perhaps if they had contemplated all the things that we contemplate in the bill their views would have greater weight with us than they have had.

I invite attention to this press comment coming from the Associated Press at Washington to the Burlington Free Press and published by it in Burlington, Vt.:

> Farm Administration leaders reported today $898,689 had been paid to 18,923 farmers of the nine Northeastern States for complying with the soil-conservation program. New York led with $407,173 to 7,583 farmers. The payments and number of farmers benefiting in other States include Maine, $96,819 to 1,773 farmers; New Hampshire, $25,476 to 1,061 farmers; Vermont, $64,352 to 1,382 farmers; Massachusetts, $43,189 to 1,099 farmers; Rhode Island, $8,335 to 194 farmers; Connecticut, $55,288 to 1,235 farmers.

Mr. President, I thank the Senator for permitting me to get this information into the RECORD.

Mr. FRAZIER. Mr. President, the Soil Conservation and the A. A. A. programs were complied with by a goodly number of farmers in every State, I believe, though not to the extent of 95 percent. I do not think that is what the Senator from Idaho [Mr. POPE] intended to infer, although he used that figure. A good majority in most of those States complied, and I think they received a good deal of benefit. In some districts they could not comply because of climatic conditions or the character of crops which they raised. A few farmers said they had been carrying out the same program for years that the soil-conservation people were taking on now, and therefore they did not feel that they should go into it.

I voted for the Agricultural Adjustment Act and for the Soil Conservation Act. I am glad always to vote for any agricultural legislation that will give the farmers anything that I think may be of benefit to them. The criticism I have is that these bills have not gone far enough. I was strongly in favor of the cost-of-production amendment put on the Agricultural Adjustment bill when it was in the Senate committee and which the Senate itself adopted, but which was afterward stricken out by the conferees. We were told it was stricken out at the request of the Secretary of Agriculture, and, of course, that is correct. I have been sorry ever since that the cost-of-production provision was stricken out of that bill. I think it would have been much fairer and a better method of payment to the farmers than the program which was adopted under the so-called parity system.

I want to read from some of the agricultural planks adopted by both of the major political parties. I am going to read merely a brief extract from some of them. In the Democratic platform of 1924 there was an agricultural plank which said it was their policy:

> To stimulate by every proper governmental activity the progress of the cooperative marketing movement and the establishment of an export marketing corporation or commission in order that the exportable surplus may not establish the price of the whole crop.

Exportable surplus. That is one thing that is brought up by many of those opposed to the President's so-called ever-normal-granary provision. They are trying to take care of and control the surplus rather than control of the acreage or crops. Personally I think that should be an amendment adopted to the present bill. Instead of trying to control the production by acreage that is to be planted, let us control the surplus.

That was in 1924. In the same year the Republicans had in their platform an agricultural plank which said:

> The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industry to insure its prosperity and success.

In 1928 the Republicans again endorsed that very fine plank for agriculture, but the trouble was that after they were reelected in 1928 they did not make any effort to carry out that program.

If the Republicans had carried out that platform they probably would not have met the overwhelming defeat that they met in 1932. Because the Republican organization failed to carry out their promises to the great groups of farmers throughout the country, there was an overwhelming defeat, a landslide, in favor of the Democrats in 1932.

But I want to read from the Democratic platform in 1928. They said:

> Farm relief must rest on the basis of an economic equality of agriculture with other industries.

This was the Democratic platform. Four years before that, in 1924, the Republicans had said the same thing—that agriculture must be on a parity with industry. In 1928 the Democrats said the same thing—that agriculture must be put on an economic equality with other industries. They also said:

> To give this equality a remedy must be found which will include, among other things.
>
> * * * * * * *
>
> Creation of a Federal Farm Board to assist the farmer and stock raiser in the marketing of their products.

It was the Democrats who said that in 1928. The Republicans, however, put the Farm Board into operation.

Then in 1928 the Democrats also said:

> We pledge the party to an earnest endeavor to solve this problem of the distribution of the cost of dealing with crop surpluses over the marketed units of the crop whose producers are benefited by such assistance.

That, too, would have been a mighty good thing.

Then the Republicans said in 1928:

We promise every assistance in the reorganization of the marketing system on sounder and more economical lines and, where diversification is needed, Government financial assistance during the period of transition.

Then they said again:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries.

It was in 1928 that the Republican Party said that; but they forgot to carry it out in their administration during the 4 years from 1928 to 1932, and they were repudiated by the voters when they came to the election of 1932.

The Democratic platform of 1932 contained some very interesting statements in the agricultural plank.

They say:

We favor the restoration of agriculture, the Nation's basic industry.

And they talk about—

Better financing of farm mortgages through recognized farm-bank agencies at low rates of interest on an amortization plan, giving preference to credits for the redemption of farms and homes sold under foreclosure.

That meant, as I take it, to provide a chance for those who had been foreclosed on to repurchase their lands. In fact, I happen to know that the late John Simpson, who at that time was national president of the Farmers' Union organization, made a trip to New York State to talk with one of the candidates for President on the farm refinancing question; and he himself told me that he was assured that if that candidate should be elected, something along that line would be advocated, and it was in the platform.

Then the Democratic platform goes on:

We favor * * * extension and development of farm cooperative movement and effective control of crop surpluses so that our farmers may have the full benefit of the domestic market.

Unfortunately, after the Democrats were elected in 1932, instead of controlling crop surpluses they tried to control the production by acreage, which, in my opinion, is absolutely impossible, because the difference in yield from year to year makes it absolutely impossible to control production by the control of acreage.

Another promise was made to the farmers by the Democrats in the 1932 platform:

We favor * * * the enactment of every constitutional measure that will aid the farmers to receive for their basic farm commodities prices in excess of cost.

Mr. President, that means cost of production; and the Democratic platform in 1932 pledged to the farmers cost of production. When the cost-of-production provision was put into the Agricultural Adjustment Act by the Senate of the United States, the House conferees struck it out because they said the Secretary of Agriculture would not stand for it. These things are rather hard for the farmers to understand; and I want the Members of the Senate to realize that the farmers are thinking about these things right now. I know they are, because I have talked with them, and I get letters from them in regard to these very questions.

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

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. FRAZIER. Yes.

Mr. GILLETTE. Right at this point let me ask if the Senator has available and can put in the RECORD the corresponding plank in the Republican platform of 1932 relating to farm rehabilitation?

Mr. FRAZIER. I am coming to it.

The Republicans in 1932 said:

We will support any plan which will help to balance production against demand, and thereby raise agricultural prices, provided it is economically sound and administratively workable without burdensome bureaucracy.

That sounds like a part of the Democratic platform in the present administration.

Mr. DAVIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Pennsylvania?

Mr. FRAZIER. I do.

Mr. DAVIS. Would it be possible to secure the real cost of production for these farm products, for instance, in the case of wheat?

Mr. FRAZIER. I am coming to that a little later. I do not see why it would not be possible in the case of the amount used for home consumption in the United States. In my opinion, the American farmers are entitled to the American market. They are entitled to cost of production for the American market, just as the manufacturer is entitled to the cost of production for work that he does, just as the businessman is entitled to the cost of production, just as the lawyer is entitled to his overhead expenses and a profit if he is to succeed, just as anyone else is entitled to the cost of production. The farmer cannot succeed in any other way. My objection to the pending bill, known as the ever-normal granary bill, is that there is nothing in the bill which guarantees to the American farmer cost of production, including a fair profit. There is nothing in the bill to assure the farmers that they will receive cost of production for their products. Under any other condition, they will go broke. They cannot help it.

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

The PRESIDENT pro tempore. Does the Senator from North Dakota further yield to the Senator from Iowa?

Mr. FRAZIER. Yes.

Mr. GILLETTE. Will the Senator yield to me for the purpose of making an inquiry to develop what the Senator from Pennsylvania [Mr. DAVIS] had in mind?

Mr. FRAZIER. Certainly.

Mr. GILLETTE. I understood the Senator's question to be whether it is possible to secure cost of production. Does the Senator mean whether it is possible to secure the money to pay the cost of production, or whether it is possible to determine the elements constituting cost of production? To what was the Senator's inquiry directed?

Mr. DAVIS. Mr. President, my inquiry was directed to the possibility of getting the cost of producing the product on the farm.

Mr. GILLETTE. Determining the amount?

Mr. DAVIS. Determining the amount; yes.

Mr. FRAZIER. Oh, there is no difficulty about that! It can be determined just as accurately as the manufacturers determine their cost of production.

Mr. DAVIS. But it would be necessary to take an average for the whole country.

Mr. FRAZIER. It would have to be an average, of course. The manufacturers do that, too. It costs one manufacturer more to manufacture a certain line of goods than it costs another manufacturer somewhere else; but they put the price high enough so that they can all come in under it and make a profit. Why should not the farmers at least have the benefit of the same principle? They cannot succeed in any other way. If it is found that a manufacturer cannot compete with the other manufacturers, he goes out of business, or changes to something else. If we had the average cost of production, and a farmer somewhere were on submarginal land, or something of the kind, or trying to raise a crop to which his soil was not adapted, he would have to change his crop and go to raising something else. At present he keeps on. He does not know what he is going to get for the products when they are produced, but he hopes he is going to have a good crop, and he hopes he can get a good price for it; and so he keeps on, regardless of whether his crops are adapted to that particular land, or whether he can produce them for cost of production, or not. He cannot know.

If we had a definite price based on cost of production and a fair profit for the amount used for home consumption, every farmer would know, if he raised a crop, what he was going to get for every bushel of wheat, every pound of cotton, or every bushel of corn; and if he could not make ends meet

under those conditions, with that price, he would have to go to raising something else. If he is the kind of farmer who cannot produce these products and sell them for the average cost, the sooner he finds it out the better it will be for all concerned, and he will go into some other line of business or raise something else.

The Republican platform in 1932 also said:

The fundamental problem of American agriculture is the control of production to such volume as will balance supply with demand.

That sounds like another plank in the Democratic platform of the present administration.

The Republicans also said:

A third element equally as vital is the control of the acreage of land under cultivation as an aid to the efforts of the farmer to balance production.

That is similar to a plank in the Democratic platform. It seems rather strange. The Democrats had a wonderful agricultural platform in 1932, but after they were elected they turned around and took the Republican platform and tried to carry it out. There was a lot of dissatisfaction, and it is going to be demonstrated in the next election, unless I miss my guess. The Republicans failed to carry out their agricultural programs in 1924 and 1928, and were defeated in the election of 1932. The Democrats have not carried out the program that they put in their platform in 1932, either—not by a gunshot.

The platforms of 1936 are along the same lines.

The pending farm bill, instead of providing for cost of production, provides for a so-called parity price based on the 5-year period from 1909 to 1914. That was supposed to be a fairly prosperous period in agriculture; but the statistics show that during the 5-year period from August 1909 to 1914, the average per capita income of the farmers was only $156 per year, and that was only 40¼ percent of the average per capita income of the nonfarm population during the same years. The farmers are entitled to their per capita share of the national income, but they did not get it by any means during that 5-year period.

In the beginning of the present administration the Department of Agriculture advocated the carrying out of these planks of the Republican platform. They did not say that in so many words, but that is what it amounted to, making the payments on the parity basis, taking the 5-year period from 1909 to 1914 as the basis. There was not so much objection to that at the time, because it was admittedly an emergency measure, but the emergency measure remained on the books for several years. Then the Soil Conservation Act went into effect, after the other was declared unconstitutional.

It seems to me the pending bill ought to be of a more permanent nature, and we should not go on carrying out the experiment any longer. But the administration still insists on the parity provision, based on the period 1909 to 1914.

During that period of years the farmers received only 40¼ percent of the per capita national income, and it is not fair to say that the farmers of the United States can carry on under those circumstances. It is absolutely impossible. During the same 5-year period the farmers' property, their land, increased in value, their credit was good, and they could go to the banks and borrow almost any amount they wanted. Those who owned land, or who owned cattle, could borrow money, and they did borrow money during that period to the extent of $500,000,000. That, in my opinion, at least, represents the difference between the price they got for their products during that 5-year period and the cost of production. Their credit was good, and they borrowed the difference. Apparently the Department of Agriculture seems to think that the farmers can continue along that line; but they cannot do it. The conditions during that period 25 years ago were entirely different from what they are now. The cost of everything the farmer has to buy has gone up. We use automobiles now, and trucks, and tractors, which are a necessity, as well as radios and similar things, which were not so common in those days. We are entitled to a better price. We are entitled to a parity with industry right now. But there is nothing in the bill which would give the farmer a parity with industry.

Furthermore, Mr. President, there is nothing in the bill, at the present stage, at least, that will guarantee the raising of enough money to pay the farmers the difference between parity and the local price when they sell their products. There is nothing in the bill which gives assurance that we will have enough money. The committee inserted a provision that enough money would be authorized to be appropriated to carry out the purposes of the bill, but we have been notified that that probably is not possible, and it looks very doubtful, at least. In my opinion it will take more than the $500,000,000, to which the soil conservation appropriation amounts, to carry out the provisions of the so-called ever-normal-granary bill, and to provide the parity payments. I think it will take double that amount, from the statements of some of the experts of the Department of Agriculture before our committee.

As I see it, there is no chance to get it. All we will get will be about half enough to bring the price to the so-called parity, under present conditions, and parity price is below cost of production. So what hope is there for the American farmer to be put on a parity with industry, under the pending bill? I can see no hope whatever.

In 1936 the agricultural income was $5,805,000,000. The farm population amounted to 31,809,000, or a little over 25 percent of the total population. The nonfarm income for the same year, compared with $5,805,000,000 for the farmers, was $58,877,000,000. The farmers got 10 percent of the income, and numbered over 25 percent of the population. Is there anything like a parity with industry in that? Oh, no, and there never has been. As long as I can remember, at least, the farmers have never been on a parity with industry, and there is nothing in the pending bill that will put the farmer on a parity with industry. Of course, if he gets the parity price, it will help some, it will give him a little better price than what he is getting now, but the farmers of this country will continue to go broke as long as they are forced to sell their products at prices below the cost of production. They cannot keep going, any more than anyone else in business could keep on under the same circumstances.

In a town in the West a businessman came before our committee. He had been a farmer, but he stopped farming and went into the automobile and machinery business, though he still owns some land. I asked him if he would be willing to conduct his machinery and automobile business under the same method under which the farmers conducted their business, selling his products in the same way. He said sometimes he did cut down on prices, but that he could not as a general thing. He admitted that he would go broke if he had to do business selling his products as the farmers sold theirs, for any price the other fellow fixed for the product, that he could not continue to do business. Nor can the farmers continue to do business as long as they are compelled to go on in that way.

Mr. JOHNSON of Colorado. Mr. President——

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). Does the Senator from North Dakota yield to the Senator from Colorado?

Mr. FRAZIER. I yield.

Mr. JOHNSON of Colorado. As I understand the parity provisions of the bill, they place a ceiling on farm prices above which the mechanics of the bill make it impossible for farm products to rise. In other words, whenever a commodity mentioned in the bill reaches the parity price, the gates of the ever-normal granary are thrown open and a sufficient amount from the ever-normal granary is turned loose on the market to keep the market from going above the parity price. Does the Senator understand the bill in that way?

Mr. FRAZIER. That is approximately correct.

Mr. JOHNSON of Colorado. There is to be a ceiling, then, above which the price cannot rise?

Mr. FRAZIER. That is to protect the consumers, of course, and they are entitled to protection. The trouble is, of course, that as long as the price is below normal, the consumer gets

the benefit, to the detriment of the producer, but just as soon as the price comes up a little above normal, then the price is blocked right there. That is the theory, at least. The bill is unfair to the farmers, in my opinion, because of that provision.

Early last fall prices were pretty good because of the drought and one thing and another. Of course, control had something to do with it, I agree, but if the administration is to claim the credit for the rise, it must assume responsibility for drought and floods, which have also helped bring up the prices. They do not want to do that, however, and it would be unfair to ask them to do it. The two go together. Prices were up. This year the crops were better.

Long before the wheat crop was harvested, a report came from the Department of Agriculture that there would be a big crop of wheat, and that prices undoubtedly would go down; and they did go down. Before the corn crop was harvested, a similar report came out, that there would be a surplus of 150,000,000 bushels of corn, or thereabouts, and the price of corn went down. When potatoes came on the market, in accordance with the report of the Department of Agriculture there was a big crop, and the price of potatoes went down. Farmers in my State sold potatoes at 15 cents a bushel, which did not pay for digging, picking, and hauling them to town, not to speak of the other expenses. A similar statement was made in regard to the cotton crop.

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

Mr. FRAZIER. I yield.

Mr. GILLETTE. A short time ago the Senator was discussing a matter of great interest. Did I understand the Senator to make the point that if the parity price should be attained, which is the goal of the bill, it would mean that the farmer would receive only 40 percent as his proportionate share of the national income, as was the case during the base period which is made the yardstick?

Mr. FRAZIER. I stated that during the 5-year period the farmer received only 40 percent of the national per capita income.

Mr. GILLETTE. And that period is used as a base here, and if we attained the parity price, then the farmers would receive only 40 percent of the national income?

Mr. FRAZIER. It might not be the same percentage, but, in my opinion, it would undoubtedly be below cost of production.

Mr. President, much criticism has been directed against the Department of Agriculture because of these forecasts of production of various crops, and I think the criticism is just. In my opinion, the forecasts sent out do more harm to producers than good.

A gentleman from Texas handed me a clipping from the Dallas (Tex.) News, which reads as follows:

> Fruit at low prices seen for this winter.
> The Bureau of Agricultural Economics Saturday—

This is just a couple of weeks ago—

> predicted plenty of fruit at low prices in the United States during the winter and early spring months.
> The orange crop is the largest on record, grapefruit second largest, and the apple greatest in 11 years. Prices of oranges and grapefruit will decline sharply the next few months.

Perhaps they will, Mr. President, but what good does it do for the Department of Agriculture, which was created for the special purpose of aiding the farmers—and among other things they should aid them to make a profit—what good does it do for them to predict that the fruit crop is going to be a big one, that the price is going to drop because of a big production? Those who handle the farmers' products will find it out soon enough without the Department of Agriculture, 2 or 3 weeks ahead, telling them about it.

Another objection I have to the pending bill is that there is nothing in the bill to control, prohibit, or prevent the manipulation of the farm markets by the speculators on the grain and cotton exchanges. I do not know much about the cotton exchanges, but I do know something about the grain exchanges. I have before me an article written by a lawyer who practiced law in Chicago for years, Ernest D. MacDougall. It is published in a magazine called the Social Frontier.

Mr. President, I want to quote just a very few statements from this article on the subject of the grain futures market. I shall then ask unanimous consent that the entire article be printed in the RECORD as a part of my remarks. The writer speaks of the futures trading as being detrimental to the farmers and purely a speculative or gambling proposition. He says the courts have upheld that position. He quotes from two decisions of the Supreme Court of the State of Illinois and one from the Supreme Court of the United States. I wish to read simply a paragraph from a decision of the Supreme Court of Illinois in the case of *Cothran* v. *Ellis* (125 Ill., 496–500). The paragraph is as follows:

> It is not only contrary to public policy, but it is a crime—a crime against the State, a crime against the general welfare and happiness of the people, a crime against religion and morality, and a crime against all legitimate trade and business. This species of gambling has become emphatically and preeminently the national sin. In its proportions and extent it is immeasurable. In its pernicious and ruinous consequences it is simply appalling. Clothed with respectability and entrenched behind wealth and power, it submits to no restraint and defies alike the laws of God and man. With despotic power, it levies tribute upon all trades and professions. Its votaries and patrons are recruited from every path of society. Through its instrumentality the laws of supply and demand have been reversed, and the market is ruled by the amount of money its manipulators can bring to bear upon it.

Mr. President, that is what the Supreme Court of the State of Illinois said about the futures grain trading of the great city of Chicago. They say the law of supply and demand has been reversed. That is absolutely true. When anyone tells the farmers that there is anything in this bill pending before the Senate of the United States that will let the law of supply and demand function, he is stating something that is absolutely impossible until the speculative features are eliminated from the grain market and the cotton market, because there is no such thing as the law of supply and demand properly functioning so long as speculators control and manipulate the market. The futures market did not start in grain at all until after the Civil War, and the country had gotten along very well up to that time; but during the Civil War period someone decided that he could make more money speculating in wheat than he could raising and selling it. So this speculative feature was started.

There are many other sections in Mr. MacDougall's article that are good, and I shall quote one other. The writer tells about the losses through speculations, and continues:

> Meanwhile, those who play the wrong side of the futures market lose $2,000,000,000 per annum and add that much to the war chest of those whose business it is to despoil the people and to block every avenue of social and economic progress. These losses represent the margin or wager money of the unlucky victims of a crooked skin game. Those losses do not take into account the $100,000,000 paid each year in brokers' commissions by both the winners and the losers.
> Neither do those losses take into account the loss suffered by the farmers in the sale of their crops at prices below cost of production.

Mr. President, that is one of the best articles I have seen in regard to futures trading on the Board of Trade of Chicago.

The writer goes on to point out that while the Chicago market is often advertised as being the greatest grain market in the world, that is absolutely false; that there are some eight or nine other grain markets in the United States which do a larger business in handling actual wheat than does the Chicago market; that, in fact, the Chicago market handles only a small percentage of the grain marketed. Between 95 and 99 percent of all the business done on the Chicago Board of Trade is of a speculative business or of a gambling nature.

The writer of the article also points out that the millers do not even need this kind of a futures market to protect their sales. He says they have to take advantage of hedging marketing because the violent fluctuations caused by this same futures trading makes millers uncertain as to what they can get for their products, and so they have to hedge.

He says they have to bet that the grain is going down, and they hope that it will not.

The article presents a very clear exposition of the subject, and I ask that it be printed in the RECORD at this point as part of my remarks.

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

THE GRAIN FUTURES MARKET—A STUDY IN THE ETHICS OF CAPITALISM

The social frontier implies the progressive point of view of those who plod patiently toward the Promised Land. It implies also the persistent presence at the frontier of an energetic enemy, who, from ambush and under cover of darkness, effectively seeks to discourage and distress those who are on the onward march.

To pioneers of progress let it be said that the enemy has erected in the path both mental hazards and seemingly formidable, albeit decadent, institutions to barricade the way. Evading open combat, the enemy defends his vulnerable position by the exercise of remote social control. Unscrupulous and unprincipled in his predatory practices, he appears in the light of day only when robed in raiment of righteousness. Defiant of the law, he protects and perpetuates his uneconomic, unethical, antisocial way of life by powerful propaganda and by pressure of perverted publicity.

"By their fruits ye shall know them." The profit motive has yielded many evil fruits. Mercenary criminals, profit-taking racketeers, everywhere abound. Nonproductive parasites infest all the highways and byways of modern life. They thrive in the marts of trade and they center their expropriating projects on the labors of those who toil. They have devised agencies in Wall Street and in La Salle Street to exploit the working producers and to swindle the general public. They gamble in the forms of trade and in the necessities of life. These evil things they do in the name of big business. They crave respectability, but they covet coin.

GAMBLING IN LIFE'S NECESSITIES

Our courts have consistently condemned stock gambling in most vigorous terms. Yet these gambling racketeers secretly sneer at these adverse decisions as "sterile progeny of the law." Failing to fool the courts through the unscrupulous services of "clever" lawyers, they now seek to fool the public through the prostitution of publicists and the purchase of pseudo-economists. They flood our schools and colleges with their pernicious propaganda.

Speaking specifically now of the futures market of the Chicago Board of Trade, it is needless here to enter upon a detailed discussion of the law. The subject of futures trading has been fully annotated in volume 83 of American Law Reports, at page 522 (83 A. L. R. 522), following two decisions reported at pages 492 and 512 of the same volume. The decision reported at page 492 is the last word of the United States Supreme Court on the subject. The decision reported at page 512 is the last word of the Supreme Court of Illinois. It will suffice, for the present purpose, to quote an excerpt from another decision of the Illinois Supreme Court (Cothran *v.* Ellis, 125 Ill. 496, 500), as follows:

"It is not only contrary to public policy, but it is a crime—a crime against the State, a crime against the general welfare and happiness of the people, a crime against religion and morality, and a crime against all legitimate trade and business. This species of gambling has become emphatically and preeminently the national sin. In its proportions and extent it is immeasurable. In its pernicious and ruinous consequences it is simply appalling. Clothed with respectability, and entrenched behind wealth and power, it submits to no restraint and defies alike the laws of God and man. With despotic power it levies tribute upon all trades and professions. Its votaries and patrons are recruited from every class of society. Through its instrumentality the laws of supply and demand have been reversed, and the market is ruled by the amount of money its manipulators can bring to bear upon it."

These racketeering gamblers have many powerful allies. There seems to be a community of interest among all those of big business who are motivated by the profit-taking impulse. It is a case of birds of a feather that flock together—a case of "you boost my racket and I'll boost yours."

APOLOGISTS FOR SPECULATION

The Chamber of Commerce of the United States and the International Chamber of Commerce seldom sit in session without adopting eulogistic resolutions recognizing "the fundamental services performed by futures markets in the organized distribution of certain agricultural and industrial products," and denouncing "governmental interference with futures trading."

Those who own and operate the futures market spare no expense in propagandizing the public and in exercising economic pressure against those who oppose their practices. They see to it that plentiful propaganda, ably prepared, is supplied where it will be most effective. The public relations committee of the Chicago Board of Trade made report that for the first eight and a half months of 1936 there were printed 7 board of trade stories in national publications, 217 stories in pictorials, 181 stories in trade papers, and 3,401 stories in newspapers. The report proceeds as follows:

"There is every reason to believe that the volume of returns (of clippings) will exceed 1929 in every particular when the 12-month comparisons can be made.

"The importance of this record to the welfare of the exchange lies in the fact that more than 2,300 of the 3,401 published newspaper stories appeared in the grain-producing area on which our publicity efforts are centered."

The June 12, 1937, issue of the Saturday Evening Post carried such a propaganda story, Wheat Madness, by Marc A. Rose. Neither Mr. Rose nor the editor was willing to correct any of the gross inaccuracies of that article. In the May 1937 issue of Rural Progress, a propaganda sheet that is distributed by the millions of copies, gratuitously, through the mails, to the farmers of the Middle West, appeared a similar article, Bulls and Breadbasket. Dr. Glenn Frank, who now "fronts" for that magazine, has withheld his consent to the publication of a story on the farmers' side of the question.

UNDERSTANDING THE MARKET

In no field of human activity has scientific research been less in evidence than in the field of agricultural marketing. It is a field of study of vital import not alone to the farmers, as producers, but also to the whole people as consumers. Our pastors and professors, as well as our editors, seem disposed to shy off from an impartial, scientific study of this question. Are the American people to be given to understand that scholarship is ready to turn tail, that science is ready to close its eyes and ears upon the slightest sign shown by the economic masters of our lives? Are we to understand that the Congress hastened to adjourn without enacting any general farm legislation because our legislators are ignorant of the fundamental facts of their problem, or because they are fearful of the economic powers that be? Or have their minds been poisoned and confused by long contact with the abominable standards of ethics of the profit system?

The problem of the orderly marketing of grain is no more difficult of solution than are other problems which our learned scholars and doctors effectively attack with zest. Why, then, this conspiracy of silence where the futures market of the Chicago Board of Trade seems to be involved? Every man, woman, and child has daily experience in the making and execution of contracts for the purchase and sale of the necessities of life, if not for the luxuries. The purchase of a pair of shoes involves the making and execution of a contract of sale—not a written contract, to be sure, but a contract, nonetheless, in which all of the essential elements of a contract are present. The purchase and sale of wheat, wholesale or retail, is no more intricate or difficult to understand than is the purchase and sale of bread or candy. It is only the fictitious market for futures trading that seems to enshroud the subject and obscure it in mystery. The plain, simple, everyday transactions of honest men are not difficult to understand. It is the crooked and devious device that is difficult to decipher.

Grain futures trading is a parasitical overgrowth on the body of the grain trade. The subject of futures trading has been deliberately camouflaged with such effect, by means of clever board-of-trade propaganda, that our wise men, our statesmen, our scientists, our researchers either credulously, without investigation, accept propaganda for fact or they throw up their hands and confess that the subject is too deep for them.

OPERATING IN "FUTURES"

Grain futures contract market is a market for the buying and selling of grain futures contracts—not for the buying and selling of grain. A futures contract is a betting contract concerning the future fluctuation of price quotations of the futures market ticker tape. There is no futures market attached to the industrial market for the simple reason that no manufacturer would consent to the idea of the fixing of the price of his product by means of the crazy fluctuation of a ticker tape manipulated by a bunch of gamblers. The manufacturer fixes his own selling price, if you please.

It is said that the Chicago Board of Trade is the biggest grain market in the world. This is not the fact. The truth is that, as a market for the actual merchandising of actual grain, Chicago stands sixth or seventh down the list of United States grain markets. Minneapolis is the biggest grain market in the United States. The Chicago Board of Trade merchandises less wheat than does the Hutchinson (Kans.) Board of Trade. Grain is bought, sold, and delivered in the cash (merchandise) market—not in the futures market.

The Chicago Board of Trade and the Chicago Open Board of Trade constitute the biggest futures contract market in the world (not the biggest grain market), handling about 90 percent of the total volume of grain-futures trading in the United States. Wheat-futures contracts, for example, are also bought and sold on the grain exchanges in Duluth, Kansas City, Minneapolis, Milwaukee, Portland, Seattle, St. Louis, and San Francisco. These other futures markets are, in effect, subsidiaries of the Chicago Board of Trade, and they handle, all told, a very small volume of trading in futures contracts. Most of the business of these other exchanges is grain trading—not futures trading. When one speaks of the grain-futures market, therefore, he speaks of the Chicago Board of Trade and of its little brother, the Chicago Open Board of Trade. The latter handles no actual grain at all—nothing but futures contracts. The former handles a comparatively small amount of actual grain and a very large amount of futures contracts.

It is important to keep clearly in mind this distinction between the grain market and the futures contract market. Not a single bushel of grain is ever sold in the grain pits—nothing but grain-futures contracts. Conversely, not a single futures contract is ever sold at the grain-sample tables—nothing but grain. The volume of grain trading done at the sample tables of the Chicago Board

of Trade is so small that they never bother to mark up the sales on the board. The board is reserved exclusively for recording transactions in futures contracts conducted in the trading pits—the wheat pit (wheat-futures pit), corn pit (corn-futures pit), etc.

The real work of marketing wheat, for example, does not depend on the existence of the futures market, which first was devised about 70 years ago. Wheat has been marketed for many centuries without a futures market, and wheat will continue to be marketed long after the futures market shall have passed away. The futures market automatically faded out of the picture during the World War, when the Government stabilized prices. The futures market depends for its existence upon continual fluctuation of prices, just as betting at the roulette table depends upon movement of the wheel.

DETAILS OF THE GRAIN TRADE

There are things, other than the futures market, upon which the grain trade does depend. There are scattered throughout this country over 3,500 flour mills with a daily capacity of 800,575 barrels of flour. There are grain elevators every mile or two along railroad rights-of-way in the grain area, and grain buyers are everywhere. There are unorganized grain exchanges in 19 cities. There are organized grain exchanges in 28 other cities, including Chicago. There are enormous terminal elevators and warehouses in all of the large cities. There are local, regional, and national farmers' cooperative selling societies, rapidly growing into control of the farmers' markets. And there is bitter conflict, inevitably, between the farmers' cooperative marketing societies and the business of gambling on the rise and fall of the price of farm products.

It is said that a grain futures contract market is a market for the future delivery of grain. That is not the fact. The truth is that less than one-half of 1 percent of the volume of wheat futures contracts, for example, results in delivery of either wheat or warehouse receipts for wheat. Such deliveries, when made, are not made in the futures market, but in the cash (merchandise) market. No deliveries are ever made except in the cash market, either present (spot) delivery or future (to arrive) delivery. Representing the grain futures contract market as a market for the future delivery of grain is a brazen fraud not alone upon grain producers but also upon the entire American public.

Futures trading in May wheat futures contracts runs for a period of about 8 months prior to May and during all of May but the last three business days, when trading in May futures is suspended. The same is true of trading in July wheat futures, September wheat futures, and December wheat futures. For May wheat futures, for example, May is said to be "delivery month." The last 3 business days of May are said to be "delivery days." That does not mean that deliveries of wheat must be made during May. It means that no deliveries under May wheat futures contracts shall be permitted to be made except during May, and then only at the seller's option. Deliveries made on 1 of the 3 "delivery days" are not future deliveries, but spot deliveries, made, if at all, in the cash market under the most difficult requirements of the rules and regulations of the Chicago Board of Trade. The futures market is closed on those 3 days, so far as May wheat futures trading is concerned.

What actually happens is that one who, in November, for example, buys or sells a May wheat futures contract expects to close out his contract before he may be called upon to make or to take delivery. He knows that there can be no deliveries in November, December, January, February, March, or April. During those months he is absolutely safe to play the May wheat futures market to his heart's content without running any risk of having to make or to take delivery. If he is on the short side of the market, he can continue his trading in May futures with equal safety up until near the end of May. During all of this time, particularly during that period prior to May, he may be in and out of the market, buying and selling May futures contracts, a hundred times, in and out of the market several times a day, for that matter; and then he suddenly switches his operations to July or to September or to December futures contracts. Seldom is he caught during "delivery month" with an unclosed contract on his hands. He has been an active trader in the futures market, but he has not made or taken, or intended to make or to take, any delivery of any grain. The only way he can make delivery, if he should care to do so, is to convert his futures contract into a cash (merchandise) contract. The futures contract is a gambling contract, pure and simple.

EFFECT UPON MILLERS

It is said that the futures market serves a useful purpose in providing facilities to millers, elevator men, and other handlers of grain to hedge against loss from fluctuation of market prices. That is not the fact. The truth is that it is the fluctuations caused by the futures market that makes the miller feel that it is necessary for him to go into the futures market and bet that the market will move in the direction in which he hopes it will not move.

As a businessman, the miller prefers to buy his wheat in a fairly stable market. He does not like speculation or gambling, as a business proposition. The futures market came first and hedging came second, in point of historical development. When the miller saw what the futures market was doing to the price of the product he had bought in good faith as raw material to be manufactured into flour, he went into the futures market himself to stabilize the value of the investment he had made in the cash market. He feared the "bears" would hammer down the price after he had made his investment in cash wheat and before he sold the finished product as flour. Accordingly, he went into the futures market and sold short, betting that the price would decline, as he feared it would but hoped it would not. He sold short, as every other seller of a futures contract sells short, because he had no intention whatever of delivering his cash wheat in settlement of his futures contract. That would, indeeed, be a silly thing for him to do. His paramount purpose is to mill that wheat into flour for his customers. Millers do not buy or sell actual wheat in the futures market any more than speculators do. Both speculators and hedgers do the same thing in the futures market. They buy and sell betting contracts—nothing else. They do not buy and sell grain in the grain futures market. It cannot be emphasized too strongly that all sellers in the futures market, both hedgers and speculators, are short sellers. All sales in the futures market are short sales. If all sellers sell short, what, then, do buyers buy? They buy a chance—a lottery ticket; that is all they buy.

SOCIAL WASTAGE OF ACCEPTED PROCEDURES

The study of the futures contract market is not merely an academic diversion. It has vital implications of vast economic and ethical value. Through bold audacity and brazen effrontery the Chicago Board of Trade has taught the people of this Nation to accept falsehood for fact, to believe that gambling greed for unearned gain is virtue rather than vice, and to hope for a solution of serious economic problems by simply letting well enough alone.

Meanwhile, those who play the wrong side of the futures market lose $2,000,000,000 per annum and add that much to the war chest of those whose business it is to despoil the people and to block every avenue of social and economic progress. These losses represent the margin or wager money of the unlucky victims of a crooked skin game. Those losses do not take into account the $100,000,000 paid each year in brokers' commissions by both the winners and the losers.

Neither do those losses take into account the loss suffered by the farmers in the sale of their crops at prices below cost of production. Futures prices are not directly related to cash prices, but they do have an indirect, psychological influence on cash prices. Futures price quotations are usually lower than cash prices paid for actual wheat as merchandise. They set the pace downward.

By persistent repetition of their extravagant though false claims to righteous rectitude as businessmen, these well-groomed gamblers of La Salle Street have profoundly affected the people to their hurt. A serious study of the economic and ethical aspects of futures trading will amply exemplify the harmful character of the entire profit system. Educators, as well as farmers, have a great stake in the solution of this problem of futures trading. The very existence of this problem is a challenge to the exercise of their proper function by our educational leaders. The solution of this problem also means dollars and cents added to the pay checks of our teachers. The billions of dollars that go each year into the bank accounts of grain and cotton gamblers and other nonproducing parasites of their ilk ought, by all that is good and holy, to go into the pockets of those who render useful service to society. None are more worthy of their hire than are our teachers, and few fare so ill.

The Nation as a whole has great spiritual and material gain in store upon the proper solution of this problem. Here is a key log in a serious log jam that blocks the stream of progress. Here is a challenge to the intelligence and to the honesty of the spiritual and temporal leaders of our people.

ERNEST D. MACDOUGALL.

Mr. FRAZIER. Mr. President, I have taken more time than I had expected. I am strongly in favor of cost of production for the farmers for the amount of their products used for home consumption. In the substitute measure introduced by the Senator from Oklahoma [Mr. LEE] there are many good features. If he would include the cost of production feature instead of the parity feature, which he does include in his proposal, it seems to me it would be much better. I suggested in committee the other day when we were discussing the pending measure that if parity was the goal to be reached in this measure and we did not have money enough to reach it, and could not hope to get money enough to reach it, why not change the bill to fix the price at parity, and pay the parity price figured out by the Department of Agriculture for the portion of these products used for home consumption in the United States? That would do away with any appropriation to carry out that feature of the bill. That would do away with the uncertainty that the farmers are not going to get parity because we are not going to have enough money to make up the difference to get parity price. To peg the price at parity would be a great deal better than the present bill provides.

Mr. President, I have been a farmer all my life, and I have wondered why the grain exchanges and the cotton exchanges have so much weight and authority, and so much influence. I have wondered about it all these years and I am

still wondering about it. Several times since I have been a Member of this body we have voted on a bill to put the grain exchanges and cotton exchanges out of the short-selling business. That would eliminate to a great extent the gambling element in the cotton and grain exchanges. We have not been able to get votes enough to do it. We have not been able to get the cost-of-production provision in a farm bill. If the cost-of-production provision were put in the farm bill, it would fix the price for the amount of farm products used for American consumption based on cost of production and fair profit. What would that mean? It would mean the same as it did during the World War, when the Government fixed the price of wheat. The grain exchanges went out of business during that period. The price of cotton was not fixed, and an immense amount of money was made by speculators on the cotton exchanges during the war period. But the wheat exchanges went out of business, they folded up, because they could not continue when the Government fixed the price of wheat.

Mr. President, I am wondering, and I know a great many farmers throughout this Nation are wondering, why it is we cannot get a cost-of-production provision in the farm bill. Is it because the grain gamblers and the cotton gamblers and their friends are too strong? Let us see. Whenever anything is said against the grain exchanges and the cotton exchanges a great deal of opposition develops. Representatives of the banking interests object. They seem to be friendly to the grain exchanges and the cotton exchanges. Representatives of the big insurance companies, and even many manufacturers, and many others will tell Senators privately that they are opposed to the gambling in the market, but when it comes to a straight, open statement which can be quoted, they back up and say, "No, no; do not quote me." They are afraid of the grain and cotton exchanges. Is it possible that this great Government of ours is afraid of the grain and the cotton gamblers and the stock gamblers?

I was not going to say anything about the stock market, but I think the stock market is just about as bad as the grain market and the cotton market. I can remember, as everyone else can, that in 1929, by the unfair manipulation of the stock exchange and Wall Street in New York, thousands and thousands of people lost every dollar of investment they had and went broke, while a few hundred, or at least, comparatively few, of those stock brokers or whatever they might be called—I call them gamblers—made millions and millions of dollars. The article from which I quoted states that those people who bet wrong on the grain exchange lose $2,000,000,000 each year and the grain gamblers make that much money.

On the stock market the value of stocks went down about $30,000,000,000 in 1929, in about a year's time, and the people lost that $30,000,000,000 and the gamblers who bet right made $30,000,000,000 at that time. It caused one of the greatest crashes we have ever had in the United States. The newspapers say another crash is pending.

Is our Government afraid to deal with the gamblers on the stock market? Are we afraid to deal with the gamblers on the wheat market? Are we afraid to deal with the gamblers on the cotton market? Senators can draw their own conclusions. I have mine.

Are we afraid in this bill to write a provision guaranteeing cost of production to the producers of wheat, corn, and cotton because it would fix and determine the price to be received for our domestic consumption based on cost of production? Are we afraid to do that? Everyone will admit the farmer is entitled to cost of production and must have cost of production if he is going to succeed. Why not give it to him? It is not done, because it would put the grain exchange and the cotton exchange out of business; because it would put out of business those gamblers who are gambling in food products and the necessities of life which the people must have in order to live. The Government seems to be afraid to curb that group of gamblers.

Mr. President, I do not know why it is, but there is "something rotten in Denmark." I should like to know what it is. If anyone who is a strong supporter of the pending bill can answer the question I should like to have it answered. I do not care whether he is a Member of the Senate or a member of the farm bureau or a representative of the Department of Agriculture, or who he is. Why is it we cannot have for those products used for home consumption a fixed price that will give the American farmer at least cost of production and a fair profit for the amount he raises for such consumption and will protect him and guarantee him a little profit?

I have another article to which I wish to refer briefly. It was published in the Chicago Tribune. I am going to refer to it only because it states a fact. The Chicago Tribune has been one of the standpat Republican newspapers in Chicago that I have criticized. In North Dakota we are nonpartisan and we have been free to criticize any party that we think wrong, regardless of the label it may bear. I have been elected on the Republican ticket because it is the dominant party in North Dakota, but elected with the endorsement of the Nonpartisan League. In fact, the Nonpartisan League put me in politics.

In an article published in the Chicago Tribune on October 10 it is said:

Imports cost farmer home market.

The article states that the imports of agricultural products coming in during the last year would require 30,000,000 acres of farm lands to produce. It would require 30,000,000 acres of land to produce the products which have come into the United States during the last year from foreign countries. Of course, we had a drought last year, and there was a shortage of some of those products, but a great many of the outside products came in and are coming in now.

We had a large crop of potatoes this year, and in North Dakota we were selling United States No. 1 potatoes for 15 cents a bushel. They were properly graded, too. Only last week a cargo of potatoes was brought in on a foreign ship from northeastern Canada to Jacksonville, Fla., seed potatoes, certified seed. They come in direct competition with the certified seed raised in my own State, as well as in Maine, Michigan, Idaho, Colorado, and other States where certified seed potatoes are raised. We raise certified seed potatoes and sell them in the South because they grow better than the seed potatoes produced in the South. In the past we have had in the South a good market, but now seed potatoes are coming in from Canada and are used in Florida, while just before the ground froze in my State potatoes were being sold on the market for 15 cents a bushel.

We cannot compete with the foreign potatoes which were brought from Canada on a Scandinavian ship which took the potatoes to Florida on an ocean rate. I was told by a Representative in Congress from one of the potato-producing States that the rate was about 10 cents a hundred. That is all they paid for shipping potatoes from Canada to Florida. It costs us in the neighborhood of 70 cents a hundred to ship by rail from North Dakota to Florida. It costs the potato growers of Maine shipping by coastwise vessels about 30 cents a hundred.

We cannot compete with the Canadian potatoes; the potato growers in Maine, right across the Canadian line, cannot compete with them, and yet those Canadian potatoes are coming in at a reduced tariff rate under a reciprocal trade agreement. If there is anything about that reciprocal trade agreement that is beneficial to the farmers I should like to know what it is. That is one New Deal measure against which I voted and I am proud of the fact that I did. I voted against its extension during the last session of the Congress because, as I said then and now repeat, the reciprocal trade agreements have made the American farmer the goat, and the result is that farm products are being brought in from foreign countries at reduced prices in direct competition with our products in trade for manufactured goods.

The manufacturers do not need help half so much as do the farmers. The manufacturer can fix his own price for his product and he does fix it. If he produces a surplus what does he do? He has two prices, just as we would like to

have in this control of surplus bill. We should have two prices for the farmer as well as for the manufacturer.

I remember a former Representative in Congress from my home State years ago, a Scandinavian, who served in the House of Representatives. While he was in the House he made a trip to Norway, to his old home community. While there he happened to be talking with a farm-machinery dealer. The dealer had a grain binder that was made in the United States. He asked the price of it and was surprised to find the price much less than he could buy the same kind of binder for in North Dakota. The Representative bought one of those binders from the dealer at the regular price in Norway, shipped it by local freight across the water to New York and by local rail freight to North Dakota, and laid it down on his farm there at a less price than he could have bought it for at home.

Why? Because the Harvester Co. had a surplus that year. At home they charged the cost of production plus a good fair profit and got it. Anyone wanting a binder in the United States had to pay that price or go without a binder. But the company had a surplus and shipped that surplus abroad and sold it away below cost of production in order to get rid of the surplus. Remember, they got cost of production plus a fair profit for the binders they sold in the United States. Other American manufacturers here do the same thing. I remember a former Senator from Iowa, Mr. Brookhart, telling about a fountain-pen company that had a factory in his State. He told of the prices at which their pens sold at home for domestic consumption. They sold at a price based on cost of production plus a fair profit, but for the surplus they shipped abroad they took any price they could get. It was good business for them, but it seems that it is not good business for the farmers to have cost of production plus a fair profit for their products used and consumed in the United States and to have the surplus handled by the Government through an ever-normal granary and sold for whatever price may be obtained. That would control production, in my opinion, because automatically the farmer would cut down production if he found that for only a certain percentage of what he raised would there be a home market in which he could get a fair price, and that the remainder would be sold below cost of production. He would naturally cut down to somewhere near what would be used for home consumption.

I hope before the discussion is concluded that something along that line will be offered in the way of an amendment and that there will be a fair discussion of that feature before the final vote is taken. I know that if the farmers, even those who came out definitely in favor of the so-called ever-normal-granary bill, had had the proposal put to them whether they did not think they should have cost of production plus a fair profit, they would invariably answer, "Yes." Some were afraid they could not get it. They had been told many times they could not get it, that it was unfair.

I read from the platforms showing that both the Democratic Party and the Republican Party had gone on record time after time in their platforms saying that they wanted to put the farmer on a parity with industry—yes, on a parity with industry. Industry gets cost of production plus a fair profit for the products sold at home and then if there is a surplus it is exported; and when they export any of their products they take whatever price they can get. We ought to have some such provision for the farmer. I hope that before the debate is closed or the consideration of the bill is concluded a substitute will be offered based on cost of production for the amount used for home consumption in the United States.

Mr. POPE. Mr, President, will the Senator from North Dakota yield at that point?

Mr. FRAZIER. Certainly.

Mr. POPE. The Senator referred to the substitute offered by the Senator from Oklahoma [Mr. LEE]. I wonder if the Senator understands, as I do, that that does not provide for cost of production?

Mr. FRAZIER. I said I hoped it would be amended to include it or that I thought it would be better if it were so amended.

Mr. POPE. It merely provides for parity price, and then in the event there is not sufficient money to pay the parity price only a pro rata part would be paid. The Senator indicated a few minutes ago it is not likely additional money over the $500,000,000 will be provided. If that be true, then just what additional good would such a bill do toward reaching parity price or cost of production?

Mr. FRAZIER. The Senator is referring to the substitute offered by the Senator from Oklahoma?

Mr. POPE. Yes.

Mr. FRAZIER. There are some other features of that substitute which I think are very good.

Mr. POPE. Does the Senator refer to graduated payments?

Mr. FRAZIER. Yes; I think that provision should be included in whatever bill we pass.

Mr. POPE. If there is no value in the substitute other than the provision for graduated payments, could not that be covered by amending the Soil Conservation Act?

Mr. FRAZIER. I think there are more good features than that. I read the substitute of the Senator from Oklahoma and heard his explanation of it. I will let him answer that question.

Mr. LEE. Mr. President, will the Senator yield for that purpose?

Mr. FRAZIER. Certainly.

Mr. LEE. One great advantage of the substitute is that it does not provide for crop control and coercive reduction as is provided in the committee bill. That is very offensive to the farmers. Some of them may have agreed to it, but if they did it was because they understood it was that or nothing else.

The substitute has the advantage also, may I point out, of not cutting off our foreign markets. It provides in effect the same principle as the Senator from North Dakota mentioned with respect to a two-price system. While it is really a one-price measure, yet in effect it provides for the two-price system by giving the farmer a bounty to make up the difference between what he receives and what he should receive if he got parity. One of the Senators in charge of the bill called that a dole, a gift.

It is not a dole. It is not a gift. It is simply a payment of the balance due that we owe the farmer for what we are eating that he is producing below what it costs him to produce it. The Senator's views are that the balance is against the farmer, that the tariff gives the manufacturer an economic advantage, and that the farmer is not receiving what he should for what we are eating and wearing. The payment I propose would not be a dole. It would not be a gift. Shame on those who say it would be a dole when it would simply pay a back debt, the rest of what we owe the farmer for what he has produced for us, that we are eating and wearing in this country.

That is one of the advantages the substitute bill would have, because it would equalize that economic advantage; but the greatest advantage it would have over the committee bill is that it would not cut off our export trade, which, in my opinion, the committee bill would do.

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

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Kansas?

Mr. FRAZIER. Yes.

Mr. McGILL. I should like to inquire of the Senator from Oklahoma if he does not believe we are selling on the export market all the wheat and cotton the foreign market will take at this time.

Mr. LEE. No, sir.

Mr. McGILL. Why do we not sell more, then? We have the wheat for sale. We are ready to sell it. The farmers

are willing to sell it on the export market; and I believe the truth is the export market will not take it.

Mr. LEE. The reason is because when we artificially jacked up the price by crop control, we lost some customers; and when a customer is once lost it is pretty hard to get him back.

Mr. McGILL. The Senator seems to think his bill will guarantee getting back an export market. There are about 250,000,000 bushels of wheat in this country today ready to go on the export market if the export market will take it.

Mr. LEE. And if the farmer had a fair price for the part we use in this country, he would be in a position to lower the price on the surplus and undersell any competitor, and he would be willing to do it; and we would then regain the market in wheat as well as the market in cotton. The farmer is ready to go in and give the world a licking on export trade if we will give him a fair price for the part we use in this country, and put him in an advantageous economic position to undersell his competitors if necessary. If we do that, he will regain that market.

Mr. McGILL. If the surplus were bought on the export market, we should have no trouble with reference to the commodity price in this country. So far as any program we have heretofore had is concerned, the fact remains that we produced in this country this year 886,000,000 or 887,000,000 bushels of wheat, and had a 90,000,000-bushel carry-over. There is an ample supply on hand; and the export markets, if they will just buy it, can have it. There is no question but that the farmers are ready to sell it.

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

The PRESIDING OFFICER. Does the Senator from North Dakota further yield to the Senator from Oklahoma?

Mr. FRAZIER. Yes.

Mr. LEE. If the program that the Senator is sponsoring under this bill should go into effect, granting for argument's sake that it would raise the price of cotton to parity, which is 16½ cents a pound, does the Senator think we could sell 5,000,000 bales on the world market at 16½ cents a pound next year?

Mr. McGILL. Oh, no; no one contends that.

Mr. LEE. Does not the Senator believe, then, that we should lose the sale of the 5,000,000 bales we are now exporting?

Mr. McGILL. I am not under the impression that the bill will establish any such price for cotton as the Senator assumes, nor do I take the position that the bill will guarantee parity prices for any of the commodities named in it. The Senator from Oklahoma assumes that if his substitute bill should be enacted into law, the surplus of wheat in this country could be sold in the world market. I take the position that there is nothing today to prevent our surplus wheat from going into the world market if the world market will only take it.

Mr. FRAZIER. Mr. President, I think that question may be better argued out when we get to the Senator's substitute.

I promised to yield to the Senator from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. President, in connection with the statement just made by the Senator from Kansas [Mr. McGILL], I desire to call his attention to the fact that Canada undersells the United States from 14 to 16 cents a bushel. The Canadians have that much of an advantage in Liverpool over our producers; and we cannot sell any wheat on the Liverpool market until we drop below the 14 or 16 cents a bushel advantage that they have over us on the Liverpool market.

Mr. McGILL. What the Senator from Colorado says is correct; that is, that Canadian wheat on the Liverpool market sells at a better price than our wheat sells on the Liverpool market. That is due, I think, to our tariff system. We have had high tariffs—if that is a good expression to use—in recent years. The British Government levies a tariff against the importation of American wheat, but levies no tariff against its colonies, and levies no tariff against the importation into the British Isles of Canadian wheat. That is the reason for the difference in our ability to sell.

Mr. FRAZIER. Mr. President, referring to the statement in regard to Canadian wheat, I have here a letter from the Equity Elevator & Trading Co. of McVille, N. Dak., making inquiry as to why it is that the Winnipeg wheat market is, or was at that time, 23 cents above the same grade of wheat in Minneapolis. I have kept track from time to time of the Winnipeg wheat market during the past several weeks, and the price has ranged from 15 to 20 or 25 cents a bushel more in Winnipeg for the same grade of wheat than in Minneapolis. I took up the matter with the Grain Futures Division of the Department of Agriculture. They wrote back, after making some investigations, and said that there were several reasons for it. One was a shortage of wheat in Canada this year, and another thing was that the British Government pay a bounty or a premium on Canadian wheat imported into England, because it is from their own country and because of that premium price for Canadian wheat they can afford to put their local price a little higher than they would otherwise do in Winnipeg.

Mr. McGILL. Does the Senator from North Dakota agree with what I said also concerning tariff duties levied by the British Government against our wheat, and no tariff duty being levied against Canadian wheat?

Mr. FRAZIER. Yes, Mr. President.

I have here a number of letters, but I am not going to take time to read them, bearing on this farm bill. I think I have expressed the sentiments contained in the letter fairly well, or at least as well as I could. I have the statement of Mr. Talbott, the president of the North Dakota Farmers' Union, that he made before our committee at Grand Forks. He made a very good statement. He had attended an interstate conference at Omaha, I think, a few days before that time, or a few weeks before that time, and they had adopted a program there. He says, among other things:

> Cost of production has always been our objective in the Farmers' Union organization, and the members of this conference group recommend the following eight-point legislative program.

But that is a part of our hearing, and I shall not take the time to read it. It is a very good eight-point program, endorsing soil conservation, and so forth; but they do favor cost of production, because that is what they have favored for years in the Farmers' Union organization.

I desire to call attention to just one more thing.

Mr. LEWIS. Mr. President, will the Senator from North Dakota allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Illinois?

Mr. FRAZIER. I shall be glad to yield to the Senator.

Mr. LEWIS. Since the Senator from Kansas [Mr. McGILL] has just indicated, and the Senator from Oklahoma [Mr. LEE] seemingly confirms the statement, and the Senator from Colorado I think seemingly endorses it, that it is the tariff levied by England upon American wheat but withheld as to Canadian wheat which makes it improbable or unlikely that Americans could have a profit for their wheat sent to Liverpool, I ask the Senator from North Dakota this question:

We have heard something of a trade treaty proposed or now propounded by England; and the able Senator from Kentucky [Mr. BARKLEY], the leader, some time ago placed in the RECORD some suggestions as to the contents of that treaty. Can the Senator from North Dakota inform us of any provision anywhere in that treaty which will equalize that tariff so as to let the farm products of America find their way upon an equal basis with the farm products of Canada either into England or into the world markets?

Mr. FRAZIER. The Senator means in the reciprocal-trade agreement?

Mr. LEWIS. As it is proposed; yes, sir.

Mr. FRAZIER. Not that I know of. I am not an authority on the reciprocal trade agreements; but, as I stated heretofore—I think before the Senator from Illinois came into the Chamber—in my opinion the reciprocal trade agree-

ments have in every case been to the detriment of the American farmer.

Mr. LEWIS. I appreciate the suggestion of the Senator.

Mr. FRAZIER. At the present time there is pending before the Interstate Commerce Commission a railroad case, which has been going on for some days, in which the railroads have asked for an increase of 15 percent in freight rates. The freight rates on agricultural products amount to at least 20 percent, or a little more, of the total freight rates of the roads. In our Middle West States they amount to a higher percentage than that. In North Dakota I understand that 26 percent of the freight handled in the State is composed of agricultural products; and, of course, a 15-percent raise in freight rates would mean quite a raise for the farmers of that State. The total increase under the 15 percent would be $508,000,000, and on agricultural products, say, of 20 percent or a little more, it would be over $100,000,000. So, if this request is granted to the railroads, and we do get the $500,000,000 benefit that this bill carries to the farmers, or the portion of it that will go to the farmers, $100,000,000 of it will come out of the farmers' income for additional freight rates if the application that is now pending before the Interstate Commerce Commission should be decided in favor of the railroad companies.

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

Mr. FRAZIER. I yield.

Mr. McGILL. I fully agree with what the Senator from North Dakota has just said relative to the application for increased freight rates. If I am correctly informed, that application requests an allowance for an increase of freight rates on raw commodities, raw materials. Many commodities while in the raw state, as produced on the farm, are not, as a rule, transported over any other kind of a carrier system than railroads. Bus lines, trucks, and so forth, are not in position to compete with the railroad companies in the transportation of those commodities, if I am correctly informed. I sincerely hope that such an order will not be granted, nor any such increased rate be permitted. I sincerely hope the railroads may be required to stay on a competitive basis with the truck-line systems insofar at least as the transportation of such commodities is concerned.

Mr. FRAZIER. Mr. President, in my opinion if the increase of 15 percent is granted, many of the raw products of the farm now handled by railroads will be handled by trucks in the future.

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

Mr. FRAZIER. I yield.

Mr. COPELAND. Are there not other problems to be associated in comparing conditions in the United States and Canada besides the freight rates? Of course, the national railroads of Canada under their charter have a certain provision about rates from Saskatchewan and Alberta to the lake head which will always give them an advantage over the American farmer shipping from Montana, or a distance similar to that. The result of the very low freight rate in Canada is that there is a deficit in the operation of the national railroads, which is made up from the Federal Treasury of Canada. I do not know what the figures are now, but 1 year recently the deficit was $90,000,000.

In addition to that, I ask the Senator from North Dakota whether it is not true that during times when the weather is comparable the more fertile and fresher lands of Canada will produce a greater yield per acre than will the farms in the United States? Is that not a fact?

Mr. FRAZIER. Some of the new land in northwestern Canada does produce exceptionally large yields.

Mr. COPELAND. In the next place, the basic value of the farms—that is, the cost to the holders—is very much less than in the case of the American farmer.

Mr. FRAZIER. They are less expensive.

Mr. COPELAND. So that the farmer here has a greater overhead than the Canadian farmer has.

Mr. FRAZIER. That is correct.

Mr. COPELAND. And beyond that, is it not true that the cost of farm labor in Canada is less than the cost of farm labor in the United States?

Mr. FRAZIER. That is correct.

Mr. COPELAND. When we add all these various factors, the Canadian wheat farmer has a tremendous advantage over the American wheat farmer, and it logically follows that unless the American wheat farmer can by some arrangement secure an equalization he will always be at a disadvantage.

There is the further fact that blood is thicker than water, and Liverpool being the market for the export of wheat, the Englishman will buy from the Canadian before he will buy from the American, and by the proposed treaty arrangement with the Dominions the Canadian farmer will have an advantage in the way of a bonus over the American farmer in the price of wheat.

Mr. FRAZIER. Mr. President, in reply to the Senator from New York, I wish to say that what he says is true about freight rates, and so forth. The freight rates in Canada on wheat, as I recall, are about 60 percent of what they are in the United States, what we pay in North Dakota, just across the line from them. The argument of the Senator from New York also applies to the bread that is now shipped into his own State from Canada free of duty and sent by truck to as far south as New York City and to Rhode Island and all the other States in New England.

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

Mr. FRAZIER. I yield.

Mr. LEE. Mr. President, to add one more point to what the Senator from New York has suggested, if we artificially raise the price of wheat in this country to a higher point, will not make it still more difficult, if not impossible, for the farmer in this country to sell his wheat on the world market?

Mr. FRAZIER. Under the present provisions of the bill, I think it would; but if the farmer got cost of production for the amount used in home consumption, the surplus could be sold by the Government or some export board at a lower price, whatever they could get for it, because it would be a surplus, after the normal granary was taken care of. The Government could sell the surplus for whatever they could get and pay the farmer, after deducting expenses, whatever was left.

Mr. LEE. I agree with the Senator on that point. My statement was intended to further answer the question asked by the Senator from Kansas about selling wheat.

Mr. FRAZIER. The junior Senator from California [Mr. McADOO] introduced what I think is a very good agricultural bill, a bill providing for the cost of production for the amount used in home consumption, and the sale of the surplus, so-called, after taking care of the normal-granary feature at the world market.

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

Mr. FRAZIER. I yield.

Mr. MINTON. The Senator from New York brought out some very decided disadvantages American wheat has in the world market in comparison with Canadian wheat. Are we to go ahead and produce more wheat so that the farmer can go into the world market and meet this stiff competition which Canada is already giving them in the world market, or shall we cut out that surplus wheat and not have to meet that stiff competition in the world market?

Mr. FRAZIER. Personally, I think the production of wheat will be cut down somewhat. We do not have any great surplus, and there is more of an underconsumption than there is a surplus. I think that is generally admitted as to wheat and corn.

Mr. MINTON. Let me ask one other question, prompted by the repeated statement of the Senator from Oklahoma that the raising of the price of wheat here has the effect of raising the price in the world market. It does not make any difference what price we might fix for our wheat here, it would not have anything to do with the world market price of wheat.

Mr. FRAZIER. That is the general argument, that it does have an effect on the world market but how much it would affect it I do not know.

Mr. LEE. Mr. President, I have understood that to be the whole purpose of the committee bill, particularly as to cotton, so to reduce the production in the United States as to raise the world price, because unless there is the two-price system, we cannot raise the price in the United States without raising the whole world price. I thank the Senator from Indiana for that contribution.

MESSAGE FROM THE HOUSE—MILEAGE APPROPRIATIONS

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a joint resolution (H. J. Res. 525) to make the existing appropriations for mileage of Senators and Representatives immediately available for payment, in which it requested the concurrence of the Senate.

Mr. GLASS. Mr. President, I ask the Chair to lay before the Senate the joint resolution just received from the House, making the mileage already appropriated available for payment at this time.

The PRESIDING OFFICER (Mr. CHAVEZ in the chair). The Chair lays before the Senate a joint resolution from the House of Representatives, which will be read.

The joint resolution (H. J. Res. 525) to make existing appropriations for mileage of Senators and Representatives immediately available for payment was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the appropriations for mileage of the President of the Senate and of Senators and for Representatives, the Delegate from Hawaii, and the Resident Commissioner from Puerto Rico, and for expenses of the Delegate from Alaska, contained in the Legislative Branch Appropriation Act, 1938, are hereby made available for and authorized to be paid to the President of the Senate, Senators, Representatives, Delegates, and the Resident Commissioner from Puerto Rico for attendance on the second session of the Seventy-fifth Congress.

Mr. GLASS. I ask unanimous consent for the present consideration of the joint resolution.

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

AGRICULTURAL RELIEF

The Senate resumed the 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. SCHWELLENBACH obtained the floor.

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

Mr. SCHWELLENBACH. I yield.

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

The PRESIDING OFFICER. Eighty-one Senators having answered to their names, a quorum is present.

Mr. SCHWELLENBACH. Mr. President, when the Senate shall proceed to the consideration of the substitute offered by the Senator from Oklahoma [Mr. LEE], I shall take advantage of the opportunity to discuss more at length the production-control feature of the pending bill. At this time, however, I wish to discuss briefly a suggestion made on last Friday by the distinguished senior Senator from Idaho [Mr. BORAH]. I was very much impressed with the discussion of this measure by the Senator from Idaho, as I always am impressed by his eloquence. I do not care at this time to discuss the criticism which he made of the pending measure, but rather to discuss the proposal which he made at the end of his address at the instance of the senior Senator from Kentucky [Mr. BARKLEY] who requested that he state what he would do in the solution of the agricultural problem.

The Senator from Idaho said:

I would deal with the question of surplus alone. I would not interfere with production, leaving that to the farmer; but I would as a Government, where it was necessary to assist in disposing of these surpluses, take the surplus off the market and separate it from the domestic demand.

Mr. BARKLEY. Would that involve the Government purchase of these surpluses?

Mr. BORAH. It might and it might not. * * *

I do not think the Senator understood my statement. I said that we would issue a certificate for the surplus, and when we used the stuff for the purpose of feeding the poor, and so forth, we would buy it and pay for it.

Mr. BARKLEY. That is, the Government would buy it and pay for it.

Mr. BORAH. Yes; exactly. I would pay out our money to feed the needy rather than pay out our money to make it more difficult to get food.

I wish to discuss this question solely from the point of view of the expense which would be involved to the Treasury if this proposal were carried out.

Mr. President, it is a very simple matter, particularly in the discussion of an intricate problem such as the problem of agriculture, to take any proposal and criticize it and to say that we cannot be for that particular proposal. It is much more difficult to suggest a plan which will work practically. I think, in evaluating the plan which has been presented to us by the senior Senator from Idaho, we should first consider what the cost would be.

There is much discussion these days on Capitol Hill, in the Departments, and particularly in the newspapers, about the question of balancing the Budget. We have been told that there will probably be available to the Congress for the purpose of implementing the proposed legislation the sum of only $500,000,000 unless new taxes shall be imposed. It is said that it is of supreme importance that we should balance the Budget during the next fiscal year.

So I think it might be advisable, in considering the Senator's proposal, that we find out the cost during the next fiscal year of taking care of the problem so far as our present surpluses are concerned and the cost of taking care of the problem so far as the fiscal year 1938–39 is concerned, which would include the 1938 crop.

I desire to present, first, the figures as to the cost with respect to corn, cotton, and wheat. The carry-over, beginning with the 1937–38 marketing year—this year—is 65,000,000 bushels of corn. Our 1937 production of corn, it is estimated, will be 2,650,000,000 bushels. Our 1937 supply, then, is 2,715,000,000 bushels of corn. We have an estimate of consumption and exports for this year of 2,250,000,000 bushels, leaving a probable surplus on the basis of our present stock of 465,000,000 bushels.

Of cotton we had a carry-over at the beginning of the year of 6,200,000 bales, a production of 18,200,000 bales, making a 1937 supply of 24,400,000 bales, and an estimated consumption and export of 13,000,000 bales, or a surplus of 11,400,000 bales.

In the case of wheat we had a carry-over of 103,000,000 bushels, and a production this year of 887,000,000 bushels, or a 1937 supply of 990,000,000 bushels. The estimated consumption and exports aggregate 685,000,000 bushels, leaving a surplus of 305,000,000 bushels.

I take it, from what has been said here, that it is the purpose and desire of everyone, no matter what he may think of any particular piece of legislation, to secure for the farmer parity. Certainly the Senator from Idaho [Mr. BORAH] would not have our Government pay to the farmer for the purchase of these surpluses an amount under the

amount of parity. I was very much interested in his criticism of the bill the other day because of the fact that he said that the bill froze the farmer to parity, and that he wanted the farmer to get something better than parity. I think it is only right to assume that he and every other Senator, in figuring what he would pay for these surpluses, would pay parity. Upon the basis of the surplus which I have read, it would cost us $395,000,000 for corn, $935,000,000 for cotton, and $357,000,000 for wheat, or a total of $1,687,000,000, to buy the surpluses which the Senator said we should buy and give away to the poor of the country.

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

Mr. SCHWELLENBACH. I yield.

Mr. McNARY. Perhaps my inquiry comes too late. I thought the figures the distinguished Senator was giving represented the cost to the Government if the items mentioned in the bill were to receive full parity price. It seems, however, that those figures represent the cost to the Government if we should attempt to purchase the supplies necessary to feed and clothe those in need.

Mr. SCHWELLENBACH. The purpose of the proposal made by the Senator from Idaho [Mr. BORAH] on Friday was to purchase the surplus. He pointed out that one-third of our population was underclad and underfed, and that certainly we needed—I do not remember the figures—the product of many thousand more acres in order to supply those within the country who were underclad and underfed. Therefore, in evaluating his proposal, since he objected most strongly to the provision of the bill, which he said would freeze the farmers at parity, I think we have a right to assume that, if the farmer is to sell the surplus to the United States Government for the purpose of distribution to the poor and the underclad and the underfed, the Government should pay no less than parity for all the surpluses we purchase.

Mr. McNARY. That is the point. The figures given by the able Senator from Washington are based on parity figures as defined in this bill—the full parity price.

Mr. SCHWELLENBACH. Yes.

Mr. McNARY. If the figures are based on full parity price, then could it be argued that if the bill should operate in the fashion that is outlined, it would cost that much money this year; namely, in excess of a billion dollars?

Mr. SCHWELLENBACH. No; there is absolutely no connection between the provisions of the bill and the proposal of the Senator from Idaho.

Mr. McNARY. That is what I am trying to elicit from the able Senator. The Senator from Idaho stated that he would favor buying these surpluses for those in need. That was his proposal. Now the able Senator says that to do so would cost the Government in excess of one billion dollars, based on parity prices as defined by this measure. That is his statement.

Mr. SCHWELLENBACH. Let me answer the question in this way: Before I get through I intend to attempt to show what I think the cost will be under the Pope-McGill bill in comparison with the cost under the proposal of the Senator from Idaho. I would rather finish presenting these figures before going into that phase of the subject.

Mr. McNARY. I shall be glad to give the Senator the opportunity, because a very important proposal is now enunciated.

Mr. SCHWELLENBACH. Mr. President, I take it that when the Senator from Idaho [Mr. BORAH] proposes that the Government shall purchase these surpluses, it is not proposed that the poor people in New York shall go out to Iowa and take up their corn and take it back to New York.

He does not propose that the poor people of the South shall come up into Kansas and North Dakota and collect their wheat and take it back to the South. If these foodstuffs and the cotton are to be made available to those who need them, of course it is necessary that they be transported from the place where they are produced to the place where they are to be consumed. I take it, further, that the Senator would not contend that the Government could take a bale of cotton up into the slums of New York where somebody was underclad, and simply deposit the bale of cotton in the slum apartment, and that he would not want us to take a bushel of corn or a sack of wheat there. These goods must be processed; and if the Government purchases them from the farmers for the purpose of turning them over to those who need them, the Government must assume the responsibility of paying the cost of transportation, processing, and distribution.

These needy people do not want a bale of cotton. They want a cotton shirt. They do not want a bushel of corn. They want some pork chops. They do not want a bushel of wheat or a sack of wheat. They want bread. If the Government assumes the responsibility for furnishing these things, the Government must assume the cost.

There are many ways of figuring what the cost would be. A survey has been made so far as bread is concerned with regard to the years 1928 to 1932, inclusive. The survey shows that the cost of transporting and processing a loaf of bread was five and one-half times the amount that the farmer received for the wheat which went into the bread.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. O'MAHONEY. I am very much interested in the remark the Senator has just made to the effect that all these commodities must be processed before they are available to those who are to consume them. Does not that indicate to the Senator that the most important thing we can do is to provide the means whereby we can, so to speak, hook the production of the raw commodity to the industrial process of manufacturing the raw commodity, so that the persons who are now lacking in housing, in food, and in clothing may have them?

Mr. SCHWELLENBACH. I recognize the importance of what the Senator says. However, I should like to call the Senator's attention to the fact that I am talking under either a 15-minute or a 45-minute rule, and I cannot take time now to discuss that matter in detail.

Mr. O'MAHONEY. I appreciate that fact, Mr. President.

Mr. SCHWELLENBACH. Members of this body will remember that 2 years ago the Senator from South Carolina [Mr. SMITH], the chairman of the Committee on Agriculture and Forestry, told about the percentage of cost of the cotton which went into a $2 shirt. He explained that 4½ cents of the cost of a $2 shirt actually went to the cotton farmer. Surveys have been made, figures of which I have just secured, showing that today the amount the cotton farmer receives compared to the cost of the shirt is 5 percent; in other words, that he receives only one-twentieth of the total amount. In the case of overalls, the percentage is 9 percent. The cotton farmer receives a little less than one-tenth of the cost of the overalls. I am not going to take those figures as the basis of my remarks, however, because of the fact that if we should take either the 5½-times figures of bread or the 20-times figures of cotton, they would bring us to a point which it would be impossible even to understand.

A survey has been made concerning 14 food commodities in this country for the period between 1928 and 1932, inclusive, for the purpose of determining typical retail costs to the consumer as compared with the average typical amount that the farmer received for the agricultural products which went into those foods. Those figures show that the cost to the consumer is 2.44 times the amount that the farmer receives. Therefore, when the Senator from Idaho proposes that we should buy these farm products, and when he proposes that we should deliver them to those who are underfed and who are underclad, we are certainly conservative in the light of the wheat figure and in the light of the cotton figure in using this average of 2.44; and I have attempted to work out that calculation. It shows that if the Government should this year buy the present surpluses which I have pointed out, which would cost $1,687,000,000, and then do with them what the Senator from Idaho proposes, on this year's surplus of corn, cotton, and wheat we should have a cost of $4,116,280,000. That is on three commodities, corn, cotton, and wheat.

But we are considering the question of balancing the Budget now, during the 1938–39 period. Therefore we

must take the 1938 crop in considering the cost so far as these figures are concerned. Using the average we have had during the past few years of the production of these three commodities—I am not going to read the details as I did with respect to the others, but I shall ask unanimous consent that the entire table be printed in the RECORD at the end of my remarks—we should have the figure of $319,000,000 that it would cost to buy the corn surplus; it would cost $410,000,000 to buy the cotton surplus, and it would cost $320,000,000 to buy the wheat surplus, or a total of $1,051,000,000 to take care of the purchase of the surpluses of the 1938 crop. Multiply that by 2.44 in order to find the amount it would cost not only to buy these surpluses, but also to process and distribute them, and it will be found that it would cost for the 1938 crop a total of $2,564,444,000, or a total cost of $6,680,724,000 for disposing of the three crops of our present surpluses, plus the 1938 surplus of corn, cotton, and wheat alone.

Then if we tell the cotton farmer and the corn farmer and the wheat farmer that the Government is going to buy their surpluses and distribute their surpluses among the poor of the country, we cannot avoid the responsibility of doing precisely the same thing with every other producer of agricultural commodities. I cannot go back home and tell my apple growers that the wheat farmers just a few miles away are having their surplus bought by the Federal Government for distribution among the poor, but no similar provision is made for their apples; and certainly the Senator from Virginia [Mr. BYRD] will agree with me that if the poor of the country want wheat and corn and cotton, they are entitled to apples at the same time. If the poor of the country are entitled to wheat, corn, and cotton, they certainly are entitled to potatoes and to every other food forming part of a balanced diet. Therefore if we are going to take the course which the Senator proposes, we must purchase the surpluses and distribute them.

Figuring at parity prices, it would cost $612,500,000 to purchase those commodities. They, too, must be distributed. We cannot send the poor people from New York down into Virginia or out into my State of Washington to enable them to get apples. The apples must be transported and must be delivered. Using the same figure of 2.44, we find the cost of the purchase and distribution and processing, if necessary, of these products would amount to $1,494,500,000, or a total cost between now and the 30th of June 1939, the period in which we seem to be determined to balance the Budget, of $8,175,224,000.

Senators who are so determined to balance the Budget should be asked to consider these figures in connection with the feasibility or practicability of the proposal of the senior Senator from Idaho [Mr. BORAH].

Furthermore, if the people in the country who grow these crops know that their surpluses are going to be purchased by the Government, if they are going to be so sure there will be no control of production, they are not going to reduce their acreage but will increase it. Not only that but they are going to transfer those acreages from crops which are low-priced to those which are high priced. It would mean that the amount which we would expend in the next year and a half, under the proposal of the Senator from Idaho, probably would be very greatly exceeded by the figures in succeeding years.

Another thing that must be considered in connection with the practicability of the proposal of the senior Senator from Idaho [Mr. BORAH] is that the underfed and underclad people are receiving at the present time some wheat, some bread, some corn, some cotton, and some potatoes. To the extent that they were fed by the Government purchases of surpluses, their own purchases of those items would be eliminated, and we not only would not be able to take care of the situation by the simple process of spending $8,175,000,000 for surpluses, but we would reduce the amount the farmers themselves would receive through the present method of marketing.

I present these facts and figures so that those Senators who feel that the committee bill is so difficult to understand and that it should be so easy to make up some sort of a proposal whereby we would not subject anybody to regimentation and would not subject anybody to control on the part of the Government, even to the extent of arguing with them about their crop, may consider where one of the proposals would lead us. This proposal was made in absolute sincerity and good faith, and yet when it is analyzed we find it would result in a cost of $8,175,000,000, at least, during the next year and a half.

The Senator from Oregon [Mr. MCNARY] asked me to say why the committee bill would not result in the same sort of cost. I said I would undertake the perhaps foolishly daring task of saying what I think the committee bill might cost. We can determine the lowest cost of the committee bill by taking 45 percent of the $500,000,000 conservation payment. In other words, under the bill it is provided that 45 percent of the $500,000,000 will be continued. Assuming over a period of years, a period of the next 7 years, that the bill shall be in operation and that conditions are just as bad and just as good as they have been from 1930 to 1937, what would be the amount the bill would cost the Government, outside the cost of administration?

The testimony before the committee was that the cost of administration of the soil-conservation program was about 10 percent, of which 7 or 8 percent went to the farmers' committees in the counties. The figures show that so far as actual governmental administration costs are concerned, during the period in which the soil-conservation program has been in existence, the administrative expense of spending $399,000,000 was $4,446,000. I give these figures in the light of the statement made here that the administrative cost of these operations is so high. The cost was $4,000,000 on practically $400,000,000. The actual administrative cost which has been high was the setting up of the county committees among the farmers themselves. The actual administrative cost by the Federal Government during the soil-conservation program has run only 1 percent.

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

Mr. SCHWELLENBACH. I yield.

Mr. LEE. That does not include the total administrative cost, though, does it?

Mr. SCHWELLENBACH. No. I said it was merely the Federal administrative cost.

Mr. LEE. The Senator means in Washington?

Mr. SCHWELLENBACH. Yes; the part of it that is actually done by the Department of Agriculture.

Mr. LEE. But the actual total administrative cost was 10 percent, was it not?

Mr. SCHWELLENBACH. Yes; of which about 7 or 8 percent was for the county committees themselves in the field.

Mr. PEPPER. Mr. President, is the Senator stating his estimate of what the bill will cost?

Mr. SCHWELLENBACH. I am just starting to do so.

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

Mr. SCHWELLENBACH. Certainly.

Mr. McADOO. The Senator stated in percentage the cost of administering the Soil Conservation Act. Will he be good enough to state what it is in actual money?

Mr. SCHWELLENBACH. I cannot give the figures exactly. From March 23, 1936, to June 30, 1937, there had been spent a total of practically $400,000,000. The total administrative expense has run approximately 10 percent, amounting approximately to $40,000,000, of which only $4,000,000 was the actual Federal Government expense in Washington.

Coming back to the figures, the average annual value of corn stocks, the actual price during the 8-year period from 1930 to 1937, inclusive, was $119,000,000 and the parity price $152,000,000; wheat stocks $167,000,000, parity price $218,000,000; cotton stocks $425,000,000, parity price $550,000,000; or $711,000,000 for actual prices and $920,000,000 for parity prices for the three commodities. If we should have during the next 8 years the same experience we had during the last 8 years, then the cost of the operation under this bill would

be the $225,000,000 for soil conservation, plus the difference between the average figures as stated, amounting to $209,000,000, making a total of $434,000,000; and, assuming the administration cost both in Washington and in the field to be 10 percent, the entire cost would be $477,000,000.

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

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oklahoma?

Mr. SCHWELLENBACH. Certainly.

Mr. LEE. I dislike to interrupt the Senator's line of thought, but the Senator's estimate of 10 percent for the administrative cost was based on the soil-conservation program. Does the Senator mean that the additional program and machinery set up by this bill will not involve an additional cost above what we are already paying under the Soil Conservation Act?

Mr. SCHWELLENBACH. The Senator makes a mistake in saying I base it wholly on the Soil Conservation Act. I said 10 percent of the total amount. Ten percent of $434,000,000, the total, would be an additional $43,000,000 to be added to the $434,000,000.

Mr. LEE. But I understood the Senator to say that the cost of the soil-conservation program was that figure. Did I misunderstand the Senator?

Mr. SCHWELLENBACH. The Senator is correct in raising the question. Before the committee the testimony of a representative of the Department was that the cost of the administration of the two combined would be 10 percent, or approximately the same as the cost of the soil conservation, which was 10 percent; that if we only spend $434,000,000, it would cost more than 10 or 11 percent for administering it. In other words, we would not spend the whole $40,000,000 for the Soil Conservation Act and have a new amount for another program.

Mr. LEE. The conclusion is there would be no additional cost of administration?

Mr. SCHWELLENBACH. If the amount of the total payments were not larger than the soil-conservation payments, there would be no appreciable increase in the cost.

Mr. POPE. Mr. President——

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

Mr. POPE. I ask the Senator from Washington if it is not true that the same machinery, the county committees, State committees, and others who have administered the Soil Conservation Act and administered the old Agricultural Adjustment Act, would be used to administer the provisions of this bill?

Mr. SCHWELLENBACH. That is true. That is the explanation that was made before the committee.

Mr. ADAMS. Mr. President, will the Senator yield to me for a question?

Mr. SCHWELLENBACH. Certainly.

Mr. ADAMS. I perhaps should have heard the Senator's previous statement because he may have answered my question. Will the $434,000,000 expense which he has mentioned include the portion carried by the Soil Conservation Act which is used for that purpose, or is it in addition to the money which comes from the Soil Conservation Act?

Mr. SCHWELLENBACH. It includes it. There is $225,000,000 for soil conservation. I am taking an 8-year period and showing the difference between parity prices and actual prices, which is $209,000,000, in order to make parity payments. This would make $434,000,000 and the estimate is somewhere around 10 or 11 percent for administrative costs to be added to that figure.

Mr. ADAMS. So if the Appropriations Committee should add some $209,000,000 it would meet the expectations of the sponsors of the bill?

Mr. SCHWELLENBACH. I want to add just one more statement, and I think it will answer the Senator's question. The figures I have given are over an 8-year period, a pretty diversified period. We have had low years and high years. We have had drought years and big crop years. It seems to me if we look back over the last 8 years, we find it was a very diversified period. When the Department of Agriculture appears before the Appropriations Committee to ask for appropriations for any one particular year, their figures undoubtedly will be based upon a particular situation that exists in that particular year. But in determining the cost of this bill as permanent legislation it seems to me the average over the past 8 years is a pretty fair basis for figuring the average over the next 8 years.

I said, in the first place, that I think this bill certainly will cost no less than $225,000,000. That is 45 percent of the $500,000,000. Taking an 8-year period average as a basis, it will run four hundred and eighty-some million dollars. An individual in the Department of Agriculture in whom I have great confidence, but who is not one who would appear before a committee, has made the statement to me—and because of past experience with him I have reason to rely upon his judgment—that the cost of this bill would not run at any time over $750,000,000. I have given you the range—a certain low, an average over the period of 8 years, and then the opinion of someone in whom I have confidence as to the possible high.

Mr. ADAMS. The Senator realizes that some of us who have either the fortune or the misfortune to be on the Appropriations Committee not only have an interest in the farm bill, but we are going to be confronted with the financial problem, inasmuch as the bill itself does not specify definite authorizations, but provides that there may be appropriated whatever amount shall be necessary, and then contains in at least two places practically directions that parity payments shall be made.

Mr. SCHWELLENBACH. That question has been argued two or three times, and I do not agree with the Senator regarding the matter.

Mr. ADAMS. I was not asking a question but merely making a statement, so that the Senator would understand that some of us are very much interested, both as Senators generally and particularly as Senators who are going to be confronted with the problem of appropriations when the bill is passed.

Mr. McKELLAR. Mr. President——

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

Mr. McKELLAR. I do not know that I correctly understood the Senator. Is it his idea that the appropriations which will be asked for over an 8-year period would be a minimum of $482,000,000 and a maximum of $700,000,000?

Mr. SCHWELLENBACH. No; the bill provides that 45 percent of soil-conservation payments shall go on, and it is necessary to assume that there will be that minimum of $225,000,000 for soil-conservation payments. My figure of $482,000,000 is based upon an experience of 8 years.

Mr. McKELLAR. So that instead of being a $482,000,000 low and a $750,000,000 high, the Senator is of the opinion that the average amount to be appropriated each year will be $482,000,000?

Mr. SCHWELLENBACH. Yes. If the bill should work out perfectly, assuming that as the result of the operation of the bill the farmers through the course of the market would get parity prices and there would be no necessity for parity payments, the cost to the Government would be $225,000,000 plus the expense of administering that $225,000,000.

Mr. McKELLAR. I think unquestionably the passage of the bill will have the effect of increasing the price of farm products. I have not any doubt in the world about that; but it seems to me we ought to be very careful about the amount of appropriations. Five hundred million dollars, of course, is a large sum. Four hundred and eighty-two million dollars is a large sum, and we should be careful about fixing the amount. I believe that as soon as the bill is passed it will have a beneficial effect upon the price of farm products.

Mr. PEPPER. Mr. President——

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

Mr. PEPPER. Do I correctly understand the Senator from Washington as stating that in addition to the part of the money available to farmers under the Soil Conservation Act an additional sum somewhat in excess of $209,000,000 will be available under this act? Is that correct?

Mr. SCHWELLENBACH. The $209,000,000 is an average. Assuming that the bill had been in operation for the past 8 years, that is what the amount would have been.

Mr. PEPPER. So the additional amount that the bill will appropriate is only a little over $200,000,000, according to the 8-year average that the Senator has estimated? Only a little over $209,000,000 more than has heretofore been available under the Soil Conservation Act, then, will be available under this bill?

Mr. SCHWELLENBACH. I do not think the use of the words "will be available" is a proper use. Assuming that the act had been on the statute books for the past 8 years, and it had had no effect at all upon the market, but had just been there, that is what it would have cost over an 8-year period.

Mr. PEPPER. Does the Senator think an additional sum of even $250,000,000 is going to pull agriculture out of the plight in which it has languished for the past few years and is at present languishing?

Mr. SCHWELLENBACH. I think this bill affords the best opportunity that has been given to agriculture to be pulled out of its plight. I do not think anybody is going to stand here and guarantee that any bill will pull agriculture out of its plight. A number of bills dealing with this question have been passed here since 1920. Many distinguished Members of this body who are much more experienced than I am have sincerely thought that those bills would solve the problems of agriculture, but they have not solved them. This bill is a sincere effort upon the part of those of us who believe in the theory and philosophy of the bill to make use of this sort of legislation to assist agriculture.

Mr. PEPPER. Am I correct in stating that the fundamental philosophy of this bill is crop-control supplemented by a subsidy from the Federal Treasury?

Mr. SCHWELLENBACH. Yes; but I again call the attention of the Senator to the fact that I am trying to save some of my time. I have only 4 or 5 minutes left, and I do not care to discuss the general provisions of the bill in this particular space of time.

Mr. PEPPER. I beg the Senator's pardon, and I thank him for yielding to me.

Mr. SCHWELLENBACH. I am going to talk when the Senator from Oklahoma [Mr. LEE] presents his substitute.

Mr. President, I ask unanimous consent to have inserted in the RECORD at the conclusion of my remarks two series of tabulations upon which the figures I have given are based.

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

Some miscellaneous surpluses that might be found

	Value	
	Current prices	Parity prices
Oats, 225,000,000 bushels	$90,000,000	$118,000,000
Barley, 45,000,000 bushels	28,000,000	37,000,000
Rye, 10,000,000 bushels	7,000,000	9,500,000
Rice, 10,000,000 bushels	8,000,000	10,500,000
Buckwheat, 1,500,000 bushels	1,000,000	1,500,000
Cr. Sorghums, 10,000,000 bushels	12,000,000	16,000,000
Flaxseed, 750,000 bushels	1,000,000	1,500,000
Soybeans, 7,500,000 bushels	6,000,000	7,500,000
Dry beans, 2,250,000 bags	7,500,000	10,000,000
Cottonseed, 2,275,000 tons	50,000,000	66,000,000
Potatoes, 42,000,000 bushels	29,000,000	38,500,000
Sweetpotatoes, 7,500,000 bushels	6,500,000	8,500,000
Hay, 10,000,000 tons	118,500,000	156,500,000
Tobacco, 75,000,000 pounds	15,000,000	15,000,000
Peanuts, 250,000,000 pound	12,000,000	15,500,000
Apples, 40,000,000 bushels	38,500,000	51,000,000
Peaches, 10,000,000 bushels Citrus fruit Truck crops	35,000,000	50,000,000
Total	465,000,000	612,500,000

Some miscellaneous surpluses that might be found—Continued

1937

	Corn	Cotton	Wheat
	Bushels	*Bales*	*Bushels*
Carry-over, beginning of 1937-38 marketing year	65,000,000	6,200,000	103,000,000
Production, 1937	2,650,000,000	18,200,000	887,000,000
1937 supply	2,715,000,000	24,400,000	990,000,000
Estimated consumption and exports, 1937-38	2,250,000,000	13,000,000	685,000,000
Surplus which might be purchased, 1937	465,000,000	11,400,000	305,000,000

Value of purchasable surpluses at current farm and parity prices

	Current farm value		Current parity value
Corn (48 cents per bushel)	$223,000,000	Corn (85 cents per bushel).	$395,000,000
Cotton (7.7 cents per pound)	439,000,000	Cotton (16.4 cents per pound).	935,000,000
Wheat (82 cents per bushel)	250,000,000	Wheat ($1.17 per bushel)	357,000,000
Total	912,000,000	Total	1,687,000,000

1938

Assuming acreages at levels which have prevailed in the fairly recent past:

Corn: 110,000,000 acres×25 bushels average yield = 2,750,000,000 bu.
Estimated normal disappearance = 2,375,000,000 bu.
Surplus 375,000,000 bu.×parity = $319,000,000

Cotton: 45,000,000 acres×0.4 bale average yield = 18,000,000 bales
Estimated normal disappearance = 13,000,000 bales
Surplus = 5,000,000 bales×parity = $410,000,000

Wheat: 80,000,000 acres×12 bushels average yield = 960,000,000 bu.
Estimated normal disappearance = 685,000,000 bu.
Surplus = 275,000,000 bu.×parity = $322,000,000

Total value surplus at parity = $1,051,000,000

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Georgia?

Mr. SCHWELLENBACH. I do.

Mr. RUSSELL. Did I correctly understand the Senator to say that over the 8-year period just past the bill as written would have cost the National Treasury, on an average, only $439,000,000 per annum?

Mr. SCHWELLENBACH. Plus administrative costs of about 10 percent.

Mr. RUSSELL. Last year's appropriation under the Soil Conservation Act was $500,000,000; so it is the theory of the Senator from Washington that if this bill passes, it will eventually result in a saving to the National Treasury over the appropriations that are at present made for soil-conservation purposes?

Mr. SCHWELLENBACH. If the bill succeeds in doing what it is intended to do, it will reduce the amount to $225,000,000, plus 10 percent of that amount for administrative costs. In other words, if, as a result of crop control, marketing agreements, and things of that kind, it is possible to bring the prices of these agricultural products up to parity, the amount of the appropriation will be limited to the soil-conservation payments.

Mr. RUSSELL. But the farmer would actually receive less money from the Federal Treasury than he does today under existing legislation for soil-conservation practices?

Mr. SCHWELLENBACH. Yes; but he would be getting parity prices for the products he produced. The amount he received as soil-conservation payments would be reduced, but the actual prices he received for his products would be very much more than he would lose as a result of reduction in soil-conservation payments.

Mr. McNARY. Mr. President, I do not wish to intrude on the Senator's time. As I understand, he is speaking on the bill. Has he exhausted his time on the amendment?

The PRESIDING OFFICER. The Senator from Washington has 2½ minutes on the amendment and the bill.

Mr. McNARY. There will be no restriction, as I understand, when the substitute bill is up. At that time I desire to discuss this subject.

Mr. BARKLEY. Mr. President, in that connection I desire to say that it was not intended that during the debate on the bill and amendments any Senator could speak for an unlimited length of time on the substitute. The substitute has not as yet been offered, and cannot be offered until action has been taken on the provisions of the pending bill; and it was my understanding that the exemption of the substitute from the limitation applied to the time when it is offered, not now.

Mr. SCHWELLENBACH. I realize that. I am not going to discuss the substitute at this time.

Mr. McNARY. I desired to discuss with the Senator what I call indisputable facts concerning the cost of the bill if it is to operate in the fashion intended; but, inasmuch as the Senator has only 2 minutes left, I shall do that in my own time. I desire to have the RECORD indicate here, however, that the figures which the Senator has given are not at all acceptable.

The PRESIDING OFFICER. The time of the Senator from Washington has expired.

Mr. BORAH. Mr. President, I understand that we are now considering an amendment.

Mr. McNARY. Yes.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. BORAH. The Senator from Washington [Mr. SCHWELLENBACH] feels fairly accurate, I take it, in his own mind, as to the cost which would be incurred in case we should undertake to deal with the surplus; but we are all woefully inaccurate when we come to deal with the question of how much this bill will cost.

I venture to say there are no accurate figures even approaching the sum total of the cost of this bill; and I venture to say, further, that if we should confine the expenditures under the bill to the figures which the able Senator from Washington has submitted as the figures which in his opinion will be the cost of the bill, it would be the greatest disappointment to the farmers of the country that they have ever had in all their experience in disappointment with reference to legislation. If we are going to add only two hundred or two hundred and twenty-five million dollars to the amount at present appropriated for taking care of the farmer, Senators can imagine the disappointment of agriculture when the bill shall have been put into operation.

We do not know how much the bill will cost, and we cannot estimate what it will cost or what the proposal I suggested would cost in mere dollars and cents. In other words, dollars and cents do not tell the story. If we continue to destroy foodstuffs and continue to let people go hungry, you must include in your costs the depletion of the physical men or women, and especially children. When we undertake to estimate what crop control costs, we must go further than the mere question of dollars and cents; and I will give a simple illustration from a paragraph in a letter which I received this morning from a cotton grower in South Carolina. He says:

> I have farmed all my life, 40 years, mostly cotton; and I am frank to say that the control features of the past few years have practically cleaned up the small farmer down here. I have voluntarily reduced acreage and also made an honest effort to comply with the control plans in the past, but since 1935 I have cut loose from the thing. I do not feel that I should be forced or bought over by payments.

In the opinion of this man, the bill would destroy the small cotton grower of the South.

> I had to sell two of my farms last year because the farm regulation limited me to only two bales per plow, and the tenant can't live on that, to say nothing as to what the landlord may get for actual expenses. It left me without a single dollar for revenue or my own family expenses; hence, the land had to go. If that is not confiscation by indirect methods, then I do not know what it is.

We are informed that when the cotton-control bill went into operation several years ago, it was advertised throughout the country by newspapers which made an investigation of the subject that over 200,000 crop tenants or sharecroppers were turned on the highway.

Mr. BANKHEAD. Mr. President, I should like to have some authentic proof to support that statement.

Mr. BORAH. I will get it for the Senator. I have not it here, but it was published.

Mr. BANKHEAD. All right, sir. I should like to have it, because, without proof, I deny it.

Mr. BORAH. I assumed that the Senator would deny it, because I take it that he believed in that legislation.

Mr. BANKHEAD. I live down there. The Senator from Idaho lives several thousand miles away. I know what happened.

Mr. BORAH. I live several thousand miles away, but I read.

Mr. BANKHEAD. If the Senator will examine the report for 1935, he will find that the cotton section was the only section of America where farm tenancy was not increased.

Mr. BORAH. Articles were published throughout the North, signed articles written by persons who made investigations in the South, and those articles gave the figures. Upon those I am relying. I, myself, know nothing about the subject, but I think what I have just read from the letter is a pretty good illustration of what happened. That man also lives in the South. He produces cotton. I do not know whether the Senator from Alabama does or not. The Senator from Washington is interested in balancing the Budget.

Mr. SCHWELLENBACH. Mr. President——

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

Mr. BORAH. I should like to yield, but I have only 15 minutes.

Mr. SCHWELLENBACH. I do not want anyone to get a false impression concerning my attitude as to balancing the Budget.

Mr. BORAH. Very well; if I have misrepresented the Senator, I yield.

Mr. SCHWELLENBACH. I do not want my silence to lead to any false impression as to my attitude about the balancing of the Budget. I am not in favor of balancing the Budget at the expense of the people of this country.

Mr. BORAH. Very well; the Senator and I are in absolute accord. I understood the Senator to say that we were now interested in balancing the Budget, and that the program was to balance the Budget in 1938, and that he was opposed to feeding the hungry in this country because it would keep in unbalance the Budget. Was I correct in that?

Mr. SCHWELLENBACH. Will the Senator yield?

Mr. BORAH. I yield.

Mr. SCHWELLENBACH. I think the Senator very definitely misunderstood my position. I said there were many newspapers and magazines, many people in the city of Washington, and many Members of this body, who seem to be very much interested in balancing the Budget between now and June 30, 1939, and that I was presenting these figures for the benefit of those Members of this body who were so interested in balancing the Budget, so that they could see the cost of the proposal.

Mr. BORAH. I misunderstood the Senator. I got the impression that the newspaper articles and magazines had persuaded the Senator that we ought to balance the Budget, so I misunderstood him. Now, the Senator and I are agreed that we ought not to give too serious consideration to that iridescent dream about balancing the Budget while people are hungry in this country. I recognize the necessity of balancing the Budget if we can, under all conditions and under proper principles. I think it is a sound thing to do. But, as I said in 1930 in this Chamber when we were first considering the matter of feeding the hungry in this country as against the proposition of letting those who are in

need by no fault of theirs go hungry, I am not in the least concerned about balancing the Budget of the Federal Treasury. We will have to meet and discharge this duty, whether we continue to have an unbalanced Budget or not.

The Senator thinks this would cost some three or four or five billion dollars, perhaps six billion. We are building houses at the cost of millions of dollars in which people are to live. Is it more important to have a home than it is to have something upon which to live? It is now proposed that $16,000,000,000 be expended, which the Government in a large measure is to guarantee, for the purpose of building homes in the United States. Is there any reason in the proposal of building homes for those who are in such a condition that they cannot occupy the homes except in hunger, or is there any sense in homes being built for those who do not need them? Are we building homes for the poor, the needy, the poverty stricken, or are we building homes for those who do not need the help of the Government? If we are building homes for those who need the help of the Government, then certainly it is up to us to see that they are fed and clothed when they get into these charity homes.

Mr. President, I, myself, do not know what the pending bill will cost. I profess no ability along the line which one would have to have in order to determine that question. But I have had it carefully considered and carefully weighed and carefully estimated by people who are in a position to know, if it can be known accurately at all, and by people whose business it is to make estimates concerning such things, and if the bill amounts to anything at all in the way of establishing a parity price, it will cost the Government of this country at least $1,500,000,000. I do not say it will cost that much, because the administration may never carry out the measure along the line proposed, but I say that if the principle laid down in the bill shall be carried out, it will cost at least $1,500,000,000.

I would a good deal rather spend $1,500,000,000, and I think everyone would, or even $2,000,000,000, for the purpose of taking care of those who are in actual need, than to spend a billion or a billion five hundred million making it more difficult, through reducing the production of foodstuffs, for them to get that which they actually need.

Since my remarks of last Friday I have received something over 2,000 letters and telegrams from people in this country who are in a condition of need, of poverty. Some of these cases are pitiable beyond language to describe. We have to take care of these people, we cannot avoid taking care of them, and, in my opinion, if we should put together what it is conceded this bill will cost, and what we have to expend anyway to take care of the poor, the proposition which I have submitted would come within the figures of what the bill will cost and that which we will have to expend anyway in taking care of the poor.

Mr. President, I do not think that at this time I shall speak of another feature of this matter which I shall wish to discuss in connection with another amendment in the bill.

COINAGE OF SILVER

Mr. PITTMAN. Mr. President, the singular, coincidental editorials which are now appearing in the large newspapers of the East have very much the appearance of canned propaganda. As I review the selfishness of these editorials I think it might as well have been said in the Bible, if wealthy newspapermen had been known in that day, that it is harder for the very wealthy owner of a newspaper to enter the Kingdom of Heaven than it is for a camel to go through the eye of a needle.

During no period of deflation, when their money was increasing in value at the expense of commodities and labor, have we heard one of these great, wealthy owners of newspapers declare that it was endangering the soundness of the currency of our country. At the beginning of the Harding administration, when President Harding declared for merciless deflation, which was followed by merciless deflation, never once did we hear the wealthy owners of the great metropolitan papers complain. Yet it was perfectly evident to them that deflation was increasing the value of their money in comparison with commodities and labor, and relatively depreciating the value of commodities and labor. But today the same newspapers are crying out against the threat of inflation.

Let me read just a few paragraphs from an editorial appearing in the Washington Post on December 6. The editorial is entitled "Time to End Silver Subsidy," and in part reads:

> In December 1933, President Roosevelt fixed the buying price of domestically produced silver at 64½ cents per ounce, raising it under later orders to the present rate of 77.57 cents. As this buying proclamation will expire at the end of the year, speculation is rife as to the outlook for a continuation of the present heavy subsidies.

At the end of the editorial we find this statement:

> And it has brought great quantities of unneeded silver into our Government vaults, leading to excessive issuance of silver certificates against this overvalued metal. As monetary experts have warned, such operations help to inflate the country's currency system and constitute a threat to monetary stability.

Mr. President, let us remember that this editorial states that this proclamation was issued in 1933. It was issued under the act of Congress of 1933, which authorized the President of the United States to coin silver on such ratio to gold as he might fix, and to charge whatever seigniorage for such service as he might see fit to charge. He finally fixed 40 percent of the silver as a seigniorage, giving to the miners 60 percent of the silver. The Government took 40 percent of the silver for coining it into silver dollars and circulating it, when the actual cost was only 1 cent per dollar.

We hear talk of a subsidy. Let us see just exactly what inflation there was under the act to which I have referred, and let us also see what the subsidy amounted to. In 3½ years—that is, from December 21, 1933, to June 30, 1937—the Government has acquired of American-produced silver only 151,834,000 ounces. It has paid for that silver, if we count the 60 percent of the silver it gave to the miners, an average of 74⅔ cents an ounce, or a total of $112,705,000. It has issued silver certificates to the amount of $112,705,000. Can that be called a tremendous inflation of our currency?

Now, let us proceed to the question of a bonus. The only thing that could be called a bonus in this matter is the increased price paid for American silver above the price for which foreign silver could have been purchased. The Government paid $112,705,000 to the American miner. It could have purchased that silver during that period of time for an average of 44¾ cents an ounce, or for the sum of $67,905,000. In other words, the miner received in 3½ years $44,760,000 more than the world price of the same silver. In other words, only $12,788,570 annually.

Let that be called a bonus, if you please; let it be admitted that the Government gave the miners a bonus of $12,788,000. Do the gentlemen who publish these articles take into consideration the fact that at the time the act took effect silver was 25 cents an ounce, that lead was below 4 cents a pound, that zinc was below 4 cents a pound, that copper was below 7 cents a pound?

Do they take into consideration the fact that by virtue of those prices at that time two-thirds of the copper, lead, and zinc mines in this country were closed down, and that the chief working mines were running on 20-percent capacity?

Do they take into consideration the fact that there were 400,000 human beings on the relief rolls by reason of the closing of those mines and the reducing of the capacity of the other mines? Not at all.

Do they take into consideration the fact that when the Government increased the price of silver to 77½ cents, by reason of the fact that it was associated with copper, lead, and zinc in the ores these mines commenced to resume operations?

Do they take into consideration the fact that during the next 2 years 400,000 miners and dependents were put back to the best and highest paid work in this country?

Do they take into consideration the fact that that normal, high-priced work of 400,000 people and dependents, even at a bonus of $12,000,000 a year, was the cheapest relief ever furnished in this country?

At this point, Mr. President, let me insert a tabulation of the transaction under the act.

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

Newly mined domestic silver acquired from Dec. 21, 1933, to June 30, 1937

Quantity ounces	151,834,000
Total cost to the Government at average of 74.2 cents an ounce	$112,705,000
Value, figured at 44¾ cents an ounce (present world price)	$67,945,000
Difference in value between world price and domestic price	$44,760,000
Average difference in value per year between world price and domestic price	$12,788,570
Circulating value at $1.29 an ounce	$195,865,860
Profit accruing to the Government through seigniorage	$83,160,860

Present reserve requirements of member banks of the Federal Reserve are 40 percent in gold certificates against notes in circulation and 35 percent in gold certificates (lawful money reserve) against deposits.

The Federal Reserve System has now in circulation	$4,279,000,000
Deposits in member banks	7,542,000,000
Total	11,821,000,000
Present reserve	9,454,000,000

Approximately 80 percent.

Mr. PITTMAN. Mr. President, if the miners to whom I have referred are thrown back on the relief rolls, does any think they can be compensated for their lack of employment by any such sum as $12,000,000 a year?

But it is said, "How do you know that that is going to happen again?" Because we know it did happen in 1931 and 1932. Because the largest mining companies in this country, the representatives of the greatest copper companies, of the largest lead companies, and of the largest zinc companies, have stated time and time again publicly and recently that if the price of copper and lead and zinc falls much lower—and there is nothing to indicate that we can stop it or that it will stop—then they must close unless they can depend upon the value of the silver metal that is associated in the rock with the lead and the zinc and the copper.

Mr. President, it is shown by the Governor of Utah, in his statement to the President of the United States, that 47 percent of the people of the State of Utah depend absolutely upon the mining industry for a living. When the mines close down not only do the 400,000 who are directly interested in the mining lose their income, but the workers who supply steel, power, lumber, trucks, and machinery, from other States lose employment. In addition to that loss of income, there is the loss of the taxes that go into the State collected upon the bullion and metal produced. This lost revenue must be made up from increased taxes upon land and the farmer. The figures I gave the Senate is 400,000 miners and other direct dependents. I do not give the figures of those who are incidentally employed in supplying material and transportation.

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

Mr. PITTMAN. I yield.

Mr. VANDENBERG. Was the silver policy proposed as a relief measure?

Mr. PITTMAN. The silver policy with reference to American-produced silver, so far as I am personally concerned, was urged upon the President originally as a policy to keep our mines open. If I had been urging it from a monetary standpoint at that time I would have urged that the price of silver be fixed at $1.29, the circulating parity price. But I never did anything of the kind. Nor at the present time am I urging the President to increase the price of silver. I feel this way about it, and feel so sincerely, so strongly that I hope my sincerity will be believed. I am confident that as copper approaches 7 cents a pound and zinc and lead 4 cents a pound, that with the increased cost of materials in this country these mines must and they will have to close, and those which do not close, which feel it necessary to keep open, as a great many of our companies did for various reasons, largely to hold their regular employees, will go down to 20-percent-production capacity. We cannot do a thing that I know of to keep the price of copper, lead, and zinc from falling. There is nothing that I know of by which we can raise it. But it does happen that in nature silver is rarely found separately. Three-fourths of the silver produced in this country is produced as a byproduct of the mining of copper, lead, and zinc. Therefore, when we consider a property like the Anaconda Copper Co. property in Butte, Mont., which employs thousands of men, and which during the depression was running on a 20-percent-capacity basis, with copper ore——

The PRESIDING OFFICER (Mr. TRUMAN in the chair). The time of the Senator from Nevada on the amendment has expired.

Mr. PITTMAN. I will take my time on the bill.

The Anaconda Co.'s ore runs only 2½- or 3-percent copper. They are operating their mining down three or four thousand feet, in water. The ore is very difficult and expensive to mine. But fortunately that ore carries about 3 ounces of silver. It was the 3 ounces of silver which kept the company going when operating at 20-percent capacity. Three ounces of silver at 25 cents an ounce, the price in 1931 and 1932, represents only a dollar in silver value. At that price it could hardly keep the mine open and operating if the value of the other metals was low. But at 77 cents an ounce it represents $3 in value to the ton of rock mined. That value will keep the Butte mines open even when copper goes down to 7½ or 8 cents a pound, and we want them open. There are no industries in the State of Montana to speak of except mining and stock raising. There are none in my State of importance except mining and stock raising. When the mines are destroyed a burden is placed on the land and on the farmers which they cannot stand.

It was astounding to me that these figures were presented by the statistician from the University of California—which the Governor used—that 47 percent of the people of the State of Utah depend on mining. That is a tremendous proportion. In our State it is even larger, because our agricultural production is very small and it is only incidental to the stock-raising business. The percentage of the people depending on mining in Nevada is larger than the percentage in Utah.

Mr. President, I do not think we can afford to trifle with a question like this. If I were giving only my opinion about it, Senators could question it in their own minds, or in any other way, but I ask them to take the opinions of others. Take the opinions of the statisticians of the Anaconda Copper Co. That company has its own statisticians. Take the opinions of the statisticians of the Phelps-Dodge Co. That company has its own statisticians. Take the opinions of the Nevada Consolidated Copper Co. Take the opinions of the statisticians of the Utah Copper Co. Those are the great mining companies of this country. If any company can exist on a low price of metal, they can. The hundreds of thousands of little independent concerns, which cannot buy their materials wholesale, will go out of existence first if the price of silver is reduced.

Mr. VANDENBERG. Mr. President, will the Senator again yield to me?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. The Senator is basing his plea very frankly on relief necessity. Is there any possible relationship between the argument he now makes and the requirements of law that silver shall be purchased until it reaches one-third of our gold supply?

Mr. PITTMAN. It has no connection at all. I am not debating the Silver Purchase Act at this time. The act which this newspaper article says should be repealed, or the proclamation under that act, deals only with American production. That is all I am speaking of. With the falling market prices of some metals, which we cannot stop, it would be a catastrophe if the price of other metals was drawn down with them.

Mr. VANDENBERG. In other words, the Senator is not discussing that phase of it?

Mr. PITTMAN. Not at all.

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

Mr. PITTMAN. I yield.

Mr. TOWNSEND. Has the Senator the figures available of the purchases of silver made by the Secretary of the Treasury from Mexico and China and other countries?

Mr. PITTMAN. I have all of those figures, and I shall be prepared to discuss that question separately if it becomes material. That deals with an entirely different act.

I say that this question happens to be exceedingly material at the present moment, because the President has given notice that the minting of American silver under the Agricultural Act of 1933 will cease on January 1. That is the reason I am taking this occasion to answer these editorials.

Let me turn to another phase of the subject. It is charged in the newspaper article that this is a dangerous inflation. Let us see if it is a dangerous inflation. In three and one-half years, it has added $112,705,000 in silver certificates to our currency, which currency today totals $6,555,101,269—$112,000,000 as against that great sum! Is that a dangerous inflation?

Let us see exactly where we stand with regard to deflation at the present time. No one mentions deflation. Here is a report from the Federal Reserve Board. The Federal Reserve system now has in circulation $4,279,000,000. Deposits in member banks, $7,542,000,000, making a total of $11,821,000,000. What are the reserves against that? Present reserves $9,454,000,000, or approximately 80 percent.

When they speak about six and one-half billion dollars of currency being in circulation they mean that it is not in the Treasury, but the report shows that while it is not in the Treasury, 80 percent of it is in the banks. The law requires the banks to carry 40 percent of their deposits in currency reserves, but the banks are carrying 80 percent.

Is there no deflation today in circulating media? It is admitted that 90 percent of our circulating media consists of drafts and checks. What is the effect of those drafts and checks on deposit, so far as our circulating media is concerned, when 80 percent of all currency is held in reserve? Is it in circulation. Oh, no; it is not in circulation. It clearly proves the deflation in credits.

Mr. President, has anyone talked about that deflation? Has not our Government done everything it could to increase that deflation on the one hand, while talking about reducing it on the other? Does not the Federal Reserve Board know that in doubling the required reserves it deflates credit, while on the other hand our Government through other departments attempts to inflate credits by guaranteeing loans through the Federal Housing Corporation? The fact remains that there has been a deflation aided by our Government as was done under the Harding administration. And now there is a thought of reinflation by letting out the credit of our Government through various building schemes and guaranties. The fact remains that there has been a period of deflation in the last 4 months, and during that time the value of money has increased, and the price of commodities has fallen in relation to it. Credit has tightened up enormously in the last 4 months. Now when it is proposed to allow the Government to continue with the policies that resulted in the employment of 400,000 miners, the discontinuation of which will, in the opinion of the great mining statisticians, mean the return of 400,000 miners and their dependents to the relief rolls—we hear the cry, "Dangerous inflation of our currency."

Mr. VANDENBERG. Mr. President, will the Senator yield to me again?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. While the Senator denies any purpose to discuss the Silver Purchase Act at the present time, is it possible, may I ask, to consider a continuation of the domestic purchase of silver at the 77-cent price level without also considering simultaneously the question of whether we shall continue to buy the silver of the world at 45 cents?

Mr. PITTMAN. I do not think it has any relation whatever.

Mr. VANDENBERG. I have very great respect for the Senator's opinion, but it seems to me that the entire silver situation with respect to the Treasury should be canvassed in order to get the sum total of the situation, because surely there is a point at which this thing could be overdone, is there not?

Mr. PITTMAN. There certainly is no point at which it can be overdone when the policy of coinage under the act I am talking about results in an increase of only $112,000,000 in 3½ years.

Mr. VANDENBERG. The Senator is now discussing domestic purchases. What is the grand total purchased during the same years? I am not seeking to be controversial.

Mr. PITTMAN. I understand. I have read attacks in the newspapers on the particular matter of the coinage of silver under an act of Congress, not under the Silver Purchase Act, but under another act of Congress. I do not desire to confuse the two questions. I should be very happy to discuss the whole question at another time, but I say this attack on what has been done under the Agricultural Adjustment Act of 1933 is unjust. The bonus amounts to nothing because the Government out of these very purchases has made $83,160,000. The Government has made that much out of the purchase of the 151,000,000 ounces.

Mr. VANDENBERG. Will the Senator permit a further observation?

Mr. PITTMAN. Certainly.

Mr. VANDENBERG. I hope before a final decision is made the Senator will discuss the whole subject in respect to the purchase of silver, and the Silver Purchase Act, because in my mind I cannot completely quarantine these features as the Senator is doing this afternoon.

Mr. PITTMAN. The newspapers were attacking the subsidy and they were attacking it as inflation. I have answered as to the subsidy. I have answered as to inflation. It is charged that it is not well secured. The Government has 151,000,000 ounces of silver against $112,000,000 of silver certificates issued. It has not used $83,160,000 worth of it because it charged itself with that profit, but it is there to use as a security for the $112,000,000 of certificates. When we put it behind those certificates, we will have more security behind those certificates than behind any other currency.

Mr. VANDENBERG. Are those issued at the purchase price or at the price of $1.29?

Mr. PITTMAN. They are issued on the same basis as other silver certificates. There is three-quarters of an ounce of silver in a dollar, which makes it, per ounce, $1.29. They have issued $112,000,000 of those certificates, because that is the price paid for the silver. That is 40 percent of the total value. But they still have the 60 percent of the silver in the Treasury, unissued, as security for those silver certificates if their value should ever be questioned.

Mr. LEWIS. Mr. President, may I ask a question of the Senator from Nevada, who is elaborating a very important question and, I may add, in a manner I do not think any other Senator could excel? After these men were put back to work by the aid of what is called by the able Senator from Michigan relief, when they went to work, did not their work produce from the mines some metals of different kinds?

Mr. PITTMAN. These miners, in addition to producing 151,000,000 ounces of silver, produced thousands of pounds

of lead, zinc, and copper which were associated together in the rock with the silver.

Mr. LEWIS. Did not that material itself have a market?

Mr. PITTMAN. I think that it not only added to the total wealth of the country but the metals produced have paid taxes to local, State, and Federal governments.

Mr. LEWIS. In the final result, does it not offset the full amount they got as relief?

Mr. PITTMAN. I take it the taxes alone that have been recovered are greater than the $12,000,000 which is called a subsidy.

Mr. LEWIS. That is the way it appeals to me.

Mr. ADAMS. Mr. President, will the Senator allow me to comment on some of the relief figures which resulted?

Mr. PITTMAN. Certainly.

Mr. ADAMS. If I understand the figures correctly, it is estimated 400,000 men were kept off of relief by keeping the mines open.

Mr. PITTMAN. Just as miners and direct dependants.

Mr. ADAMS. Yes; that is, just in getting the material out of the mines. It cost at least $800 per person per year for the relief expenditure. That would be $320,000,000 a year to take care of those 400,000 men. Taking a period of 3½ years, an amount exceeding $1,120,000,000 would be saved the Government in relief expenditures at the cost of a subsidy of some $40,000,000.

Mr. PITTMAN. That is correct. The total subsidy, if we may call the difference between the world price and the domestic price a subsidy, was $44,760,000 in 3½ years. It is called a subsidy only because the Government took 40 percent of the metal instead of taking 60 percent of it. That is the only reason why it is called a subsidy. They did not give anything. They took something.

A subsidy is spoken of. I have voted for subsidies and I shall probably have to vote for them again much as I dislike to do so. I have voted for tariff subsidies for 25 years. I have attempted to have them moderated to the extent that would equalize cost of production abroad and at home. Whether or not I have been successful I do not know, but I do know that a tariff is a subsidy to the manufacturer. I realize that subsidies are being paid to the farmer and are expected to be paid, in order that the industry may continue. Here is the smallest subsidy, if it is desired to call it a subsidy, that was ever granted to an industry. Here is a subsidy the payment of which does not require a tax. Here is a subsidy in relation to which the Government charges itself with a profit of 51 cents an ounce.

Mr. BORAH. Mr. President——

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

Mr. BORAH. To make it a little more explicit, how much has the Treasury actually paid out in the way of cash?

Mr. PITTMAN. It has not paid out a cent in cash. It has given the miner a certificate for $112,000,000 in exchange for 151,000,000 ounces of silver and it has all of the 151,000,000 ounces of silver.

But this is too serious a matter to have it covered with a smoke screen or to go outside of this particular question involved, for in the last several days the managers of some of the largest mines in the country—who never came to me before because I do not represent their interest except incidentally—have stated to me that falling prices of copper, lead, and zinc threaten to close their mines, and the only thing they can possibly hold on to is a continuation of the price of silver which they are able to produce from their mines. Every farm bureau in the West has certified, every farm bureau in the West has stated, that if we abandon this policy, if we take employment away from the miners, their local markets will not only be destroyed, but the taxes that could be paid from these areas by the miners will be thrown on the land and on agriculture. I assume they are speaking truthfully and sincerely. I know that the big mines, who can work more cheaply than the other mines, are threatened with being closed down and that hundreds of little mines, operated by men who are leasing and paying a royalty, will go out of existence first.

Mr. BORAH. Mr. President, I desire to submit a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BORAH. In dealing with the amendments to the bill, assuming that there may be some amendments to be offered to an amendment, must we offer those amendments to the amendment now or after the amendments now pending are adopted may they be amended later?

The PRESIDING OFFICER. Any amendment to the amendment should be offered before the amendment itself is disposed of.

Mr. THOMAS of Oklahoma. Mr. President, during the recess of the Congress I undertook in my feeble way to explain the theory of this bill to the farmers of my State. In undertaking that explanation I referred the farmers to the policy and practice being pursued in the oil industry.

Ten years ago the oil producers of the United States drilled wells indiscriminately and when they found oil they produced indiscriminately. As a result of that system of competition and production, oil fell in my State and in Texas at the low price of 10 cents a barrel. Much oil was sold in Texas for less than 10 cents a barrel.

Later, at the instance of the Government under the N. R. A., the oil producers were organized. They proceeded to stabilize the industry by curtailing production. Under the present practice as developed, the Bureau of Mines makes an estimate each month as to the amount of oil that should be produced to meet the consumption demand in the next month. The estimate is sent to the oil-producing States and each State is given an allowable quota. In each State there is some sort of regulatory body. In my State it is called the Corporation Commission. When the Corporation Commission of my State gets that estimate it prorates, through various agencies, to the oil wells the allowable amount, so that each month each oil well in my State knows the certain amount of oil it may produce. Each other oil-producing State has a similar program which it follows.

As a result of that control of production, largely supervised by the Government and acquiesced in by the oil industry, today the oil industry is very prosperous.

Since I used that illustration the Saturday Evening Post has published an editorial entitled "No More Gushers." Inasmuch as the editorial is in point, I ask unanimous consent that it may be read at the desk by the clerk.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will read, as requested.

The Chief Clerk read as follows:

NO MORE GUSHERS

The layman, reading that the Kansas, Oklahoma, and Texas control authorities, acting on the request of the producers, had reduced the allowable petroleum production for November below the recommended figure of the Bureau of Mines and that Arkansas had issued its first proration order, probably was puzzled or uninterested.

But these were further evidences that the petroleum industry, in a little more than 10 years, has whipped as tough a problem as faced any business in that time, and has revolutionized the basic method of producing oil in the United States. An industry which gyrated between feast and famine has stabilized itself and has conserved, at the same time, he Nation's oil and gas reserves. The new way of production is called proration.

Proration is the production of oil by regulated design instead of freely under unrestricted competition. This sounds like production control, or the quota system, by which copper, rubber, tin, cotton, wheat, and other commodities have been restricted in output with the express purpose of raising prices, or even creating an artificial scarcity. And proration could be so perverted, though, in the circumstances of the industry, it is not likey to be.

It differs fundamentally from other production controls because its primary purpose is conservation of an irreplaceable resource rather than the valorization of an annual crop or an inexhaustible metal. True, it tends to stabilize supply and demand, and, hence, the price of crude, and this accounts for its wide acceptance. But its greater usefulness in our economy lies in the fact that it increases the ultimate amount of oil that can be commercially extracted from our fields. Its stabilization effects are secondary.

Before proration, the output of any well was limited only by that well's capacity to produce. A well allowed to run wide open dissipates the natural gas, valuable in itself and as one of the forces which drive the oil to the surface. It also disturbs the nice interplay of other underground pressures useful to efficient extraction. The reservoir energy wasted, the oil must be prematurely pumped, and too much is left irrecoverable in the sands.

Yet the operator had no choice but to get the most oil out in the least possible time, for otherwise, under the rule of capture, his oil would be drained into the wells of more aggressive neighbors. This anarchic procedure was economically workable, wasteful as it was, as long as demand was outrunning supply, and before the industry had perfected modern methods of discovery and production.

As demand began to mature and these methods to increase supply in the middle twenties, the industry ran into chronic overproduction. Proration began as an experiment as early as 1926 and was developed and extended gradually until it became the rule.

Today most of the oil produced in the United States comes under the supervision of State commissions charged with the responsibility of preventing waste. As the great source of waste is in the energy losses that accompany the open flow of wells, the wells now are held to an efficient flow. The gusher is obsolete. We no longer have wells producing thousands of barrels a day for a while, then going on the pump, but long-lived wells flowing moderately under natural pressure.

The State commissions hold public hearings once a month to determine the market demand, which then is allocated to the various fields and, finally, to the individual wells. In this evolution the Federal Government has helped the oil-producing States at almost every stage. Advisory State production quotas first were provided in 1930 by the Federal Oil Conservation Board, were made mandatory under N. R. A., and now are supplied monthly by the United States Bureau of Mines. The Connally Act, passed by Congress in 1935, prohibiting the interstate movement of oil produced in defiance of State quotas, has checked the hot-oil problem in the great east Texas field. And finally the interstate oil compact, ratified by Congress in 1935, affords a convenient means of coordinating the interests of the States and the Federal Government in problems of conservation and stabilization.

New as it is, proration has become institutionalized in law and embedded in the practices of the industry.

Because, with gushers eliminated, it takes many more wells to produce a given volume of oil in a given time, the industry needs more capital. But with production and price held within bounds, the banks now lend millions of their depositors' money to individual producers on the security of oil still in the ground; a practice unimaginable to a banker 10 years ago.

The Nation has benefited, the industry has prospered, and the price of gasoline and other oil products has not been raised to the consumer. A highly competitive industry has taken the lead in bringing this about. Government has aided, but the industry itself has carried the ball.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The first amendment of the Committee on Agriculture and Forestry was, on page 1, line 5, to strike out "Title I—Declaration of policy" and insert "Declaration of policy."

The amendment was agreed to.

The next amendment was, on page 1, at the beginning of line 7, to strike out "Section 1. (a)" and insert "Sec. 2."; in line 8, after word "to", to insert "regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide such adequate and balanced flow of such commodities as will, first,"; on page 2, line 2, after the word "for", to strike out "major agricultural" and insert "such"; in line 4, after the word "and", to insert "second,"; in line 6, before the word provide", to strike out "to"; and in the same line, after the word "each", to strike out "major agricultural commodity; and to" and insert "such commodity and", so as to read:

SEC. 2. It is hereby declared to be the policy of Congress to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice to the extent necessary to provide such adequate and balanced flow of such commodities as will, first, maintain both parity of prices paid to farmers for such commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and second, without interfering with the maintenance of such parity prices, provide an ever-normal granary for each such commodity and conserve national soil resources and prevent the wasteful use of soil fertility.

Mr. McNARY. Mr. President, a few days ago I discussed that declaration. I do not at this time desire to discuss it further. I thought the Senator from Oklahoma [Mr. LEE] had an amendment to that section. Am I correctly informed?

The PRESIDING OFFICER. The Parliamentarian informs the Chair that the Senator from Oklahoma [Mr. LEE] has a substitute to offer for the entire bill, but not for this particular portion of it.

Mr. McNARY. I thought the Senator from Oklahoma, in a colloquy I had with him on Friday, stated that he had two sections to offer as a substitute for this language; but, of course, I know nothing beyond the mere expression of the Senator. I may have misunderstood him. I am not asking that action on the amendment be held up, but I wanted to inquire if there was not pending an amendment to this particular provision.

The PRESIDING OFFICER. The Chair is informed that there is no such amendment on the desk at this time.

Mr. ADAMS. Mr. President, I merely wish to reiterate the statement I made to the Senator from Idaho [Mr. POPE] when this section was previously discussed. It seems to me that in drafting this declaration of policy those who have drafted the bill have put a badge of unconstitutionality upon it in the very first section; that is, they have provided here that the bill is to regulate commerce. For what purpose? For the purpose of maintaining parity of prices and for the purpose of providing parity of income; that is, they are not endeavoring to regulate prices and parity in order that commerce may be regulated, but they are claiming to regulate commerce for the purpose of maintaining prices.

I do not pretend to be a deep student of constitutional law; it seems to me that the framers of the bill have put a badge upon the bill in the very first section, pointing out its probable unconstitutionality; for while perhaps we are inclined to think that the Supreme Court has somewhat changed its line of thinking the Supreme Court has not changed the fundamentals upon which its decisions have been rendered in many cases, and in some by unanimous decisions.

If we are interested in giving to the bill the best possible constitutional support, it seems to me this declaration ought to go out of the bill, rather than to make a statement here that the purpose of the bill is not to regulate commerce but is to use the regulation of commerce to do something else which is not the regulation of commerce.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 2, after line 10, to strike out:

(b) For the purposes of this act—

1. The "major agricultural commodities" shall be cotton, white wheat, wheat (other than white wheat), field corn, rice, flue-cured tobacco, Maryland tobacco, burley tobacco, tobacco (other than flue-cured, Maryland, and burley) produced in the United States; but the Secretary is authorized after due notice and opportunity for public hearing to interested parties to treat as a separate major agricultural commodity any market classification, type, or grade of any of the foregoing commodities if he finds such treatment necessary in order adequately to effectuate the policy of this act with respect to such market classification, type, or grade.

2. "Parity", as applied to prices for a major agricultural commodity, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity in the period from August 1909 to July 1914, or, in case of tobacco, August 1919 to July 1929.

3. "Parity", as applied to income, shall be that net income of farmers that bears to the income of individuals other than farmers the same relation as prevailed during the period from August 1909 to July 1914.

Mr. McNARY. Mr. President, we cannot have a runaway race on this matter. I simply wish to observe that I assume that it was necessary for the language stricken out to go out because of the change in the plan of the bill, inasmuch as the bill now deals separately with four commodities, whereas the original bill dealt with all of them in logical language.

Mr. POPE. Mr. President, will the Senator from Oregon yield at that point?

Mr. McNARY. Yes.

Mr. POPE. The Senator is right in part. The Senator will note that the definition of parity price at the bottom of page 2 and parity income at the top of page 3 are transferred to the subsection "Definitions," which appears later in the bill.

Mr. McNARY. Yes; and I think also the definition of parity has been considerably expanded to include interest and taxes.

Mr. POPE. Yes; it has been modified in that respect.

Mr. McNARY. Those items were not in the original draft of the bill upon which hearings were held.

Mr. POPE. That is correct; but the definitions have been transferred, and that is the reason for striking them out here.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 3, after line 9, to insert the heading:

Title I—Loans, parity payments, and general provisions.

The amendment was agreed to.

The next amendment was, on page 3, line 12, before the word "farmers", to insert "wheat and corn", so as to make the subhead read:

Contracts with wheat and corn farmers.

The amendment was agreed to.

The next amendment was, on page 3, line 13, after the word "SEC.", to strike out "2" and insert "3"; and in line 16, after the word "market", to strike out "any major agricultural commodity, the production and marketing of which affects interstate or foreign commerce" and insert "wheat or corn", so as to read:

SEC. 3. (a) In order more effectively to carry out the declared policy, the Secretary is authorized and directed to prepare adjustment contracts and to tender such contracts to farmers producing for market wheat or corn.

The amendment was agreed to.

The next amendment was, on page 3, line 20, before the word "farmers", to strike out "contacting" and insert "contracting", so as to read:

(b) Under adjustment contracts there shall be made available to contracting farmers (hereinafter referred to as "cooperators"), first, Soil Conservation Act payments hereinafter specified; second, surplus reserve loans; and, third, parity payments.

Mr. BORAH. Mr. President, I desire to ask for information concerning this subsection. The word "contracting" is an amendment. It is provided that under adjustment contracts there shall be made available to contracting farmers, first, Soil Conservation Act payments. My understanding is that that language limits the soil-conservation payments to contracting farmers only.

If we should desire to make soil-conservation payments to all, I suppose we should strike out the word "contracting." In other words, I do not want to see the soil-conservation payments discontinued to farmers simply because they do not enter into these contracts. I should not make any objection, of course, to their being deprived of the parity payments, but soil-conservation payments rest upon a wholly different principle. When farmers are undertaking to conserve their soil and desire to proceed upon the basis of soil conservation, I think they ought to be paid under the present law.

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

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

Mr. BORAH. I yield.

Mr. POPE. The Senator's interpretation of that language is correct. There is a further explanation of the matter later in the bill; but if a farmer raises corn, wheat, or cotton, and refuses to enter into a contract as provided here, he will not be entitled to soil-conservation payments for diversion of acreage.

I have already pointed out the two types of soil-conservation payments. The one is paid for diverting acreage. The other is paid for soil-conservation practices. However, a farmer who refused to enter into a contract would be entitled to the soil-conserving payments, as they may be called, but would not be entitled to a payment for diverting acreage. My colleague is correct in that respect.

I may say that the thought of the authors of the bill was that in order to make such a program as this successful, a great majority of farmers should participate, because it can be readily seen that if there should be a large number who did not participate, no substantial reduction of acreage or production could be expected. However, it seemed that that much inducement should be offered to those who grow corn, wheat, or cotton to take part in this program; and my colleague is right in that respect.

Mr. McNARY. Mr. President——

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

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

Mr. McNARY. Mr. President, it is a striking effort to punish the noncooperator. Under the Soil Conservation Act the producers of all agricultural commodities, whether specified as major or not, received soil-conservation payments, but under the language here pointed out by the senior Senator from Idaho, a noncooperator, a man who does not sign a contract, is selected among all the farmers of the country and is punished for not signing a contract. It is a form of punishment for not cooperating, and applies only to the farmers producing the commodities mentioned in the bill, and not to any other group of farmers in the country. Of course it is coercion.

Mr. BORAH. Mr. President, I think this is a very important matter. It has relation to the whole soil-conservation policy, and I have been a believer in that policy. The preservation of the soil in this country is a fundamental proposition. The soil ought to be taken care of, and no one should be discouraged from taking care of the soil by reason of the fact that he does not see fit to sign a contract.

Sufficient inducement is being offered for the farmer to sign the contract, it seems to me, when there is extended to him a parity payment or the benefit of a loan. But is it wise or just to take from him the soil-conservation payments when the whole program, as we adopted it at the last session, was for the purpose of taking care of the soil throughout the country? Any man who engages in that activity, any man who undertakes to help the Government in that matter, ought not to be punished, in my opinion. Unless the amendment can go over until tomorrow morning I shall ask for a quorum.

The PRESIDING OFFICER. Does the Senator from Idaho make a request that the amendment go over until tomorrow?

Mr. BORAH. I ask that it go over.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Without objection, the amendment will be passed over until tomorrow. The clerk will state the next amendment of the committee.

The next amendment was, on page 3, after line 23, to strike out:

(c) The adjustment contracts first prepared under this section shall cover farming operations with respect to commodities planted to be harvested in 1938, 1939, and 1940. For years subsequent to 1940, new adjustment contracts shall be prepared for such additional periods as the Secretary shall determine. Adjustment contracts shall be tendered to farmers during the last 5 months of each calendar year but shall be binding only with respect to major agricultural commodities planted for harvest in the subsequent calendar years covered by the contract. There shall be in force with respect to any farmer for any period only one contract with respect to each farm, but such contract shall apply to all major agricultural commodities.

And to insert:

(c) The first adjustment contracts shall cover farming operations with respect to wheat and corn planted for harvest in 1938. For years subsequent to 1938 new adjustment contracts shall be prepared for such additional periods, not to exceed 2 years, as the Secretary shall determine.

Mr. McNARY. Mr. President, I wish to propose an amendment to this committee amendment—on line 15 to strike out "such"; on line 16, after the word "exceed", to strike out "two" and to insert "three"; and after the word "years" to insert a period; and to strike from the bill the words "as the Secretary shall determine", so that it would read as follows:

The first adjustment contracts shall cover farming operations with respect to wheat and corn planted for harvest in 1938. For years subsequent to 1938 new adjustment contracts shall be prepared for additional periods not to exceed 3 years.

I offer this amendment because in my view this is still an emergency piece of legislation, and after a trial of 3

years, if the act operates successfully and is practicable and helpful to the farmers, we can renew it. But as the bill now reads it will be legislation for an indefinite period, for all time.

Mr. McGILL. The Senator in his amendment proposes to strike out the word "exceed" on line 16?

Mr. McNARY. The last sentence, commencing on line 14, page 4, would read:

For years subsequent to 1938 new adjustment contracts shall be prepared for additional periods not to exceed 3 years.

Mr. McGILL. I asked the question because I should like to know who would determine the length of the period, if we should strike out the words "as the Secretary shall determine." I was curious to know whether or not the Senator had in mind fixing a 3-year period.

Mr. McNARY. Yes; a 3-year period, made definite.

Mr. McGILL. That would require striking the word "exceed" out of the bill also.

Mr. McNARY. Yes. 1940 will be the beginning of a new political period in the country, whether the dominant party shall be Republican or Democratic. That ought to have something to do with the continuation of the proposed legislation, if it is so desired. The point I make is that providing for a period of 3 years, let us say, if the bill shall be passed, and if it is practicable, would give us 3 years in which to experiment. I think that is a sufficiently long period. If it turns out to be practicable legislation, it will be easy to renew it for another period. It will be recalled that in nearly all legislation of an emergent character we have included a limitation on the number of years it is to be in force. I brought this matter to the attention of the committee, on the day I was present at the meeting, on Saturday, and the committee took a view opposite to what I am suggesting, whereupon I think I stated to the committee that I should renew my proposal when the bill reached the Senate floor, and I am doing so now.

Mr. POPE. I am still not clear as to how the sentence beginning on line 14 and concluding on line 16 would read.

Mr. McNARY. I was attempting to meet the situation as the amendment was being read by the clerk. I had suggested changing the amendment on line 14 so that it would read:

For years subsequent to 1938 new adjustment contracts shall be prepared for additional periods not to exceed 3 years.

On reflection, I do not believe that would be correct, because it ought to be 2 years. The "2" should remain in the bill, in my judgment. It should read:

For years subsequent to 1938 new adjustment contracts shall be prepared for additional periods not to exceed 2 years.

Mr. POPE. That implies, of course, that there might be a contract for 1 year. Who will determine whether it would be 1 year or 2 years when the Senator uses the expression "not to exceed 2 years," if he strikes out the words "as the Secretary shall determine"?

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

Mr. McNARY. I yield.

Mr. BARKLEY. It strikes me that the Senator from Oregon is slightly confused about the effect of the language. The language provides that the first contract shall apply only to 1938. After that the Secretary will enter into the adjustment contracts from time to time during the life of the act, but at no time shall the contracts extend beyond 2 years. It seems to me that is proper, and if there was to be any discretion as to the period, as to whether it should be 1 year or 2 years, after the first year, 1938, it certainly ought to be in the discretion of the Secretary of Agriculture.

Mr. McNARY. It should be in the discretion of the Secretary if there were no limitation on the continuance of the act. I propose by this amendment to limit its operation to 2 years.

Mr. BARKLEY. The effect of the Senator's amendment is not to try to provide for permanent agricultural relief, but to make the bill effective for only 2 years.

Mr. McNARY. For 2 years, plus the year 1938, which makes 3 years, or it would terminate in 1940, and the very efficient senior Senator from Arkansas [Mrs. CARAWAY] has suggested that the language on line 15 should be, "an additional period." It is easy to correct it, if one has just a moment for that purpose.

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

Mr. McNARY. I yield.

Mr. SCHWELLENBACH. I do not agree with the Senator's theory, but it seems to me that if his theory is to be carried out it can only be carried out by taking the language as it now stands and inserting a proviso to read somewhat as follows: *"Provided,* That no contract shall be in effect after the 1940 marketing period."

Mr. McNARY. I always find it a good policy to be deferential, and I should be very glad to accept the language of the Senator from Washington, which is a limitation in words.

The PRESIDING OFFICER. Will the Senator from Oregon state the amendment he now has in mind?

Mr. McNARY. I think after the word "determine" there should be added the words "but in no event shall contracts be made after 1940."

Mr. BARKLEY. The first language takes care of the crop of 1938. 1939 and 1940 would be the next 2 years.

Mr. McNARY. I am willing to have a 3-year period, and by my suggestion, though probably not by appropriate language at this time, I am attempting to limit the operation of the bill to 3 years.

The PRESIDING OFFICER. Does the Senator desire time to prepare an amendment?

Mr. McNARY. It may be that the amendment should go over until tomorrow.

The PRESIDING OFFICER. Without objection, the committee amendment will go over until tomorrow. The clerk will state the next amendment.

Mr. BORAH. Mr. President, I am compelled to leave the Chamber for the balance of the evening, and I should like to ask that the amendment on page 7 go over, because it ought to be considered in connection with the matter which we agreed a short time ago should go over.

The PRESIDING OFFICER. The amendment on page 6, beginning with line 21 and going through line 17 on page 7, will go over until tomorrow. The clerk will state the next amendment of the committee.

The next amendment was, on page 4, after line 16, to insert:

(d) The adjustment contracts for 1938 shall be tendered to farmers up to but not later than June 1, 1938, and shall be binding with respect to wheat and corn planted for harvest in 1938. Following such original tender the Secretary shall tender adjustment contracts to farmers during the last 5 months of 1938 and each subsequent year, but such contracts shall be binding only with respect to such commodities planted for harvest in a year covered by the contract and subsequent to the signing thereof by the farmer. There shall be in force with respect to any farmer for any period only one adjustment contract with respect to each farm, but such contract shall apply to both wheat and corn. Notwithstanding the foregoing provisions of this subsection, adjustment contracts shall not be in effect for 1938 unless the Secretary finds that at least 51 percent of the farmers to whom adjustment contracts are required to be tendered have signed such contracts prior to June 1, 1938; and adjustment contracts shall not be in effect for any year subsequent to 1938 unless the Secretary finds that, prior to the commencement of such year, at least 51 percent of such farmers have signed adjustment contracts for such year.

Mr. McNARY. Mr. President, as these amendments are read I find that I have expressed my views concerning them on former occasions, and I do not desire to repeat the arguments, but a few days ago I asked the able Senator from Alabama [Mr. BANKHEAD] why he did not include cotton in this amendment, as it was in the original bill. I found that a similar inquiry was contained in the critical letter of the Secretary of Agriculture, who said that there ought to be contracts for all of these commodities. If there are to be contracts for wheat and corn, called adjustment

contracts, I should think that from the standpoint of the administrator in the administration of the bill there should be adjustment contracts for cotton, tobacco, and rice.

I am not going to offer any amendment on that point. I do not know how the Senators feel who have given much thought to this language. However, I think all the commodities ought to be treated in the same fashion, without discrimination concerning the contracts. I feel, as the Secretary of Agriculture does, that there should be contracts for all these commodities rather than contracts for some, and guesses and gentlemen's agreements for others.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4 after line 16.

The amendment was agreed to.

The next amendment was, on page 5, at the beginning of line 13, to strike out "(d)" and insert "(e)"; commencing in the same line, to strike out "For the purposes of adjustment contracts, the 'farmer' shall be deemed to be the person owning the land comprising the farm, except that if the farm is leased to a person having full control of cropping operations thereon for 1 or more years during the period covered by the adjustment contract, then such lessee shall be deemed to be the farmer during such year or years"; and in line 22, after the word "tenants", to insert "landowners", so as to read:

(e) In preparing and entering into adjustments contracts, the Secretary shall take into consideration and protect the rightful interests and equities of tenants, landowners, and sharecroppers.

Mr. McNARY. Mr. President, I should like to have either the able Senator from Kansas [Mr. McGILL] or the able Senator from Idaho [Mr. POPE] advise me why they inserted in this amendment the word "landowners," which was not in any of the other provisions.

Mr. POPE. Mr. President, the Senator will note that the definition or attempted definition of "farmer" is stricken out because it was unsatisfactory to the committee. There was left in, however, the last part of the paragraph:

In preparing and entering into adjustment contracts, the Secretary shall take into consideration and protect the rightful interests and equities of tenants, landowners—

The word "landowners" did not appear necessary when the definition of "farmer" appeared in the bill. When that was stricken out, it appeared to the committee that the word "landowners" was necessary. I think it is perfectly obvious to the Senator from Oregon or anyone else who reads the bill in its present form that the rights of "tenants, landowners, and sharecroppers" should all be taken into consideration in determining and making payment.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment beginning on page 5, line 13.

The amendment was agreed to.

The next amendment was, on page 5, at the beginning of line 23, to strike out "(e)" and insert "(f)"; in the same line, after the word "this", to strike out "title a major agricultural commodity" and insert "act wheat and corn"; on page 6, line 1, after the word "Whenever", to strike out "in case of cotton, wheat, field corn, rice, or tobacco,"; in line 6, before the word "corn" to strike out "field"; in line 8, before the word "commodity", to strike out "major agricultural", and in line 11, before the word "corn", to strike out "field", so as to read:

(f) For the purposes of this act wheat and corn shall be deemed to be produced for market except in the following circumstances:

(1) Whenever the amount thereof produced and consumed annually on the farm is more than 75 percent of the aggregate normal yield of the soil-depleting base acreage for the commodity; or

(2) Whenever in the case of corn the aggregate normal yield of the soil-depleting base acreage for such commodity is less than 300 bushels, and in the case of wheat such aggregate normal yield is less than 100 bushels, and the acreage devoted to corn, or to wheat, as the case may be, does not exceed such respective base acreage: *Provided, however,* That either such commodity shall be deemed to be produced for market if 25 percent or more of the aggregate normal yield of such base acreage is marketed and if the farmer indicates to the Secretary his desire to become a cooperator.

The amendment was agreed to.

The PRESIDING OFFICER. The amendment at the bottom of page 6 and the top of page 7 was passed over at the request of the Senator from Idaho [Mr. BORAH].

Mr. McNARY. Yes; I think it was agreed that that amendment should go over.

The PRESIDING OFFICER. That amendment will go over until tomorrow.

The next amendment of the committee will be stated.

The next amendment was, under the subhead "Surplus Reserve Loans," on page 7, line 19, after the word "Sec.", to strike out "4" and insert "5"; in line 20, after the word "title", to strike out "II" and insert "VII"; in line 22, after the word "upon", to strike out "any major agricultural commodity" and insert "wheat or corn"; on page 8, line 3, after the word "of", where it occurs the first time, to strike out "the"; and at the end of line 3, to insert a colon and the following: "*Provided,* 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", so as to read:

SEC. 5. (a) The Surplus Reserve Loan Corporation established by title VII of this act (hereinafter referred to as the Corporation) is directed to make available surplus reserve loans upon wheat or corn produced for market at the loan rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year. Such loans shall be made only to cooperators and on the security solely of stocks of the commodity insured and stored under seal: *Provided,* 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 terms and conditions of such loans shall be such as the Corporation determines most effectively will carry out with respect to the commodity the declared policy of this act.

Mr. McNARY. Mr. President, that language, of course, is calculated to deal more tenderly with the noncooperator in his application for loans. I observe in lines 8, 9, and 10, on page 8, that the loan rate shall be 70 percent of the loan rates prescribed in schedule A. That simply means, I assume, using simple figures, that if the schedule would give $100 as a maximum loan to Smith, who was a cooperator, Jones, a noncooperator, could get 70 percent.

Mr. POPE. That is correct.

Mr. McNARY. Of course, that provision, like the others we were discussing, is another form of procedure tending to coerce the others in; but I will say that it is really an improvement over the original language.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 7, beginning in line 19.

The amendment was agreed to.

The next amendment was, on page 8, after line 13, to strike out:

(b) Each adjustment contract shall include a provision that the Secretary shall, whenever necessary in order to carry out during any marketing year the declared policy of this act with respect to any major agricultural commodity, require during such marketing year or within 30 days prior thereto that each cooperator engaged in producing the commodity for market store under seal, until the expiration of such marketing year or such shorter period as the Secretary shall prescribe, his stock of such commodity up to an amount not exceeding 20 percent of the crop harvested by him during the calendar year in which such marketing year begins. Such cooperator shall be entitled to obtain from the Corporation surplus reserve loans with respect to stocks stored in accordance with this subsection.

And to insert a new subsection (b), as follows:

(b) The Corporation is directed to make available loans on cotton and may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton. Loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored under seal. The amount, terms, and conditions of such loans shall be fixed

by the Corporation, taking into account the maintenance of foreign outlets for the commodity and the effect of prospective production of the commodity on the value of the stock of the commodity held or to be acquired as security for the loan.

Mr. McNARY. Mr. President, when the bill was being discussed last week on the floor of the Senate, I asked the Senator from Idaho [Mr. POPE] about its construction, and he stated that this amendment had been incorporated in the bill at the suggestion of the able Senator from Mississippi [Mr. BILBO]. I asked at that time that the amendment go over. In the absence of the Senator from Mississippi [Mr. BILBO], and in the absence of other Senators, I ask that the amendment go over for the day. It will bear more discussion.

The PRESIDING OFFICER. Without objection, the amendment will be passed over until tomorrow.

Mr. AUSTIN. Mr. President, I hope I shall be here when the amendment is considered, because I have serious objection to it.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 9, line 14, after the word "this", to strike out "title" and insert "act", so as to read:

(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.

The amendment was agreed to.

The next amendment was, on page 9, line 21, after the word "producing", to strike out "any major agricultural commodity" and insert "cotton, wheat, corn, tobacco, or rice", so as to read:

(d) Notwithstanding any other provision of this section, if the farmers producing cotton, wheat, corn, tobacco, or rice.

Mr. AUSTIN. Mr. President, this is the same kind of an amendment relating to a referendum as the one to which I had objection. I desire to register a vote against it. I do not want it adopted by unanimous consent.

The PRESIDING OFFICER. The pending amendment is on page 9, line 22.

Mr. AUSTIN. Yes. It has reference to referendums. I do not want the amendment to be adopted by unanimous consent. I wish to register my vote against it. I object to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 9, line 21. [Putting the question.] The ayes have it, and the amendment is agreed to.

The clerk will state the next amendment of the committee.

The next amendment was, on page 9, in line 24, before the word "that", to strike out "section 10 of this title" and insert "this act", so as to read:

Indicate by vote in the referendum carried out pursuant to the provisions of this act.

Mr. AUSTIN. I object.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 9, line 24. [Putting the question.] The ayes have it, and the amendment is agreed to.

The clerk will state the next amendment of the committee.

The next amendment was, on page 10, line 1, after the word "farmers" and the comma, to strike out "surplus reserve", so as to read:

That marketing quotas with respect to such commodity are opposed by more than one-third of such farmers, loans shall not be available thereafter with respect to the commodity during the period from the date on which the results of the referendum are proclaimed by the Secretary until the beginning of the second succeeding marketing year.

The amendment was agreed to.

The next amendment was, on page 10, line 6, after the word "Payments" to insert "For Cotton, Wheat, and Corn"; so as to make the subhead read:

Parity payments for cotton, wheat, and corn.

Mr. McNARY. Mr. President, is that the amendment on page 10?

The PRESIDING OFFICER. Yes; the subhead on page 10, line 6.

Mr. McNARY. Mr. President, I do not care about the heading. Referring to the body of the section I am curious to know whether the Senator from Alabama [Mr. BANKHEAD] recalls my statement made a few days ago when I said that the language was mandatory requiring the Secretary to make parity payments, in the face of the statement of the Senator from Alabama that he did not expect parity payments.

Mr. BANKHEAD. Mr. President, I did not say that. I said I did not expect full parity. There is a difference between payments on parity, or making payments based on parity, and parity payments in full.

Mr. McNARY. We were talking about parity. I assume that parity means full. When I say I will pay a man my obligation, I do not have to say my full obligation, but I am assumed to mean that I will pay my full obligation. When the Secretary is directed to make parity payments, I assume that that means parity payments, and not 10 percent of parity payments.

I do not want to misquote the Senator from Alabama, or any other Senator. I shall not offer an amendment, but there is a very great inconsistency, as I pointed out, between the title and the provisions of this section. In declaratory and mandatory language the Secretary of Agriculture is directed to make parity payments, when it is admitted that he cannot make parity payments, because he will not have sufficient funds for that purpose.

Mr. POPE. Mr. President, I do not interpret that language as the Senator does. If the term "mortgage payments" were used, that would not mean that the full amount of the mortgage necessarily would be paid, but that payments would be made in reducing the mortgage. In the pending section payments are made on parity. It is similar to payments made on a mortgage. I think that is the interpretation that should be placed on the language.

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

Mr. McNARY. I yield.

Mr. NORRIS. It seems to me that this line has not any legal effect on the bill anyway. It is just a subhead. It does not say what shall be done. Suppose it were stricken, it would not affect the section a particle. The subject that follows in section 6 is about parity payments for cotton, wheat, and corn. The subheading might be left out, and it would not hurt the bill in any way, or affect its legality.

Mr. McNARY. Mr. President, a great deal might be left out of the bill and it might be improved by so doing. I am not now suggesting that. The section begins, "Promptly following the close of each marketing year." It specifies when these payments shall be made; namely, that promptly following the close of the marketing year the Secretary shall do what? Make parity payments.

Mr. NORRIS. Yes; but line 6 does not provide that he shall do that. If anyone wanted to amend the measure in respect to what the Secretary should do, he would not amend line 6, but he would amend the language that follows.

Mr. McNARY. I am not talking about line 6.

Mr. NORRIS. That is what is now being considered. The pending amendment is in line 6.

Mr. McNARY. I am not captious. I am talking about the subject matter in section 6.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 10, line 6.

Mr. BANKHEAD. Mr. President, I have a clarifying amendment to the committee amendment which I should like to have considered at this time.

Mr. BARKLEY. Mr. President, we have not yet reached that point. I suggest that we pass on the amendment on page 10, line 6, which is a separate amendment. It is simply a heading.

Mr. BANKHEAD. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 10, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment of the committee will be stated.

The next amendment was, on page 10, line 8, after the word "for", to strike out "any major agricultural commodity (except flue-cured, Maryland, and burley tobacco)" and insert "cotton, wheat, or corn."

Mr. BANKHEAD. Mr. President, I send to the desk an amendment to the committee amendment and ask that it may be read.

The PRESIDING OFFICER. The amendment offered by the Senator from Alabama will be stated.

The CHIEF CLERK. On page 10, at the end of line 10, it is proposed to insert: "in lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity", and in line 13, after the word "cooperator", to strike out the period and insert, "and in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of Title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act."

Mr. POPE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. POPE. That is not an amendment to a committee amendment. It is not an amendment either to the portion proposed to be stricken out or to the words proposed to be added. I take it it is not in order.

Mr. BANKHEAD. We can have it considered now because I do not want to be foreclosed from offering it.

Mr. POPE. I shall have no objection.

Mr. McNARY. Let us have the amendment to the amendment again stated.

Mr. BANKHEAD. I think it is an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment of the Senator from Alabama will be again stated.

The CHIEF CLERK. On page 10, at the end of line 10, after the words "parity payment", it is proposed to insert:

> In lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity.

And in line 13, after the word "cooperator", strike out the period and insert:

> And in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act.

The PRESIDING OFFICER. The first part of the amendment offered would not be in order at this time. The latter part of the amendment is in order. The committee amendment under consideration is in lines 9 and 10. The amendment offered is not in order at this time.

Mr. BANKHEAD. Mr. President, let me make a statement about what it is and if the Senator wants it to go over it will be all right.

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

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

Mr. NORRIS. As I understand, the amendment of the Senator from Alabama has no relation whatever to the committee amendment which the Senate is now considering. I do not know why we should discontinue consideration of a committee amendment which is properly before the Senate and take up for consideration some other amendment which is not properly before the Senate.

Mr. BANKHEAD. My amendment adds to the committee amendment.

Mr. NORRIS. Oh, no; it does not add to the committee amendment which is now under consideration.

Mr. BANKHEAD. I think it does, but if there is any objection I shall withhold it.

Mr. BARKLEY. Mr. President, the Senator can offer it later.

Mr. BANKHEAD. If it will be in order later I shall let it go over for the time being.

The PRESIDING OFFICER. Without objection the amendment of the Senator from Alabama will go over and may be offered at a later time.

Mr. BANKHEAD. I do not object to my amendment going over if I can present it later.

Mr. BARKLEY. There is no question that the Senator can present his amendment when the committee amendments shall have been disposed of. He does not have to withdraw it. He will be allowed to offer it later because he has a right to offer it when we reach that point in the consideration of the bill.

Mr. McNARY. Mr. President, I think we should have the amendment of the Senator from Alabama printed and let it lie on the table until the appropriate time.

Mr. AUSTIN. Mr. President, I desire to ask the Senator from Alabama a question.

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Vermont?

Mr. BANKHEAD. Certainly.

Mr. AUSTIN. Does the Senator from Alabama construe the amendment which he will offer so that if adopted it would modify the contract now existing with respect to payments under the Soil Conservation Act?

Mr. BANKHEAD. The amendment I am proposing to offer is intended to clarify this point in the bill. It will be noted that the amendment is to that part of the bill which sets up soil-conservation payments on corn and wheat. My amendment provides payments under the Soil Conservation Act on corn and wheat, provided the recipients are cooperators. The question has been raised, in the event there is no cotton control program, either by virtue of there being no necessity for one on account of reaching parity price or by reason of the farmers rejecting such a program, where would the cotton farmer stand? This is to make it positive and clear that cotton would stand exactly as wheat and corn stand and would be under the soil-conservation program. That is the only object of the amendment.

Mr. AUSTIN. As I understood it when read by the clerk, it would undertake to make parity payments take the place of the payments already obligated to the farmer under the Soil Conservation Act.

Mr. BANKHEAD. I am sure the Senator will see his error when he reads the amendment. I know he is clear-minded and will readily understand its purpose.

Mr. HATCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. I understood the Chair to state, at the time the Senator from Alabama presented his amendment, that part of that amendment was in order and part of it was not in order.

The PRESIDING OFFICER. The Chair ruled that the amendment was not in order to the then pending committee amendment. As drawn and presented at the desk the latter part of the amendment of the Senator from Alabama would be in order to the next committee amendment.

Mr. HATCH. The latter part of the amendment would be in order to the next committee amendment?

The PRESIDING OFFICER. Yes.

Mr. HATCH. If that part of his amendment which is in order should not be acted on when the next committee amendment is before the Senate for consideration, would it lose its standing later?

Mr. BANKHEAD. It went over with the understanding that later I should have the right to present it again.

The PRESIDING OFFICER. The Senator from Alabama requested that his amendment go over and there was no objection and it was so ordered.

Mr. BARKLEY. If the amendment is not in order now to the committee amendment that is pending, it will have to go over until all committee amendments are disposed of. If we are to stop in the middle of the consideration of committee amendments to consider individual amendments which are not in order to committee amendments, we will never make any progress with the bill.

Mr. BANKHEAD. The Presiding Officer ruled that part of my amendment was in order.

Mr. BARKLEY. But the Senator is offering it as a whole.

Mr. BANKHEAD. I just wanted to get it clear so that I shall not lose any of my rights by reason of letting it go over.

Mr. BARKLEY. I do not want the Senator to lose any rights.

Mr. BANKHEAD. Then, what is all the argument about?

Mr. BARKLEY. If the Senator wants to split his amendment and consider that part of it which would be in order at this time or when the following committee amendment is considered, that is a different matter; but as a whole it is not in order at this time.

The PRESIDING OFFICER. The Chair ruled that the amendment offered by the Senator from Alabama was not in order as an amendment to the pending committee amendment, and stated gratuitously that part of it would be in order to a later amendment.

Mr. BANKHEAD. What I want to know is whether there is any objection to my amendment going over and having it considered later, without losing any rights on the ground that part of it is now in order and part of it is not in order.

The PRESIDING OFFICER. In the opinion of the present occupant of the Chair the Senator would not lose any rights.

Mr. BANKHEAD. Very well.

The PRESIDING OFFICER. The amendment of the Senator from Alabama will go over. The pending amendment of the committee will be stated again.

The pending amendment of the Committee on Agriculture and Forestry was, on page 10, line 8, after the word "for", to strike out "any major agricultural commodity (except flue-cured, Maryland, and burley tobacco)" and insert "cotton, wheat, or corn."

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

The next amendment was, on page 10, in line 11, after the word "to", to strike out "cooperators" and insert "farmers."

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

The next amendment was, on page 10, line 12, after the word "year" and the comma, to insert "provided, in case of wheat and corn, the farmer is a cooperator."

Mr. HAYDEN. Mr. President, I suggest that that amendment be passed over in order that the Senator from Alabama may offer an amendment to it later.

The PRESIDING OFFICER. Without objection, the amendment will be passed over. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 10, line 18, after the word "payments", to insert a comma and the words "in case of wheat and corn."

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

The next amendment was, on page 10, line 20, after the word "commodity", to strike out "devoted to the production thereof (", and in the same line, before the word "during", to strike out ")."

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

The next amendment was, on page 11, line 1, after the word so", to strike out "devoted" and insert "planted."

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

The next amendment was, on page 11, in line 3, after the word "commodity" and the period, to insert "Such payments, in case of cotton, shall be made upon the quantity of cotton produced on each farm under the national marketing quota for cotton."

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

The next amendment was, on page 11, line 8, after the word "payment", to strike out "for a major agricultural commodity"; in line 10, after the word "for", to strike out "such" and insert "the"; in line 12, after the word "therefor", to strike out "(1) when a surplus reserve loan is available with respect to such commodity and" and insert "under schedule A of this title if"; and in line 16, after the word "rate", to strike out the comma and "or (2) when a surplus reserve loan is not available with respect to such commodity", so as to read:

(b) 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 PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 11, after line 17, to insert:

(c) Notwithstanding the foregoing provisions of this section, parity payments for cotton, wheat, or corn with respect to the marketing year ending in 1938 shall be computed at the rates heretofore announced by the Secretary under the 1938 agricultural conservation program in connection with farm goals for cotton, wheat, and corn, respectively, in case such rates are greater than the rates hereinbefore in this section provided.

Mr. OVERTON. Mr. President, I desire to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment of the Senator from Louisiana to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 11, it is proposed to strike out lines 18 to 25, and in lieu thereof to insert:

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, or corn, in any marketing year shall be computed on the basis of the payments available under the Soil-Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Oregon?

Mr. OVERTON. I wish to make an explanation of my amendment, but I yield to the Senator from Oregon.

Mr. McNARY. I think the amendment of the Senator from Louisiana ought to be printed so we may have an opportunity to study it. I ask the able Senator if he will not permit the amendment to be printed and studied in connection with the language of the bill?

Mr. OVERTON. I have no objection.

Mr. McNARY. I may not have any objection to the Senator's amendment.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Louisiana to the pending committee amendment will be printed and lie on the table.

Mr. SMITH. Mr. President, I do not want to be too meticulous about the use of conjunctions and whether they are employed disjunctively or conjunctively, but on page 11, line 19, the language is:

Nothwithstanding the foregoing provisions of this section, parity payments for cotton, wheat, or corn—

And so forth. I think the phrase should read "cotton, wheat, and corn." Under the interpretation of those who will administer the provisions of the bill, even though all three commodities might be eligible for payments any one could be selected because it might be held, the word "or" being used to connect wheat and cotton, a choice could be made. I think it ought to read "cotton, wheat, and corn."

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

Mr. SMITH. I yield.

Mr. McGILL. I think the reason for the language as it now appears in the amendment was that a sufficient number of contracts might be made among farmers producing the commodity of wheat for the program to be put into effect as to that commodity, but it might not be put into effect as to the commodity of corn.

Mr. SMITH. I recognize that fact.

Mr. McGILL. That is the reason for the use of the disjunctive instead of the conjunctive.

Mr. SMITH. I understand that; but there would be no necessity for the application of the bill if one of these commodities were in such a condition as not to need it. As the sentence now reads, however, the Administrator may select, regardless of condition, any one of these three products.

Mr. POPE. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. Yes.

Mr. POPE. Used in the connection in which the word is used here, it seems to me the amendment of the Senator from South Carolina is entirely proper. It refers to parity payments on cotton, wheat, and corn. Therefore, I should be in favor of the amendment.

Mr. SMITH. I offer that amendment.

Mr. OVERTON. Mr. President, a parliamentary inquiry. The amendment now under discussion is not before the Senate, as I understand. Am I correct?

The PRESIDING OFFICER. The Senator from Louisiana is correct. The Senate agreed that the pending amendment, and amendments to it, should go over until tomorrow. Does the Senator from South Carolina move to reconsider that action?

Mr. BARKLEY. Mr. President, inasmuch as that change has been agreed to, I suggest that it will not affect the amendment which goes over.

Mr. SMITH. Just change the word "or" to "and." If the Senator will withdraw his suggestion as to that going over, we can have that matter settled now and save time. I have waited around here a long time to get down to this part of the bill, and I should like to see it agreed to or rejected.

The PRESIDING OFFICER. Without objection, the Senate will reconsider its action in this respect for the purpose of agreeing to the amendment changing "or" to "and." Without objection, the amendment to the amendment is agreed to.

Mr. OVERTON. I shall ask, then, that the amendment I suggested be changed and that the word "and" be substituted for the word "or." I modify my amendment, which the Senate has not yet passed upon. It has gone over. The pending committee amendment is to go over, and may amendment to it. My amendment undertakes to strike out the committee amendment.

The PRESIDING OFFICER. The Senator from Louisiana asks to have the amendment which he offered modified to conform to the amendment just adopted to the committee amendment.

Mr. OVERTON. So as to read "cotton and corn" instead of "cotton or corn."

The PRESIDING OFFICER. The Senator has that privilege. The clerk will state the next amendment of the committee.

The next amendment was, on page 12, at the beginning of line 1, to strike out "(c)" and insert "(d)", and in line 2, after the word "to", to strike out "any major agricultural commodity" and insert "cotton, wheat, or corn", so as to read:

(d) The first parity payments made under this act with respect to cotton, wheat, or corn shall be those made following the close of the marketing year therefor ending during 1938.

The amendment was agreed to.

The next amendment was, under the subhead "Consumer safeguards," on page 12, line 6, after the word "Sec.", to strike out "6. (a)" and insert "7."; in line 7, after the word "for", to strike out "any major agricultural commodity as proclaimed monthly under section 14 (d) is more than 10 percent above" and insert "cotton, wheat, corn, tobacco, or rice, as proclaimed monthly by the Secretary hereunder, exceeds"; in line 17, after the word "section", to strike out "4 (b)" and insert "9 (c)"; in line 24, after the word "price", to strike out "is not more than 10 percent above" and insert "does not exceed"; and at the beginning of line 2, to strike out "industrial", so as to read:

SEC. 7. Whenever the current average farm price for cotton, wheat, corn, tobacco, or rice, as proclaimed monthly by the Secretary hereunder, exceeds the parity price so proclaimed for the commodity, the Secretary shall, to the extent necessary to stabilize at parity such current average farm price for the commodity—

1. Call surplus reserve loans secured by the commodity;
2. Release stocks of the commodity stored under seal pursuant to section 9 (c);
3. Release stocks of the commodity held under marketing-quota restrictions;
4. Dispose of stocks of the commodity acquired by the Corporation in connection with surplus reserve loans.

stocks of the commodity acquired by the Corporation in connection with surplus reserve loans shall, if such current average farm price does not exceed such parity price, be disposed of only for human-relief, export, or surplus-reserve purposes.

The amendment was agreed to.

The next amendment was, on page 13, after line 2, to strike out:

(b) Whenever the current average farm price for any major agricultural commodity as proclaimed monthly under section 14 (d) is more than 10 percent above or below the parity price so proclaimed for such commodity, then the Secretary shall further proclaim the amount of such difference. Effective the day following such proclamation the specific rate of duty imposed by law upon the corresponding dutiable commodity, namely, wheat, corn, or maize, including cracked corn, wrapper tobacco, and filler tobacco, or paddy or rough rice and brown rice, as specified in the proclamation, shall be decreased or increased, respectively, by the amount of such difference. Whenever the current average farm price so proclaimed for such major agricultural commodity no longer differs by more than 10 percent from the parity price so proclaimed for such commodity, then the Secretary shall proclaim that fact, and the decrease or increase in rate of duty shall cease to be in effect on the day following such proclamation.

The amendment was agreed to.

Mr. BARKLEY. Mr. President, in view of the fact that we have started to make some progress on the bill, I think we might suspend here.

Mr. COPELAND. Mr. President, I ask the attention of the Senator from Idaho [Mr. POPE]. We have reached the point where the first of the four amendments offered by the Senator from Vermont [Mr. AUSTIN] and myself would appear. These amendments all relate to the dairy industry. Would it be wise for us to consider all of them at the same time? I ask the question because otherwise the first one would come up in connection with the amendment which appears next on the list.

Mr. POPE. I will say to the Senator from New York that whatever form of dealing with the matter is most convenient will be satisfactory, so far as I am concerned. We are now getting to the subsections under the heading "Base Acreages for Wheat and Corn." If the provision to which the Senator refers affecting dairying comes within these subsections, personally I have no objection to their being considered in whatever way he prefers.

Mr. COPELAND. Our amendments are four in number, and they cover four different pages of the bill. I raise the question simply in order that the Senator may have it under advisement and decide tomorrow what course he prefers.

Mr. BARKLEY. Are the amendments of the Senator from New York in the form of amendments to committee amendments, or amendments to the language of the bill independent of committee amendments?

Mr. COPELAND. They are amendments to committee amendments.

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 REPORTS OF COMMITTEES

Mr. VAN NUYS, from the Committee on the Judiciary, to which was recommitted the nomination of Victor E. Anderson, of Minnesota, to be United States attorney for the district of Minnesota, vice George F. Sullivan, reported favorably thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

THE CALENDAR—POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters on the Executive Calendar be confirmed en bloc, with the exception of the nominations of West Virginia postmasters, on which action was postponed last week.

The PRESIDING OFFICER. Without objection, the nominations on the Executive Calendar, other than the West Virginia nominations, are confirmed en bloc.

That completes the Executive Calendar.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

The Senate resumed legislative session.

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 525) to make the existing appropriations for mileage of Senators and Representatives immediately available for payment, and it was signed by the Vice President.

RECESS

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 22 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, December 7, 1937, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 6 (legislative day of November 16), 1937

POSTMASTERS

PENNSYLANIA

Orabel Rarick, Barnesville.
Hazel E. Hetrick, Beavertown.
Margaret A. Helfrich, Bruin.
George H. Houck, Cairnbrook.
Marie Kolasa, Clarence.
Leonard E. Devilbiss, Fawn Grove.
Anna Hullihan, Gilberton.
Joseph J. Myers, Irvine.
William Killion, Irvona.
Thomas R. Lawler, Jessup.
Howard E. Bixler, Manchester.
Lottie Tueche, New Eagle.
Frank G. Christopher, Smithton.
Mary E. Cramer, South Connellsville.
Harry H. Howell, Union Dale.
Sadie L. Brunner, Worcester.
Margaret E. Malley, Wyncote.

SOUTH DAKOTA

Henry W. Landwehr, Winfred.

HOUSE OF REPRESENTATIVES

MONDAY, DECEMBER 6, 1937

The House met at 12 o'clock noon.

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

Our Father, Thou who art most human, yet most divine, Thy mercies are one unbroken succession; to Thee we lift our hearts of praise; let the beauty of the Lord be upon us. We pray that the vision splendid may flash out of the invisible; open Thou the windows of our spirits toward the unseen. Bless, we pray Thee, the President of these United States; return him to our homeland in renewed strength. Grant that the whole body of our citizens may obey its laws, and may peace prevail throughout our borders. Our Father, may we look for the best in others and give them the best we have; may we love the flower and not think of the blight. Thou, who art the God of the whole earth, let the heavens, the earth, and the sons of God unite in pleading for the fleeing, starving, and stricken refugees of war's hell of horrors. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of Friday, December 3, 1937, was read and approved.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent that on Thursday next, after the disposition of matters on the Speaker's table and the regular order of business, I may address the House for 15 minutes on the child-labor provisions of the Senate and House wage-hour bills.

The SPEAKER. The gentleman from Colorado asks unanimous consent that on Thursday next, after the disposition of matters on the Speaker's desk and following the legislative program of the day, he may be permitted to address the House for 15 minutes. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, do I understand correctly that this request is to address the House after the consideration of the farm bill?

Mr. RAYBURN. Yes; it comes after the legislative program of the day, whatever it may be.

Mr. MARTIN of Massachusetts. The gentleman would not have any objection to a similar request if anyone on this side should ask permission to address the House following the gentleman from Colorado?

Mr. RAYBURN. No.

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

There was no objection.

THE CONSENT CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. RAYBURN. Mr. Speaker, this is Consent Calendar day, but as everyone knows, one of the Members who on this side of the House look after the Consent Calendar is ill in a hospital. After consulting with some of the other Members who are looking after this matter, I find they do not themselves desire to proceed today with the call of the Consent Calendar.

I therefore ask unanimous consent, Mr. Speaker, that the calling of the Consent Calendar may be dispensed with for today.

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

There was no objection.

EXTENSION OF REMARKS

Mr. HOUSTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein

excerpts from a letter from the Chairman of the Home Owners' Loan Corporation.

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

There was no objection.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein an article written by the gentleman from Kansas [Mr. HOUSTON].

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

There was no objection.

Mr. McGRATH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein an editorial from a San Francisco newspaper, together with my reply.

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

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein excerpts from an article on finance by a constituent.

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

There was no objection.

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a letter from the President.

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

There was no objection.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill H. R. 7710.

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

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on two subjects—housing and silver.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on Thursday, December 16, after the disposition of matters on the Speaker's table and following the legislative program for the day, I may be permitted to address the House for 20 minutes.

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

There was no objection.

ENTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his own remarks in the RECORD.

Mr. MAHON of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting in the Appendix a newspaper article appearing in the Corpus Christi Caller concerning the views of my distinguished colleague the gentleman from Texas [Mr. KLEBERG] with reference to farm legislation.

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

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of freedom of the press.

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

There was no objection.

Mr. LORD. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes on Thursday, following the gentleman from Colorado [Mr. MARTIN].

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

There was no objection.

APPOINTMENT ON APPROPRIATIONS COMMITTEE

Mr. DOUGHTON. Mr. Speaker, I offer a privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

Resolved, That JOSEPH E. CASEY, of Massachusetts, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on Appropriations.

The resolution was agreed to.

NEUTRALITY

Mr. McREYNOLDS. Mr. Speaker, I am directed by the Committee on Foreign Affairs to report back to the House the privileged resolution, which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 364

Resolved, That the President of the United States is requested, if not incompatible with the public interest, to transmit to the House of Representatives at the earliest practicable moment the following information, namely:

1. Has Japan seized Chinese territory by force of arms?
2. Is Japan pressing deeper into Chinese territory?
3. Is the United States moving or preparing to move its legation from the capital of China?
4. Has the Department of State advised citizens of the United States in China to leave that country?
5. Has consideration of the removal of the legation and citizens of the United States been caused by a conflict of armed forces? If so, between whom?
6. Are arms and ammunitions and implements of war being sold by or shipped by United States citizens to any such armed forces? Are they going by cash or credit?
7. Does a state of war exist in China?
8. Is it a fact that the Department of State is using the Neutrality Act as an instrument of policy as indicated by the following statements of the chairman of the Committee on Foreign Affairs on the floor of the House of Representatives on November 17, 1937, to wit:

"I think it will aid Japan and aid the Fascist countries of Europe more by putting this law into effect now than by not putting it into effect."

And again:

"I am not saying that we should help China, but I want to stick a dagger in these countries that are trying to create dictatorship and trying to ruin the world."

9. What armed forces of the United States are in Chinese or Japanese territory and for what purpose?

Mr. McREYNOLDS. Mr. Speaker, a quite voluminous report (Rept. No. 1651) has been made by the Secretary of State in answer to these questions and I ask unanimous consent that the same may be printed in the RECORD, and I move the tabling of the resolution.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the report of the committee may be printed in the RECORD. Is there objection?

Mr. CASE of South Dakota. Mr. Speaker, reserving the right to object, will the gentleman yield for a question?

Mr. McREYNOLDS. I yield to the gentleman for a question.

Mr. CASE of South Dakota. The resolution and the statement of the Secretary concern a definition of policy with respect to the neutrality act, and, apparently, will be the setting of a precedent. Does the gentleman think the reply of the Secretary covers fully the questions that are asked in the resolution?

Mr. McREYNOLDS. The gentleman thinks the reply of the Secretary fully covers the questions the gentleman has asked, and if there is any objection to printing the report in the RECORD I shall simply move to table the resolution.

Mr. FISH. There is no objection.

Mr. CASE of South Dakota. We have no objection to printing the report, nor to tabling the resolution, provided the report answers the questions, as the gentleman assures us it does. The resolution was a resolution of inquiry. If it has brought the information requested and has afforded the Secretary of State an opportunity to set forth the position of the Administration with regard to the Neutrality Act and to state the present policy of the United States in

regard to the war in China, the resolution has served its purpose, and a very useful purpose.

IMPORTANT TO EVERY CITIZEN

Under permission to extend my remarks at this point, I wish to emphasize the importance of a thorough understanding of that position to every citizen of the United States.

At the previous session, this Congress passed, and the President signed, an act entitled "The Neutrality Act of 1937." It was the third writing of a neutrality law by this administration. The two previous neutrality laws were called temporary neutrality acts; this was offered as the permanent neutrality act. It was certainly the considered and deliberate opinion of the administration written into law. It was presented to and argued to this House as a measure which would keep us from getting into a pre-war situation.

Such books as Walter Mills' Road to War, and the disclosures of the Nye committee regarding the sale of arms and ammunition and the discovery of pre-war agreements among other nations on the division of spoils brought this House to the decision that we would declare a policy of neutrality and declare it in advance so that we would not get into the position that leads to war.

It seems now perfectly clear that the so-called Neutrality Act has become, what many feared at the time, not an instrument of neutrality but an instrument of policy. It has become a means of granting or withholding favors to one nation or another, according to the President's decision as to where our interests lie.

My remarks at the time the measure was before us were reviewed when I presented this resolution of inquiry on the 24th of November. As I repeated then:

> Application of an embargo on arms in a discretionary way destroys neutrality by the very name itself. * * * Under this measure the people become, more than ever in the history of America, pawns in Presidential policy.

WHAT OF WAR IN ANOTHER QUARTER?

Mr. Speaker, the policy of the administration may be the right policy in the Orient—today. It may be keeping us out of war—today. But I raise this sober question:

If the President under the Neutrality Act can ignore the war in China today, has not an overwhelming precedent been created to ignore war wherever it may break out? And then for us to get into all kinds of danger zones?

We are told that the President has not found a state of war to exist in China. Therefore, he need not invoke the Neutrality Act which would place an embargo on the shipment of arms and ammunition and require that our citizens keep off ships in the war zone and require that nations getting war materials pay cash for them or at least settle for all interest of our citizens in such goods.

What will be the attitude of the nation that wants our ammunition if and when the act is invoked?

We can grant the contention well set forth by the gentleman from Connecticut [Mr. SHANLEY], in a recent address to the House, that the nature of sovereignty is such that the Chief Executive has an unusual power in directing foreign affairs. A Supreme Court decision has been cited in support of that point. The Court has also said:

> Every contention by force between two nations in external matters under the authority of their respective governments is not only war but public war (*Bas.* v. *Tingy*, 4 Dallas, 34, 40; 1 L. Ed. 731, 732–3).

If such a definition did not say that war exists in China, common sense would. And I feel sure that any reasonable construction on the information in the Secretary's letter would say that the conflict in China is war.

Suppose that war breaks out in another quarter of the globe, a declared war. Then, is the Neutrality Act to be invoked as to one set of belligerents and not as to another? Or, suppose that China or Japan should declare war now?

FAVORITISM IS NOT NEUTRALITY

Let your minds run back to the logic of President Wilson in 1915 and 1916 as to changing policy in the middle of a war. Showing favors is not neutrality, and sooner or later discretionary application of the penalties of the Neutrality Act will involve us in trouble.

It is well said that the purpose of the Neutrality Act is to keep this country out of war. That is correct. The Congress had that in mind when the act was passed and when it set forth the things to be done to avoid our getting into one of the conditions that leads to war. Did Congress overreach? Did it encroach on the powers of the President? The President signed the act.

I pass over the question of whether the right to determine when the intent of Congress in one field extends to other fields. It may not. I pass over the question of whether Congress had its eyes shut when it passed the conference report on the bill or whether the President had his fingers crossed when he signed it. Both acted with the best of intentions. I waive argument on whether ignoring of the Neutrality Act avoids involving us in war today. It may do that. But I raise the simple, sober question:

Can we ignore the law in one war and invoke it in another—and eventually stay out of war ourselves?

I repeat what I said when I offered the resolution of inquiry:

> The Neutrality Act should be amended, repealed, or observed. It should not be ignored. * * * We should not drift into a position from which we can extricate ourselves only by war.

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

There was no objection.

The SPEAKER. The question is on the motion to lay the resolution on the table.

The motion was agreed to.

The report referred to is as follows:

> Mr. MCREYNOLDS, from the Committee on Foreign Affairs, submitted the following adverse report (to accompany H. Res. 364):
>
> The Committee on Foreign Affairs, to whom was referred the resolution (H. Res. 364) requesting certain information from the President of the United States, having considered the same, submit the following report thereon, with the recommendation that it do not pass:
>
> The action of the committee is based upon the following letter to the chairman from the Secretary of State dated December 4, 1937. The letter is as follows:
>
> DEPARTMENT OF STATE,
> *Washington, December 4, 1937.*
>
> The Honorable SAM D. MCREYNOLDS,
> *Chairman, Committee on Foreign Affairs,*
> *House of Representatives.*
>
> MY DEAR MR. MCREYNOLDS: The receipt is acknowledged of a letter of November 25 from Mr. I. R. Barnes, clerk of the Committee on Foreign Affairs, asking that the Department furnish the Committee on Foreign Affairs a report, in duplicate, on House Resolution 364, "Requesting certain information from the President of the United States."
>
> Information which has been and is constantly made publicly available through the press and official statements affords the answers to most of the questions listed in H. Res. 364. However, for convenience of reference, there is offered comment in regard to the questions as follows:
>
> With regard to the first question, it is a matter of public knowledge that Japanese armed forces are in control over certain areas of Chinese territory. In connection with this question, reference is made to a statement issued on October 27, 1937, by the Japanese Foreign Office in which it is declared: "Japan never looks upon the Chinese people as an enemy nor does she harbor any territorial designs" (New York Times, October 28, 1937).
>
> With regard to the second question, the armed forces of Japan have, as stated in reports appearing currently in the press, advanced in north China as far west as the rail head at Paotow (in Suiyuan Province) and as far south as some 50 miles beyond Taiyuanfu in Shansi Province, as the northern tip of Honan Province and as the Yellow River in Shantung Province. In the Shanghai area, Japanese forces have advanced in the direction of Nanking and now occupy a line approximately 75 miles distant from Nanking.
>
> With regard to the third and fifth questions, there are enclosed (a) a statement issued by the Chinese Foreign Office on November 20, 1937, in reference to the removal of the capital of China

from Nanking, and (b) a statement issued by the Department of State on November 22, 1937.

With regard to the fourth question, the Department of State and American diplomatic and consular officers in China have from the beginning of the present conflict between China and Japan urged that American citizens in China, because of the dangers incident to continued residence there, withdraw, and the American Government has facilitated in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Furthermore, the Department is not for the present issuing passports valid for travel to and in China save in certain exceptional circumstances.

With regard to the sixth question, there is enclosed a copy of the statement issued by the Department covering the exportation for the month of October 1937 of arms, ammunition, and implements of war from the United States to foreign countries, including China and Japan. These statements are issued monthly. While exporters of such arms and munitions are not required under existing law to inform the Department of State whether such sales are made on a cash or on a credit basis, it is the understanding of the Department that the transactions involving shipments to China and to Japan are on a cash basis.

With regard to the seventh question, neither the Chinese Government nor the Japanese Government has declared war on the other. The President of the United States has not found "that there exists a state of war" (see Public Resolution No. 27, 75th Cong., approved May 1, 1937).

With regard to the eighth question, the entering into force of the restrictive provisions of the Neutrality Act of May 1, 1937, is left to and is dependent upon decision of the President by a finding that "there exists a state of war." The policy of the Department of State in reference to this act is dependent upon that decision. The Department of State keeps constantly in mind the fact that the principal purpose of the act is to keep the United States out of war.

With regard to the ninth question, the United States maintains no armed forces in the Japanese Empire. In China, there are armed forces of the United States at Peiping (527 U. S. Marines), at Tientsin (784 U. S. Army), and at Shanghai (2,701 U. S. Marines). The American Government maintains small detachments at Peiping and at Tientsin, and other interested governments maintain similar detachments, pursuant to the provisions of the so-called Boxer protocol of 1901 which was concluded between China and the representatives of the interested governments, including the American Minister to China. These troops are maintained for the general purpose of providing protection to American nationals (including the Embassy personnel) and, in case of emergency calling for evacuation making available an armed escort. At Shanghai, the Government of the United States (as well as various other governments) has since 1927 maintained in the International Settlement at that place a small detachment of armed forces for the purpose of assisting in protecting the large number of American citizens residing in that area from the dangers incident to serious disorders beyond the control of the local authorities. Also, there are naval vessels of the United States in Chinese waters. These vessels form a part of the United States Asiatic Fleet based on Manila, and the distribution and movements of these vessels are under the control of the commander-in-chief of that fleet. Normally, except in times of trouble in which American lives and property are endangered, these vessels, with the exception of a few small gunboats on the Yangtze River and in south China waters, cruise between Chinese ports and the Philippine Islands. The authority for stationing naval vessels of the United States in Chinese waters is found in the Sino-American Treaty of 1858 and in somewhat similar provisions of treaties between China and other foreign powers, which provisions inure to the benefit of the United States through most-favored-nation treatment. American armed forces in China are there for the protection of American nationals, primarily against mobs or other uncontrolled elements. They have no mission of aggression. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation. During the current situation of emergency in China, these forces have rendered important service in protecting the lives of American nationals, together with and including our diplomatic and consular establishments, and in making possible the maintenance of uninterrupted communications with our nationals and our diplomatic and consular establishments in the areas involved.

There are also enclosed for convenience of reference various public documents, as indicated below, which contain statements in regard to the attitude and policy which the Government is following.

Sincerely yours,

CORDELL HULL.

Enclosures (in duplicate):

1. Chinese Foreign Office statement, dated November 20, 1937.
2. Department of State press statement, dated November 22, 1937.
3. Department of State press statement, dated November 4, 1937.
4. Statement by Secretary of State, dated July 16, 1937.
5. Department of State press statement, dated August 23, 1937.
6. White House press statement, dated September 14, 1937.
7. Address by Secretary of State, dated September 19, 1937.
8. Address by Secretary of State, dated September 20, 1937.
9. Address by Secretary of State, dated October 22, 1937.

TEXT OF A STATEMENT ISSUED BY THE CHINESE GOVERNMENT ON NOVEMBER 20, 1937, IN REGARD TO THE REMOVAL OF THE NATIONAL CAPITAL FROM NANKING TO CHUNGKING

The chain of events following the Lukouchiao incident on July 7 and culminating in the seizure of Tientsin and Peiping has opened a new phase in Japan's program of continental conquest. Realizing that Japan's aggression knows no bound exept that of force, the Chinese Government has finally resolved to take up arms in self-defense. The Government's decision, it is most gratifying to note, has received hearty endorsement and support of the whole nation, which has turned out like one man in the common struggle against invasion. Wherever the Japanese forces chose to make their attacks, they have invariably encountered stubborn resistance of Chinese defenders who would rather die than surrender an inch of territory. The instances of heroic sacrifices in different provinces are too numerous to be mentioned here.

In the Shanghai-Woosung area, the Chinese held their enemy at bay for fully 3 months. Responding to the call of the Government, units of fighting forces from all over the country rushed to the front and fought shoulder to shoulder against the common enemy. Despite the concerted attacks by the Japanese forces from land, air, and sea, the Chinese troops have maintained an excellent morale. Many of them trusting to nothing more than their blood and patriotism remained at their posts even after their defense works had been completely destroyed by Japanese bombardment. In the valor and loyalty of these officers and men the indomitable spirit of the Chinese people finds its most eloquent expression. Upon the bodies of the heroic dead the foundation of a new and independent Chinese nation may be said to have been firmly laid.

Of late, the Japanese forces have shown a disposition of advancing further westward, evidently with the intention of coercing the Chinese Government into accepting the humiliating terms by directly threatening the safety of Nanking, capital of China. In this the Japanese calculations are greatly mistaken. For, in embarking upon the present course of action after all peaceful means had proved fruitless, China has fully made up her mind that her salvation lies in fighting the invaders even to the last man. Our submission to Japan is neither compatible with our national existence and honor nor with the maintenance of international justice and peace. "To be a broken jade rather than a whole tile" is today the determination of every patriotic Chinese.

In order to conform to the requirements of the present state of hostilities as well as to be in a more advantageous position to direct national affairs as a whole and put up prolonged resistance, the Government has this day been removed to Chungking. There can be no doubt that hereafter China's resistance will be on an even wider extent and of greater effectiveness than heretofore and with vast manpower and natural resources at her command and with full determination of her people to give up their lives for the country, she is fully united against the Japanese invader.

In her present struggle China has behind her fully sympathy of foreign nations and solid support of her people. There can be no question that she will ultimately attain the object of maintaining her national existence and independence.

DEPARTMENT OF STATE,
November 22, 1937.

The Chinese Government having announced in a statement issued on November 20, 1937, the removal of the seat of the national government as of that day to Chungking, in Szechuan Province, the American Ambassador at Nanking, together with certain members of his staff, will leave tomorrow for Hankow, where it is expected that the Chinese Ministry of Foreign Affairs will be established. The Ambassador and the members of his staff accompanying him will proceed by the U. S. S. *Luzon*, which will also take on board all American citizens who wish to leave Nanking. It is understood that the heads of other foreign diplomatic missions and members of their staffs will leave Nanking for Hankow at about the same time.

The Embassy at Nanking will continue to function, and Secretaries George Atcheson, Jr., and J. Hall Paxton and Clerk Emile P. Gassie, Jr., are remaining at Nanking to carry on the work of the office, including the rendering of assistance, if needed, to American citizens who do not wish to leave. The U. S. S. *Panay* is remaining at Nanking.

DEPARTMENT OF STATE,
November 4, 1937.

The table printed below indicates the number of export licenses for arms, ammunition, and implements of war issued by the Secretary of State from October 1 to October 31, 1937, inclusive,

and the character of the arms, ammunition, and implements of war exported, their value, and the countries of destination:

Country of destination	Number of licenses issued	Categories	Value	Total
Angola	2	V (1)	$3,000.00	
		(2)	25.00	
				$3,025.00
Argentina	6	III (1)	527,000.00	
		IV (1)	116.88	
		(2)	22.65	
		V (1)	6,500.00	
		(2)	2,145.00	
		(3)	10,500.00	
				546,284.53
Australia	15	I (1)	1,333.00	
		(4)	52.22	
		IV (1)	80.00	
		(2)	6.00	
		V (2)	7,500.00	
				8,971.22
Bahamas	1	IV (2)	30.00	
				30.00
Barbados	7	I (1)	26.00	
		(4)	9.00	
		IV (1)	227.38	
		(2)	261.00	
				523.38
Belgium	7	I (1)	35.00	
		(4)	58.00	
		IV (1)	14.88	
		V (3)	38,060.00	
				38,167.88
Bermuda	1	V (2)	1,500.00	
				1,500.00
Bolivia	6	I (4)	120.00	
		IV (2)	31.00	
		V (2)	1,000.00	
		VII (2)	938.60	
				2,089.60
Brazil	17	I (1)	1,336.00	
		(4)	2,080.00	
		IV (1)	38,015.90	
		(2)	10,201.00	
		V (2)	14,239.06	
		(3)	11,400.00	
				77,271.96
British Guiana	2	IV (1)	144.75	
				144.75
British Honduras	1	I (4)	9.00	9.00
Burma	1	I (1)	71.00	71.00
Canada	189	I (1)	3,757.87	
		(4)	2,795.36	
		IV (1)	394.44	
		(2)	1,271.73	
		V (1)	52,187.15	
		(2)	32,843.80	
		(3)	3,873.50	
		VII (1)	1,470.00	
		(2)	13,294.85	
				111,888.70
Chile	1	I (4)	37.00	
		IV (2)	381.00	
				418.00
China	[1] 6	I (2)	2,100.00	
		III (1)	127,000.00	
		V (1)	120,000.00	
		(2)	1,400.00	
		(3)	4,000.00	
		VII (2)	435,840.00	
				690,340.00
Colombia	6	IV (1)	941.68	
		V (1)	43,000.00	
		(2)	1,800.00	
		(3)	22,000.00	
		VII (1)	44.25	
				67,785.93
Costa Rica	7	VII (2)	698.50	698.50
Cuba	5	IV (1)	36.00	
		(2)	195.00	
				231.00
Curacao	1	V (1)	160,000.00	160,000.00
Czechoslovakia	1	V (1)	225,000.00	225,000.00
Dominican Republic	2	I (3)	15,000.00	
		IV (1)	1,275.00	
				16,275.00
Ecuador	2	IV (1)	28.05	
		(2)	26.00	
				54.05
Egypt	2	IV (1)	12.75	
		V (3)	900.00	912.75
El Savador	2	IV (1)	4,037.00	4,037.00
Federated Malay States	3	I (4)	3.00	
		IV (1)	73.95	
		(2)	14.00	
				90.95
Fiji	1	I (4)	68.00	
		IV (2)	6.00	
				74.00

[1] In addition 1 license was issued in October authorizing the export to China of a shipment of articles falling under Category V (1) valued at $906,300. This license replaced a license issued in August 1937, which authorized the exportation of this shipment.

Country of destination	Number of licenses issued	Categories	Value	Total
Finland	1	I (4)	$99.00	
		IV (2)	9.00	
				$108.00
France	2	I (4)	65.40	
				65.40
French Indochina	1	I (4)	1.37	
		IV (1)	29.50	
		(2)	2.59	
				33.46
Germany	10	I (4)	70.00	
		IV (1)	202.45	
		(2)	73.00	
		V (2)	14,800.00	
		(3)	56,700.00	
				71,845.45
Great Britain and Northern Ireland	8	I (4)	57.00	
		IV (1)	14.88	
		(2)	21.00	
		V (1)	1,500.00	
		(2)	1,062.00	
				2,654.88
Guatemala	2	I (4)	4.00	
		VII (2)	705.00	
				709.00
Haiti	1	I (4)	6,500.00	6,500.00
Honduras	10	I (2)	12,350.00	
		(4)	39,500.00	
		III (2)	1,000.00	
		V (1)	19,500.00	
		(2)	810.00	
		(3)	8,800.00	
				81,960.00
Hong Kong	1	IV (1)	1,345.00	
				1,345.00
India	13	I (1)	453.65	
		(4)	1,471.75	
		IV (2)	79.00	
		V (1)	50,000.00	
		(2)	250.00	
		(3)	5,273.90	
				57,523.30
Iraq	7	IV (1)	128.78	
		(2)	20.50	
				149.28
Irish Free State	1	I (4)	10.00	10.00
Italy	1	V (3)	114,165.00	114,165.00
Jamaica	5	I (1)	108.46	
		IV (1)	164.00	
				272.46
Japan	10	III (1)	49,100.00	
		IV (1)	31,728.39	
		(2)	732.00	
		V (2)	3,817.70	
				85,378.09
Latvia	1	V (2)	1,075.00	1,075.00
Leeward Islands	1	VII (2)	55.00	55.00
Macao	3	I (2)	3,165.00	
		(4)	3,449.00	
		(5)	1,500.00	
		IV (1)	2,320.60	
		(2)	959.00	
				11,393.60
Mauritius	1	I (1)	92.40	92.40
Mexico	44	I (1)	1,409.10	
		(2)	73,750.00	
		(3)	55,668.00	
		(4)	31,969.00	
		IV (1)	10,709.65	
		(2)	8,528.00	
		V (1)	214,250.00	
		(2)	300.00	
		VII (1)	1,034.00	
		(2)	8,997.00	
				406,614.75
Mozambique	2	I (1)	210.00	
		(4)	60.00	
		V (1)	1,500.00	
		(2)	25.00	
				1,795.00
Netherlands	6	V (1)	524,800.00	
		(2)	10,060.00	
		(3)	5,526.00	
				540,386.00
Netherlands Indies	4	IV (1)	10,277.00	
		V (1)	240,000.00	
		(2)	1,900.00	
				252,177.00
New Caledonia	2	I (1)	71.55	
		(4)	447.00	
				518.55
Newfoundland	1	I (1)	146.00	146.00
New Guinea, Territory of	3	I (1)	27.00	
		(4)	4.00	
		V (1)	16,500.00	
		(2)	4,362.88	
		(3)	5,500.00	
				26,393.88
New Hebrides	1	I (4)	243.00	243.00

Country of destination	Number of licenses issued	Categories	Value	Total
New Zealand	13	I (1)	$451.19	
		(4)	225.30	
		IV (2)	60.50	
		V (1)	7,000.00	
		(2)	50.00	
				$7,786.99
Nicaragua	2	I (2)	1,600.00	
		V (1)	1,500.00	
				3,100.00
Norway	3	IV (2)	10.92	
		V (1)	1,500.00	
		(2)	400.00	
				1,910.92
Panama	3	IV (2)	111.00	
		VII (2)	1,596.00	
				1,707.00
Paraguay	2	I (4)	102.00	
		IV (2)	858.00	
				960.00
Peru	6	I (3)	1,700.00	
		(4)	1,200.00	
		IV (1)	8.00	
		V (2)	5,357.00	
				8,265.00
Poland	2	I (1)	76.00	
		V (2)	1,395.70	
				1,471.70
Portugal	2	V (1)	1,500.00	
		(2)	25.00	
				1,525.00
Rumania	2	I (5)	200.00	
		V (1)	10,500.00	
				10,700.00
Siam	18	IV (1)	2,879.43	
				2,879.43
Southern Rhodesia	2	I (4)	71.86	
		IV (2)	19.00	
				90.86
Straits Settlements	3	IV (1)	917.15	
		(2)	9.00	
				926.15
Sweden	8	I (1)	33.75	
		III (1)	15,000.00	
		V (1)	3,000.00	
		(2)	417.20	
				18,450.95
Switzerland	2	IV (1)	25.50	
		V (1)	4,577.00	
				4,602.50
Trinidad	10	IV (1)	443.98	
		(2)	45.00	
		V (1)	1,500.00	
				1,988.98
Turkey	2	III (1)	2,670,000.00	2,670,000.00
Union of South Africa	23	I (1)	135.00	
		(4)	169.92	
		IV (1)	788.90	
		(2)	42.00	
		V (1)	1,500.00	
		(2)	14,460.00	
		(3)	53,500.00	
				70,595.82
Union of Soviet Socialist Republics	5	V (1)	855,000.00	
		(2)	4,974.80	
				859,974.80
Uruguay	6	I (1)	22.00	
		(2)	7,680.00	
		(4)	598.00	
		III (1)	109,920.00	
		IV (1)	663.00	
		(2)	654.00	
		V (1)	1,500.00	
				121,037.00
Venezuela	14	IV (1)	3,371.98	
		(2)	140.82	
		V (1)	18,000.00	
		(2)	245.00	
		(3)	8,000.00	
		VII (1)	84.00	
		(2)	352.00	
				30,193.80
Windward Islands	1	I (4)	10.00	
		IV (2)	7.00	
				17.00
Total	565			7,437,692.60

The following table indicates the number of import licenses of arms, ammunition, and implements of war issued by the Secretary of State from October 1 to 31, 1937, inclusive, and the character of the arms, ammunition, and implements of war imported, their value, and the countries of origin:

Country of origin	Number of licenses issued	Categories	Value	Total
Belgium	2	I (4)	$3,234.60	$3,234.60
Canada	2	I (4)	5.00	
		IV (2)	5.00	
		V (2)	450.00	
				460.00
Egypt	1	V (3)	400.00	400.00
Germany	2	I (4)	4,548.83	4,548.83
Great Britain and Northern Ireland	3	I (4)	4,245.00	
		V (2)	1,500.00	
				5,745.00
Mexico	2	I (2)	550.00	
		(4)	120.00	
		V (1)	35,000.00	
				35,670.00
Netherlands	1	V (2)	3,500.00	3,500.00
Peru	1	V (3)	14,610.00	14,610.00
Portugal	1	V (3)	14,000.00	14,000.00
Total	15			82,168.43

The categories of arms, ammunition, and implements of war in the third column of the above tables are the categories into which those articles were divided in the President's proclamation of May 1, 1937, enumerating the articles which would be considered as arms, ammunition, and implements of war for the purposes of section 5 of the joint resolution of May 1, 1937, as follows:

CATEGORY I

(1) Rifles and carbines using ammunition in excess of caliber .22, and barrels for those weapons;

(2) Machine guns, automatic or autoloading rifles, and machine pistols using ammunition in excess of caliber .22, and barrels for those weapons;

(3) Guns, howitzers, and mortars of all calibers, their mountings and barrels;

(4) Ammunition in excess of caliber .22 for the arms enumerated under (1) and (2) above, and cartridge cases or bullets for such ammunition; filled and unfilled projectiles for the arms enumerated under (3) above;

(5) Grenades, bombs, topedoes, mines, and depth charges, filled or unfilled, and apparatus for their use or discharge;

(6) Tanks, military armored vehicles, and armored trains.

CATEGORY II

Vessels of war of all kinds including aircraft carriers and submarines, and armor plate for such vessels.

CATEGORY III

(1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, which are designed, adapted, and intended for aerial combat by the use of machine guns or of artillery or for the carrying and dropping of bombs, or which are equipped with, or which by reason of design or construction are prepared for, any of the appliances referred to in paragraph (2) below;

(2) Aerial gun mounts and frames, bomb racks, torpedo carriers, and bomb or torpedo-release mechanisms.

CATEGORY IV

(1) Revolvers and automatic pistols using ammunition in excess of caliber .22;

(2) Ammunition in excess of caliber .22 for the arms enumerated under (1) above, and cartridge cases or bullets for such ammunition.

CATEGORY V

(1) Aircraft, unassembled, assembled, or dismantled, both heavier and lighter than air, other than those included in category III;

(2) Propellers or air screws, fuselages, hulls, wings, tail units, and under-carriage units;

(3) Aircraft engines, unassembled, assembled, or dismantled.

CATEGORY VI

(1) Livens projectors and flame throwers;

(2) a. Mustard gas (dichlorethyl sulphide);

b. Lewisite (chlorvinyldichlorarsine and dichlordivinylchlorarsine);

c. Methyldichlorarsine;

d. Diphenylchlorarsine;

e. Diphenylcyanarsine;

f. Diphenylaminechlorarsine;

g. Phenyldichlorarsine;

h. Ethyldichlorarsine;
i. Phenyldibromarsine;
j. Ethyldibromarsine;
k. Phosgene;
l. Monochlormethylchlorformate;
m. Trichlormethylchlorformate (diphosgene);
n. Dichlordimethyl ether;
o. Dibromdimethyl ether;
p. Cyanogen chloride;
q. Ethylbromacetate;
r. Ethyliodoacetate.
s. Brombenzylcyanide;
t. Bromacetone;
u. Brommethylethyl ketone.

CATEGORY VII

(1) Propellant powders;
(2) High explosives as follows:
a. Nitrocellulose having a nitrogen content of more than 12 percent;
b. Trinitrotoluene;
c. Trinitroxylene;
d. Tetryl (trinitrophenol methyl nitramine or tetranitro methylaniline);
e. Picric acid;
f. Ammonium picrate;
g. Trinitroanisol;
h. Trinitronaphthalene;
i. Tetranitronaphthalene;
j. Hexanitrodiphenylamine;
k. Pentaerythritetetranitrate (penthrite or pentrite);
l. Trimethylenetrinitramine (hexogen or T_4);
m. Potassium nitrate powders (black saltpeter powder);
n. Sodium nitrate powders (black soda powder);
o. Amatol (mixture of ammonium nitrate and trinitrotoluene);
p. Ammonal (mixture of ammonium nitrate, trinitrotoluene, and powdered aluminum, with or without other ingredients);
q. Schneiderite (mixture of ammonium nitrate and dinitronaphthalene, with or without other ingredients).

In compliance with article II of the convention between the United States and Cuba to suppress smuggling, signed at Habana March 11, 1926, which reads in part as follows:

"The high contracting parties agree that clearance of shipments of merchandise by water, air, or land from any of the ports of either country to a port of entry of the other country shall be denied when such shipment comprises articles the importation of which is prohibited or restricted in the country to which such shipment is destined, unless in this last case there has been a compliance with the requisites demanded by the laws of both countries."

and in compliance with the laws of Cuba which restrict the importation of arms, ammunition, and implements of war of all kinds by requiring an import permit for each shipment, export licenses for shipments of arms, ammunition, and implements of war to Cuba are required for the articles enumerated below in addition to the articles enumerated in the President's proclamation of May 1, 1937.

(1) Arms and small arms using ammunition of caliber .22 or less, other than those classed as toys.
(2) Spare parts of arms and small arms of all kinds and calibers, other than those classed as toys, and of guns and machine guns.
(3) Ammunition for the arms and small arms under (1) above.
(4) Sabers, swords, and military machetes with cross-guard hilts.
(5) Explosives as follows: Explosive powders of all kinds for all purposes; nitrocellulose having a nitrogen content of 12 percent or less; diphenylamine; dynamite of all kinds; nitroglycerine; alkaline nitrates (ammonium, potassium, and sodium nitrate); nitric acid, nitrobenzene (essence or oil of mirbane); sulphur; sulphuric acid; chlorate of potash and acetones.
(6) Tear gas ($C_6H_5COCH_2Cl$) and other similar nontoxic gases and apparatus designed for the storage or the projection of such gases.

The table printed below indicates the number of licenses issued between October 1 and October 31, 1937, inclusive, for exportation to Cuba of the articles and commodities listed in the preceding paragraph:

Number of licenses	Sections	Total value
38	(1)	$1,447.60
	(2)	72.60
	(3)	13,287.00
	(5)	14,425.03
		29,232.23

The table printed below indicates the number of licenses issued between October 1 and October 31, 1937, inclusive, for the exportation of tin-plate scrap under the provisions of the act approved February 15, 1936, and the regulations issued pursuant thereto:

Country of destination	Number of licenses issued	Quantity in long tons	Total value
Japan	1	30	$500

The table printed below gives the essential information in regard to the licenses issued during the period October 1 to October 31, 1937, inclusive, authorizing the exportation of helium gas under the provisions of the act approved on September 1, 1937, and the regulations issued pursuant thereto:

Applicant for license	Purchaser in foreign country	Country of destination	Quantity in cubic feet	Total value
The Ohio Chemical & Manufacturing Co.	Oxygen Co. of Canada,, Ltd.	Canada	52	$6
American Zeppelin Transport, Inc.	Deutsche Zeppelin Reederei (G. M. B. H.)	Germany	1,500	200
The Girdler Corporation	Griesogen Griesheimer Autogen Verkaufs (G. M. B. H.).	do	3,000	375
Total				581

DEPARTMENT OF STATE,
July 16, 1937.

STATEMENT BY THE SECRETARY OF STATE

I have been receiving from many sources inquiries and suggestions arising out of disturbed situations in various parts of the world.

Unquestionably there are in a number of regions tensions and strains which on their face involve only countries that are near neighbors but which in ultimate analysis are of inevitable concern to the whole world. Any situation in which armed hostilities are in progress or are threatened is a situation wherein rights and interests of all nations either are or may be seriously affected. There can be no serious hostilities anywhere in the world which will not one way or another affect interests or rights or obligations of this country. I, therefore, feel warranted in making—in fact, I feel it a duty to make—a statement of this Government's position in regard to international problems and situations with respect to which this country feels deep concern.

This country constantly and consistently advocates maintenance of peace. We advocate national and international self-restraint. We advocate abstinence by all nations from use of force in pursuit of policy and from interference in the internal affairs of other nations. We advocate adjustment of problems in international relations by processes of peaceful negotiation and agreement. We advocate faithful observance of international agreements. Upholding the principle of the sanctity of treaties, we believe in modification of provisions of treaties, when need therefor arises, by orderly processes carried out in a spirit of mutual helpfulness and accommodation. We believe in respect by all nations for the rights of others and performance by all nations of established obligations. We stand for revitalizing and strengthening of international law. We advocate steps toward promotion of economic security and stability the world over. We advocate lowering or removing of excessive barriers in international trade. We seek effective equality of commercial opportunity and we urge upon all nations application of the principle of equality of treatment. We believe in limitation and reduction of armament. Realizing the necessity for maintaining armed forces adequate for national security, we are prepared to reduce or to increase our own armed forces in proportion to reductions or increases made by other countries. We avoid entering into alliances or entangling commitments, but we believe in cooperative effort by peaceful and practicable means in support of the principles hereinbefore stated.

DEPARTMENT OF STATE,
August 23, 1937.

CONFIDENTIAL RELEASE FOR PUBLICATION AT 8 P. M. EASTERN STANDARD TIME—NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM, OR USED IN ANY WAY

At his press conference on August 17 the Secretary of State announced that (1) legislative action to make available funds for purposes of emergency relief necessitated by the situation in the Far East had been asked and that (2) this Government had given orders for a regiment of marines to prepare to proceed to Shanghai. The Secretary then discussed at some length the principles of policy on which this Government was proceeding.

The situation at Shanghai is in many respects unique. Shanghai is a great cosmopolitan center, with a population of over 3,000,000, a port which has been developed by the nationals of many countries, at which there have prevailed mutually advantageous contacts of all types and varieties between and among the Chinese and people of almost all other countries of the world. At Shanghai there exists a multiplicity of rights and interests which are of inevitable concern to many countries, including the United States.

In the present situation the American Government is engaged in facilitating in every way possible an orderly and safe removal of American citizens from areas where there is special danger. Further, it is the policy of the American Government to afford its nationals appropriate protection, primarily against mobs or other uncontrolled elements. For that purpose it has for many years maintained small detachments of armed forces in China, and for that purpose it is sending the present small reenforcement. These armed forces there have no mission of aggression. It is their

function to be of assistance toward maintenance of order and security. It has been the desire and the intention of the American Government to remove these forces when performance of their function of protection is no longer called for, and such remains its desire and expectation.

The issues and problems which are of concern to this Government in the present situation in the Pacific area go far beyond merely the immediate question of protection of the nationals and interests of the United States. The conditions which prevail in that area are intimately connected with and have a direct and fundamental relationship to the general principles of policy to which attention was called in the statement of July 16, which statement has evoked expressions of approval from more than 50 governments. This Government is firmly of the opinion that the principles summarized in that statement should effectively govern international relationships.

When there unfortunately arises in any part of the world the threat or the existence of serious hostilities, the matter is of concern to all nations. Without attempting to pass judgment regarding the merits of the controversy, we appeal to the parties to refrain from resort to war. We urge that they settle their differences in accordance with principles which, in the opinion not alone of our people but of most peoples of the world, should govern in international relationships. We consider applicable throughout the world, in the Pacific area as elsewhere, the principles set forth in the statement of July 16. That statement of principles is comprehensive and basic. It embraces the principles embodied in many treaties, including the Washington conference treaties and the Kellogg-Briand Pact of Paris.

From the beginning of the present controversy in the Far East we have been urging upon both the Chinese and the Japanese Governments the importance of refraining from hostilities and of maintaining peace. We have been participating constantly in consultation with interested governments directed toward peaceful adjustment. This Government does not believe in political alliances or entanglements, nor does it believe in extreme isolation. It does believe in international cooperation for the purpose of seeking through pacific methods the achievement of those objectives set forth in the statement of July 16. In the light of our well-defined attitude and policies, and within the range thereof, this Government is giving most solicitous attention to every phase of the Far Eastern situation, toward safeguarding the lives and welfare of our people and making effective the policies—especially the policy of peace—in which this country believes, and to which it is committed.

This Government is endeavoring to see kept alive, strengthened, and revitalized, in reference to the Pacific area and to all the world, these fundamental principles.

SEPTEMBER 14, 1937.

The President today, following a conference with the Secretary of State and the Chairman of the United States Maritime Commission, issued the following statement:

"Merchant vessels owned by the Government of the United States will not hereafter, until further notice, be permitted to transport to China or Japan any of the arms, ammunition, or implements of war which were listed in the President's proclamation of May 1, 1937.

"Any other merchant vessels flying the American flag which attempt to transport any of the listed articles to China or Japan will, until further notice, do so at their own risk.

"The question of applying the Neutrality Act remains in status quo, the Government policy remaining on a 24-hour basis."

DEPARTMENT OF STATE,
September 15, 1937.

Address of the Honorable Cordell Hull, Secretary of State, at a meeting held under the auspices of the National Peace Conference, at the West Forty-fifth Street Theater, New York City, on Sunday, September 19, at 4 p. m., D. S. T.

WORLD PEACE AND ECONOMIC COOPERATION

I am glad to have an opportunity to express my keen interest in this campaign in behalf of peace through economic cooperation.

When bombs are exploding and desperate armies are marching, it is difficult to talk of peace and of the conditions upon which peace must rest. The rules and attitudes by which peace may be kept may seem buried in the ground, ignored, or destroyed by those who recognize or fear no other rule but force. In country after country life seems to have no organized end except that of war preparation, and nations rear their children and spend their toil for the greater upbuilding of those armaments which may prove to be the great destroying idol.

It is this situation and this outlook that all who are desirous of peace must reckon with and must overcome by all the strength of their spirit and influence. On this our faith must rest—that most people everywhere, in every nation, do not want war. War comes as the great failure of man, out of fear, lust for power, injustice or misery left unrectified. The forces demanding peace, willing to accept the principles and policies which make it possible, have grown steadily and tremendously during recent decades. This is one of the testing periods for those forces. Now must every government, school, church, and family, in every country at peace, join in support of the determination to promote and to remain at peace, and above all else to make this determination effective by applying the principles of conduct by which peace may be maintained.

The principles and methods essential for peace are simple. They are not those of extreme isolation on the one hand or aggression by force on the other. It is a great temptation in some countries, such as our own, to believe that peace may be had merely by maintaining such isolation apart from the rest of the world both in time of peace and in time of war. We are determined neither to thrust ourselves into or be drawn into armed conflicts between other nations. This is a basic and sound determination. It should not be relaxed. But this policy must be supplemented. We must make our contribution toward the realization of the conditions upon which peace everywhere can be maintained, or ultimately we shall have to sustain and protect ourselves amidst an outside world ridden by war and force. In such a world would we always be assured of our own security? Is it not evident that if the rule of law gives way to international anarchy, the security of this country would become seriously jeopardized?

A policy of complete isolation from the outside world would, in its ultimate effects, be as ineffective as the opposite extreme of ill-advised and unnecessary intervention in the affairs of the outside world would be unwise. The world is small. Each and every country is stirred by the emotions and thoughts of others. Each can now be threatened by the fighting weapons of others. Each will naturally claim and contend for reasonable rights and advantages throughout the whole world and not merely in some small section of it. For any nation which shows no concern for the safety or activities of its nationals abroad would soon expose itself to the flouting of even elementary rights.

Still more vital, any nation which completely fails to show interest in and to give support for the existence of international order would lose its influence for peace and thus neglect its part in sustaining any civilized basis of relationship between nations. Moreover, complete isolation, even were it practicable, would mean the withdrawal of the resources, economic, cultural, educational, and moral, of each country from the others, thus making it harder for all to improve their situations, and consequently contributing to the dissatisfactions which foster war.

Another notion of peace—a false notion, deceptive and harsh—that men sometimes attempt to justify is that of peace through aggression and conquest; the imposed and temporary peace that might be enjoyed by those who for a time may have the mightier force to impose their will and ambitions upon others, and for the others the tragic fate of repression or destruction. In a few exceptional instances in the past there have been, perhaps, periods of peace of this character for the survivors. But in the contemporary world, which cannot be conquered by any one nation or small group of nations, it is an illusory idea—a conception which leads not to peace but to unending battle. For acts of conquest leave behind ruined, hostile, and bitter peoples. They create fear everywhere, and this fear prevents friendship and stimulates the rival war preparations that make for future conflict. A country which embarks upon war with the thought that lasting peace lies in the complete overcoming of its enemies will find that the future still holds enemies.

The great task is for peoples and governments to grasp clearly and follow steadfastly the principles which are essential to peace. Never has the need for keeping them alive in fullest vigor been greater. Never has there been more needed the reassurance that would come from proof that governments are ready to pursue them in the actual conduct of their affairs. I have tried on various occasions to summarize them to the best of my understanding: National and international patience and self-restraint; avoidance of force in the pursuit of policy; noninterference in the internal affairs of other nations; the use of peaceful methods to adjust differences; the faithful observance of agreements; the modification of such agreements, when essential, by mutual understanding and orderly process; the reduction and limitation of overburdening military armaments; and cooperation and interchange in the economic field.

These are the real terms of peace. They emerge from the record of history, that chronicle of long struggle between war and peace. They cannot be effaced from the mind of those whose aim is peace. Neither clever diplomacy nor immense armies can be an adequate substitute. They are the chief mainstay of peace, order, progress, and civilization.

This Government is pledged to them. Within the last few weeks more than 50 other governments have placed themselves on record in their support. By their test the utterances and actions of statesmen can be measured. Each country must apply them in its own actions, scrutinize, and judge itself. This, alas, is so much more difficult than to find the cause of all difficulty and evil in others and to rally national unity upon simple fear or hatred of someone else.

Through economic interchange and cooperation the opportunity is presented for all nations to live a satisfactory and improving type of life. Today the growing economic productiveness of the world is being absorbed in large part to make armaments; is being used to prepare ruin. Turn these resources and energies into the things that go into peaceful living, and all countries will find that the conditions of life can be and will be vastly improved. Economic betterment brings hope and extended opportunity to our individual lives, and so fosters the wish for peace. Peoples that are employed and prosperous are not easily incited to either internal or international strife. But peoples living in want and misery come to hold life cheaply and stand ready to gamble upon the use of force.

In recognition of this fundamental relationship between peace and the economic well-being of the citizen, our Government 3 years ago entered upon its policy of rebuilding our own foreign commerce and international trade generally through the medium of trade agreements. We have made headway in that program despite difficult economic conditions at home and disturbed political and economic conditions elsewhere. We shall go on with it. The benefits of trade need no armies. They injure none. On the contrary, they are calculated to bind together the people of different countries by a mutual interest that calls for peace. They can greatly lessen the effect of the inequalities and limitations of territories and resources as between different countries—and war can never do that except to the uncertain advantage of a very few countries at the expense of others. Through enlarged trade there can come an equilibrium of peaceful interest more stable than the equilibrium of matched cannon and airplanes. And so I express the earnest hope that this campaign by the National Peace Conference for world economic cooperation will go forward with accelerated vigor and success here and elsewhere.

The United States stands somewhat apart from the deep fears and hostilities that are found in the world. That gives us our great opportunity to be a leader in the effort to make effective the conditions of peace and sanity. I am sure no other ideal is closer to the emotions and dreams of the American people. We must give to these purposes all the effect they may have as a policy of a great, unified, and thriving country. Each individual American citizen can do something toward making them great and effective. For as each individual makes an unselfish contribution toward proving the belief of our founders that our free and liberal democracy is the best form of government in the world, he will be endowing them with life and influence. And, further, as a united nation we must keep ourselves strong, fearless in spirit, and wholly adequate in the matter of self-defense, so that all may know that these principles represent the wish for peace of a country unafraid but devoted to peace.

DEPARTMENT OF STATE,
September 18, 1937.

Address of the Honorable Cordell Hull, Secretary of State, at the National Commander's Dinner of the American Legion, in the Hotel Pennsylvania, in New York City, on Monday, September 20, at 8:30 p. m., D. S. T.

It is my privilege tonight to bring to you of the American Legion personal greetings from the Chief Executive of our Nation. The President regrets his inability to be with you in person, to reminisce with you over the events of 20 years ago and to discuss the pressing problems of the present day. He has asked me, however, to tell you that he is following your convention with keen interest. He is ready, as always, to give serious thought and careful consideration to your suggestions and resolutions.

You represent a great cross section of American life. You embrace all races, creeds, and colors. Joined by the bond of common service during the World War, you have associated yourselves in a patriotic organization that transcends partisanship, and has only the well-being of our great Nation in view.

If I talk to you for a few brief minutes tonight about the international situation, it is not primarily to tell you what we have done these past 4 or 5 years, but to sketch for you the world situation as I see it, and to outline some of the problems that confront us.

You can all remember the hope that was in our hearts when the armistice was declared. We believed that we were on the threshold of a new world, and that the old discords, greeds, and bigotries had once and for all been destroyed. We pictured the commencement of an era, with the passions of the war gradually subsiding, and with a growing realization that each nation stood to gain by the prosperity of other countries. We envisaged a rising standard of living, a liberalization of legislation, an increasing flow of trade, a growth in mutual confidence, and an abiding respect for the pledged word. And now, less than 20 years later, these hopes have almost turned to ashes. We see that in all too many sections of the world the standard of living is being lowered, democracy is being supplanted by other types of government, trade is being stifled, fears and suspicions are rampart, and even treaties—the most solemn interchanges of nations' promises—are being torn to shreds. The world as we see it today bears scant resemblance to the world we all longed for—to the world which you members of the Legion felt you fought for.

But it would be doing an ill service merely to point out symptom after symptom of international deterioration. It is only of use if we can draw from it certain lessons which will help us to avoid a new catastrophe, one which might well engulf the civilization we have built up through centuries of patient effort. We must look at it not from the point of view of despair but as a challenge to constructive statesmanship.

Peace must always be our goal; not peace for ourselves alone, but peace throughout the world, for nations today are so interdependent that the repercussions of war affect neutrals only a few degrees less than they affect belligerents. The dislocation of the whole economic structure, the artificial expansion in war industries, the abnormal prices paid for key products, the strain on currencies, the destruction of capital, all these affect nations thousands of miles from the scene of actual conflicts. Peace is not only the goal of the idealist; it is at the same time the cornerstone of international self-preservation.

What can we do to help? I believe that we can do more than in any other way by avoiding the two extremes of policy. One extreme would be utter isolation, which would mean closing our eyes to the realities of the world today and assuming, like the courtiers of King Canute, that the rising tide of international anarchy can be stopped before it reaches us; the other extreme would be a kind of internationalism, which would mean abdicating our independence of judgment, abandoning our traditional policy of nonentanglement, and being drawn into the rivalries and disputes of other nations. No; neither of these extremes offers us a solution. We must draw the best from each and follow a middle course. This I have termed enlightened nationalism.

Let us review our role for a moment and see if we have in fact been taking this course and at the same time doing our full part in lightening the burden and easing the fears from which the world is suffering. We have taken part in every effort for disarmament and are prepared today to lend our full weight in any genuine renewal of a drive to limit and reduce the bankrupting burden of arms. We are negotiating a series of treaties designed to reduce the excessive barriers to world trade in order to restore to its natural flow commerce that has been artificially diverted or obstructed. We have assisted in the stabilization of currencies through the tripartite agreement. We have restated the principles on which normal international intercourse is based at a time when discouragement was rife and when nations were forgetting their pledged word in the pursuit of contrary policies. We have avoided involvement in the disputes of others and yet shown that we demand respect for our rights and safety for our nationals. We have made it clear that while we are resolved by every means to avoid war, we are not and cannot be indifferent to policies that lead to war or to instances of international lawlessness that disturb the peace.

These policies I have listed are but a few of the landmarks on the road we are following; it is not always easy to avoid a turn-off, but if we keep to this road without faltering, and if other nations in their own ways will follow similar paths, then the youthful generation throughout the world today will be spared the experiences you had to live through two decades ago.

There is one other thought I would leave with you tonight, and that is to emphasize the price we all attach to keeping our American traditions and beliefs untouched. We are a young country, with infusions of blood from many nations of the world, often with conflicting philosophies and divergent senses of value; and it has been the genius of America that instead of losing vitality from a mixture of these different elements we have drawn new strength from them, and merged them into a single nation, having its own traditions, its own beliefs, and its own institutions. Men who have come to our shores and settled in our midst have not looked backward to the lands from which they have come but forward to their future and their children's future in the United States. They have become an integral part of us, anxious to adopt our ways, to think our thoughts, to acquire our tolerance, and to share in our national life. If ever our population of foreign birth should put America second, if ever it should subordinate American interests to the interests of some other country, by accepting directions given by governments or political parties abroad, then, indeed, a situation would arise that would fill us with foreboding.

You, members of the American Legion, learned by experience and sacrifice, as perhaps no other group, the true meaning of the American ideal. You can hold high the torch in case others should forget. You can impart knowledge to those who wish to learn the true meaning of our beliefs; and you have a still greater opportunity, for, as during the war you helped to forge new traditions for us, you can, by precept in time of peace, carry on the work of perfecting our Americanism.

DEPARTMENT OF STATE,
October 18, 1937.

Address of the Honorable Cordell Hull, Secretary of State, at the University of Toronto, Toronto, Canada, at 3 p. m., eastern standard time, October 22, 1937

I am deeply appreciative of this opportunity to visit the University of Toronto. Institutions of learning have, of necessity, much briefer history on our side of the Atlantic than they do across the sea. Yet, building upon the foundation of a cultural heritage far older than the national existence of their countries, many universities of the Western Hemisphere have developed splendid traditions of scholarship and public service. Among these, your university occupies a deservedly high place. Your city, your Province, your whole country are justly proud of its attainments. And I am delighted to be admitted to the distinguished company of those upon whom you have chosen to bestow the honor of which I am the recipient today.

In these days, when tragic and menacing world developments beat relentlessly upon the consciousness of each one of us, it is well to find a brief respite in an atmosphere far removed from the grueling pressure of day-to-day, almost minute-to-minute, problems constantly clamoring for solution. In such an atmosphere it is well to renew one's faith and hope through a calm contemplation of what is fundamental in man's unceasing search for a better world.

I

The all-embracing preoccupation of all of us may be summed up in one word—order. By that word I mean such an arrange-

ment of human relations as is conducive to the greatest possible development of human welfare—material, moral, and spiritual.

Civilizations, ancient and modern, have always been basically concerned with the problem of order. The origins of law, the origins of government are found in man's eternal striving to place the relations of individuals, bound by communal ties, upon a basis of recognized and accepted rights and obligations with respect to each other, as well as with respect to the community as a whole.

Today most of us know, almost by instinct, the precious worth of order in our individual lives and in our national existence.

We have become accustomed to measuring progress by our success in evolving those forms of social organization which confer upon the individual, in greater and greater degree, the benefits of material improvement, of decent ethical relations, of intellectual development, and of spiritual growth. Theoretically, it is possible for an individual to lead a hermit existence, and for a family or a community to segregate itself and attempt to live solely within and unto itself. But in the end, an inexorable price must be paid for such isolation; and, directly or indirectly, that price is always paid by the individual. The activities of individuals and of communties are so intricately interdependent that the fullness of the individual's life is powerfully determined by the character of the social organization of which he is a part.

Social organization must necessarily be based upon laws as the instruments of defining the commonly accepted rules of individual and social conduct. We have discovered through long experience that none of us can share more than precariously in the benefits of the higher forms of social organization toward which humanity has evolved through centuries of costly effort—unless the laws upon which that organization is founded are devised equitably and constructively and are administered wisely and fairly. We have also discovered that none of us is secure in the pursuit of his profession or employment; in the maintenance of family and neighborly relationships; or in the enjoyment of intellectual or religious companionship unless the community in which we live and the nation which comprises the aggregate of such communities be free from breach or defiance of the laws by which they are governed.

Order within a community or a nation must necessarily be based upon a general observance of law by the individual citizen. Let such observance waver through a flouting of the existing laws by any substantial portion of the community or nation, and the whole structure of civilized existence in that community or nation will become impaired and will ultimately disintegrate. All the immeasurable benefits conferred by social organization will then be brought down in ruin, and man will again revert to what we are now accustomed to regard as barbarism.

Finally, we have discovered from long and bitter experience that only such laws will produce order in the true sense of that word as derive their authority from the consent of the governed and are subject to change only by the will of a majority of the people. Ambitious individuals may usurp that authority and arrogate to themselves an unchallengeable right to impose or alter laws. But such usurpation and arrogation, though in some instances they may be accompanied by an outward semblance of order, are in fact supreme acts of lawlessness.

No community and no nation can continue to base its organized existence in part on order and in part on chaos, in part on law and in part on lawlessness. Sooner or later one or the other must triumph.

II

In the evolution of our civilization, the development of the concept of order based on law, as applied to the internal life of a nation, far antedates the recognition and acceptance of that concept in the sphere of relations among nations. International law, as we know it today, is of comparatively recent origin. The vital need of internal order is far more deeply embedded in our social and political consciousness than that of international order.

Yet order in international relations is just as vital as it is in relations within a nation. The interdependence of nations is as much a fundamental factor in the organization of civilized existence as the interdependence of individuals comprising communities and of communities comprising nations. Theoretically, a nation can isolate itself from the rest of the world. But just as in the case of an individual who would lead a hermit existence and of a family or a community which attempts to segregate itself, an inexorable price must be paid, and, in the end, paid by individuals through a lowering of their material, moral, and spiritual standards.

In the world of today, nations are parties to numerous mutual relationships. If these relationships are to be conducive to the promotion of human welfare, it is necessary that the rules of international conduct be defined and that these rules be honored and observed. The behavior of nations toward each other has a crucial significance for each and all of them.

International law is the instrument by means of which the rights and duties of nations become generally recognized and accepted, and, therefore, the rules of international conduct become defined. It is the basis of international order in the same way that domestic law is the basis of internal order.

International law grows out of negotiated agreements by means of which nations pledge themselves to the acceptance of definite rights and duties in those spheres of action with which the particular agreements deal. A significant aspect of progress, as we have become accustomed to view it, relates to the degree of completeness with which such agreements tend to cover all basic relationships among nations. Hence progress is closely linked up with the extent to which the area of international conduct, unregulated by law, grows smaller and smaller.

III

The maintenance of international order depends not only upon the acceptance by nations of agreed rules of conduct but also upon their observance of such rules. Both of these are sovereign acts on the part of the national entities concerned. Back of them there must be certain indispensable attitudes.

There must be a firmly established sense of mutual respect and consideration of nation for nation. The very essence of an international agreement is destroyed if any one party to it arrogates to itself a position of superiority with regard to the other parties or the right, solely by its own decision, to denounce it or to alter the application of its terms.

There must be a firm belief in the inviolability of the pledged word. International law is not enforceable in the same sense as domestic law. The observance of the duties which it imposes and the safeguarding of the rights which it confers rest primarily upon voluntarily accepted self-discipline on the part of the nations which are parties to it.

There must be a willingness to adjust differences by peaceful means—without the exaction of victory or the infliction of humiliation. No conflict is really settled unless the terms of its settlement are reasonably acceptable to both sides.

All these may be called considerations of abstract morality. They are, and, as such, they represent a tremendous historic force in the relations among individuals, as well as among nations. But they are also the very foundations of progress and civilization in every phase of human existence. In a profound sense they are determining factors of the material and cultural well-being of mankind.

Our economic civilization has developed on the basis of a substantial interchange among the nations of commodities, services, and ideas. This development has not been fortuitous. Because of natural endowment and climatic conditions, the basic materials of sustenance and production are unevenly distributed among the different areas of the earth. Similarly the progress of invention and the acquisiton of the various skills which enter into the productive process proceed unevenly in different nations. Economic advancement in any nation is greatly affected by whether or not the people of that nation have access to the natural resources and to the gifts of inventive genius and technical progress of the whole world, rather than merely those circumscribed by its national boundaries.

Nor can the flowering of science, intellect, and the arts attain its highest and its rounded development when confined within the frontiers of a single nation. The records of history, as well as the testimony of observation, offer striking evidence of the universality of culture and of the surpassing value of learning from the experience and attainment of others no matter how many national frontiers may intervene.

Only in a world in which international order prevails can individuals of any nation obtain access to all these gifts of economic and cultural advancement. Impair that order, and there will be a universal lowering of both material and cultural standards—a growing and deepening decadence in all phases of life.

IV

International order may be impaired in many ways. Widespread violation of treaties or agreements which embody the law of nations will quickly bring the very concept of such law into disrepute and destroy its immense usefulness. Suspicion and distrust will lead nations into courses of action, harmful alike to themselves and to others.

Economic policies directed, not toward the promotion of mutually beneficial commercial and financial intercourse among nations, but toward the wresting of apparent immediate advantages at the expense of long-range benefits, inevitably push nations in the direction of isolation or other forms of economic warfare. This, in turn, inexorably results in increasing economic and social strain within nations, which may lead to a break-down of orderly processes of government and may even lend the appearance of attractiveness to military adventures. Economic warfare only too frequently is the precursor of armed conflict.

Interference by one nation in the domestic affairs of another, refusal by a nation to recognize and respect the independence, sovereignty, and territorial integrity of another, represent still other types of lawlessness in international relations which destroy order based on law. They, too, frequently result in armed conflict.

No matter what form it assumes, and no matter from what causes it springs, war represents the most complete negation of order in both the internal and the international life of nations. Armed conflict disrupts and destroys all those numerous relationships which advance and ennoble the lives of individuals and of nations. It harnesses to the chariot of its death-dealing fury the energies and abilities which should be devoted to the promotion of human welfare. It draws irresistibly into its vortex of destruction the material resources of mankind. It sweeps aside moral and spiritual values cherished zealously through periods of peace. It lowers every standard of civilized existence.

Under modern conditions, no group of the population within a nation engaged in a conflict escapes the ravages of war. Warfare today is no longer primarily a matter of armed forces hurled against each other on the battlefield. Entire populations become active participants and potential victims. The line of demarcation

between combatants and noncombatants tends to disappear as the advancing technique of war provides evermore powerful weapons of destruction.

Under modern conditions no nation escapes the repercussions of a major armed conflict anywhere in the world. However far they may be removed from the seat of actual fighting, all nations feel their morale weakened by the horror of war and their well-being impaired by the processes of disruption and ruin which spread in ever widening circles from the territories being laid waste by war. Once the engines of war are brought into action in any portion of the earth, there is no security, no confidence, no buoyancy of energy or spirit anywhere.

V

There is a grim paradox in the trends which are so clearly discernible today. As civilization moves to higher and higher levels, as the march of progress opens wider and wider horizons of material and cultural advancement, war becames more relentlessly cruel, more thorough and effective in its unrestrained savagery.

Yet in this very paradox, in this soul-shattering contrast, there are seeds of hope. No more than a community or a nation, can the world of today base its existence in part on order and in part on chaos, in part on law and in part on lawlessness. And just as, sooner or later, the outraged conscience of a community or a nation sets into motion forces which reestablish order under law, so, I firmly believe, the outraged conscience of mankind will set into motion forces which will create, in the sphere of international relations, unshakable order based on law.

There is a special appropriateness in my saying all this on the soil of a great member of the British Commonwealth of Nations. My country and the countries which compose your mighty union are among the protagonists of the idea that peace, rather than war, is the normal state of human relations, within and among nations. A strong conviction that the forces of order based on law are the forces of peace, and that peace, in turn, is indispensable to civilization and progress, is deeply engrained in the individual and collective consciousness of our peoples.

Modern civilization has survived and has gone ever forward because the violators of order, the breakers of the peace, have always been the exception rather than the rule. Whatever tragedies they have caused during their brief appearances on the stage of history, in the end they have always bowed to the will of that overwhelming majority of mankind which desires a continuing advance, rather than an inglorious decline, of man's civilized existence.

EXTENSION OF REMARKS

Mr. O'NEILL of New Jersey. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a statement from the Newark Evening News.

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

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a brief letter from a constituent on the pending farm bill.

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

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks at the point in the RECORD where I asked a question of the gentleman from Tennessee.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD at the point where he interrogated the gentleman from Tennessee. Is there objection?

There was no objection.

Mr. McCLELLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from a constituent regarding maintenance of peace and my reply thereto.

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

There was no objection.

Mr. ZIMMERMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a resolution passed by the cotton growers of southeast Missouri with reference to the pending farm bill.

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

There was no objection.

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

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-six Members present, not a quorum.

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

A call of the House was ordered.

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

[Roll No. 10]

Aleshire	Cravens	Harter	Shanley
Andrews	Cullen	Healey	Simpson
Atkinson	Daly	Hildebrandt	Smith, W. Va.
Bates	Dorsey	Holmes	Snell
Binderup	Drewry, Va.	Honeyman	Somers, N. Y.
Boehne	Duncan	Johnson, Minn.	Sullivan
Boylan, N. Y.	Ellenbogen	Keller	Sumners, Tex.
Bradley	Elliott	Kocialkowski	Sweeney
Buckley, N. Y.	Evans	McGroarty	Swope
Burdick	Forand	Maas	Tinkham
Byrne	Gasque	May	Towey
Cannon, Wis.	Gavagan	Mosier, Ohio	Fred M. Vinson
Celler	Gifford	O'Leary	Weaver
Citron	Halleck	O'Toole	Whelchel
Cole, Md.	Hamilton	Pfeifer	Withrow
Connery	Harlan	Phillips	
Costello	Hart	Sabath	

The SPEAKER. On this roll call 359 Members have answered to their names, a quorum.

Mr. RAYBURN. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

EXTENSION OF REMARKS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in connection with those I made last Wednesday and to include therein certain tables and two short letters.

The SPEAKER. Is there objection?

There was no objection.

Mr. McLEAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address by my colleague, Mr. HARTLEY, on the wage and hour bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein some minor quotations.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by the Director of the Federal Bureau of Investigation.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short article by Dudley Nichols, the playwright.

The SPEAKER. Is there objection?

There was no objection.

PAYMENT OF MILEAGE, SECOND SESSION, SEVENTY-FIFTH CONGRESS

Mr. TAYLOR of Colorado. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 525, to make the existing appropriations for mileage of Senators and Representatives immediately available for payment, which I send to the desk and ask to have read.

The Clerk read as follows:

Joint resolution to make the existing appropriations for mileage of Senators and Representatives immediately available for payment

Resolved, etc., That the appropriations for mileage of the President of the Senate and of Senators and for Representatives, the Delegate from Hawaii, and the Resident Commissioner from Puerto Rico, and for expenses of the Delegate from Alaska, contained in the Legislative Branch Appropriation Act, 1938, are hereby made available for and authorized to be paid to the President of the Sen-

ate, Senators, Representatives, Delegates, and the Resident Commissioner from Puerto Rico for attendance on the second session of the Seventy-fifth Congress.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the resolution?

Mr. TABER. I am.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. The gentleman from Colorado asks unanimous consent that a second be considered as ordered. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Colorado is entitled to 20 minutes and the gentleman from New York to 20 minutes.

Mr. TAYLOR of Colorado. Mr. Speaker, this resolution speaks for itself. The money for the payment of mileage for the second session of the Seventy-fifth Congress was appropriated at the last session. This is the second session, but it requires a resolution to make that money available at the present time. This resolution says nothing about whether or not Congress will make an appropriation for mileage during the next session. I may say that the precedents in relation to this matter are just about the same, whether the Republicans have been in power or the Democrats have been in power. The extra sessions of the Sixty-third, Sixty-fifth, Sixty-sixth, Sixty-seventh, Seventy-first, and Seventy-third Congresses show that. Whenever an extra session has adjourned before the regular session of Congress, even though only a week or so intervenes, Congress has voted itself the mileage for that extra session. Whenever the extra sessions run into the next session, without any intervening days, and I think there was only one such, and that during the World War, no mileage was granted for the extra session. But this resolution does not at all bind or affect whatever action may be taken by the next regular session. This resolution is strictly in accordance with the action of Congress for a great many years. The amount involved is about $175,000 for the House and about $50,000 for the Senate.

It is purely a question of whether or not the House desires to make the money heretofore appropriated for this purpose available at this time. I have here a statement of the dates of commencement and adjournment of each of those extra sessions and of the resolutions and actions of each of those Congresses on this mileage subject. Nearly all Congressmen make many trips to Washington and many other places purely on official business for which they are not reimbursed at all. This allowance is really a travel expense account.

Personally I have always felt that the word "mileage" is a misnomer. I feel that it ought to be designated in the appropriation as a travel expense allowance for each Member in the performance of his official duties.

The yardstick by which the amount is measured is the distance that he lives from Washington.

We bring our wives and children here with us at our own expense. We nearly all have to go home during every session at our own expense, and we often have to come to Washington between sessions at our own expense. We ought not to be required to pay those expenses out of our salary in order to perform our official duties.

However, you all understand the situation. The matter is up to the Members of the House. I am directed by a large majority of the Committee on Appropriations to offer this resolution, and I am doing so as the chairman of that committee.

I reserve the remainder of my time.

Mr. TABER. Mr. Speaker, I yield myself 8 minutes. This resolution is to pay mileage to Members of Congress. I call the attention of the House to the situation of the country and to the situation that we confront as we consider this resolution, and to the things that to my mind are important in its consideration. This is the third day in the tenth month of the sixth year of the emergency administration. It will go down in history as the greatest creator of emergencies that the world has ever known. At the present time we are called into special session perhaps because of the latest emergency which this administration has created—the emergency that has resulted in a stoppage of the wheels of industry and of employment because of the tax upon undistributed earnings, because of the National Labor Relations Board Act, and the extreme administration, partisan administration, of that act, because of the size of the capital-gains tax, because of the fear in the hearts of the people of the passage of an agricultural bill designed to regiment the farmers and reduce agricultural production at a time when many of our people are underfed, and because at the same time it will regiment and enslave the agricultural workers; because of the fear of the so-called wage and hour labor bill, designed to regiment and enslave labor and reduce the employment of labor, and at the same time reduce the purchasing power of labor; and because of fear of the reorganization bill, designed to destroy the effective auditing power of the Comptroller General, so that the appropriating power of the Congress will no longer be effective.

Now, gentlemen, we are assembled here in extra session. Have we taken any steps to repeal the undistributed-profits tax? Have we taken any steps to put the National Labor Relations Board in its place and prevent it from destroying business and employment? Have we taken any steps to get rid of the size of the capital-gains tax?

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

Mr. TABER. I cannot yield to anyone. I do not have the time.

Have we taken any steps to get rid of the size of the capital gains tax? Oh, no. We have passed one resolution to provide $12,000 to pay the pages of the Senate and the House, and, as a second measure of emergency, we have before us a resolution to pay the mileage of the Members.

I am not going to say that the Members are not entitled to their mileage, but what does this resolution do? It not only provides for the payment of the mileage of the Members at this session, but it throws the door wide open, without any further legislative authority, to pay mileage in the regular session too; and without our having, prior to the passage of this resolution, passed an adjournment resolution sufficiently far ahead of the convening of the third session of this Congress so that we would know the Members would have an opportunity to go back to their homes between the two sessions.

Now, there is no authority in law for the passage of a resolution for the payment of the mileage of Members at this special session. Under all these circumstances, and with this the principal business of this emergency session of Congress, we are called upon to suspend the rules, because the resolution would not be in order under the regular rules of the House. To my mind, we have set about the wrong way to proceed in this matter. We have set about convicting ourselves of failure to get at the root of the economic situation in this country. We have set our star in the direction of more confusion and more bad emergency legislation and the destruction of the very liberties of the American people.

I hope that this Congress will not consent to the passage of this resolution in this form. [Applause.]

[Here the gavel fell.]

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

Mr. BACON. Mr. Speaker, I have no complaint to make about the payment of mileage. Most of us use, in official travel, a great deal more money than we get in mileage. I do, however, protest against the adjournment of Congress before the real emergency confronting this country is met.

Mr. BEVERLY M. VINCENT. Mr. Speaker, will the gentleman yield?

Mr. BACON. I cannot yield. This resolution presupposes the adjournment of Congress on the 22d of December. We have practically accomplished nothing so far since we have met in this emergency session.

When the President called the emergency session together he enunciated a five-point program. At that time the business recession, which is gradually going into a major depression, had not yet become evident. It seems to me that when the Congress did meet on the 15th of November it would have been wise patriotism on the part of the administration to have said to Congress, "I called you in session for a five-point program. Since I called you in session for that program, a depression is upon us. I therefore suggest that this five-point program be postponed until the regular session, and that this emergency session be taken up with measures to lift the business depression that is upon us and to help the hundreds of thousands of men who have lost their jobs since we met on November 15. Tax revision as the first step is certainly indicated.

We have accomplished nothing. There are many things that this administration could do to help the present situation in this country. I call upon Congress to take the lead if the President will not. I call upon Congress to recognize the situation that is gradually getting wose, and if the President insists upon going to Florida, let the Congress act and let the Congress do something to help the situation. It ill-behooves us to adjourn on the 22d of December, just before Christmas, having in mind hundreds of thousands of men who will be out of work during the Christmas season, who will not have a pay check coming in every day. It is going to be a sad Christmas for them, and we could do something for the country if we used the Christmas season to help those in distress. [Applause.]

[Here the gavel fell.]

Mr. TABER. Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. FISH]. [Applause.]

Mr. FISH. Mr. Speaker, ladies, and gentlemen, I will relieve your worries. I am not against this resolution. [Laughter and applause.] I do not see how I could be against it, in view of the fact that the President of the United States is now enjoying his mileage at the expense of the Government—his fishing trip and his yacht. I think we had better add a yacht to this resolution for Members of Congress. [Laughter and applause.]

I agree with the logic of both gentlemen from New York [Mr. TABER and Mr. BACON] in saying that we should stay here in this depression and try to legislate in the interest of the people by restoring confidence and putting American wage earners back to work.

There was no depression when we were called back into special session. Nobody but the President knows why we were called back; that has been a dark secret, and he has not taken the Congress or the American people into his confidence.

I rose, however, Mr. Speaker, on a very important issue, and that was to discuss this Roosevelt-made depression.

The administration, in football parlance, started off in 1933 like a championship team. Its plays clicked. It had a powerful ground-gaining offensive. It smashed the line, it ran the ends, it passed beautifully. It had teamwork, and its plays were executed with precision. It moved forward toward the goal line of recovery, prosperity, and employment.

However, after making a fine start, it became confused and bewildered and lost sight of its objective, to put American people to work. Instead, it attacked business and smashed it into smithereens and little bits, and destroyed confidence.

Now the New Deal team is back on its 1-yard line, evidently with no plans or plays. It will be interesting to watch the former great quarterback call his plays and try to get out of the coffin corner in finance and economics and restore confidence.

From the side lines it appears that there is no longer any teamwork; the quarterback seems stunned and confused, the team sluggish and slow. What new plays has the quarterback devised for this emergency on his own 1-yard line? What will be his strategy? Millions of American wage earners are anxiously waiting to find out. We have been in session 3 weeks, and nothing has been tried or accomplished. The American people have a right to know. The Congress has a right to know.

I challenge the majority leader to state what the New Deal team proposes to do to get us out of the Roosevelt depression and put our people back to work.

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

Mr. FISH. I will yield to the majority leader and to no one else.

I call on the majority leader [Mr. RAYBURN], who was so quick to move to table my resolution calling for an investigation of the charges made of political promises in return for signatures to the wage and hour petition, to take us in his confidence and tell us how the administration proposes to get out of the coffin corner and put the American people to work.

We have been in session for 3 weeks, we have less than 3 weeks to go; and yet, in this great depression with 1,000,000 people out of work who were not out of work 2 months ago, with another 1,000,000 Americans on part-time work, and probably 2,000,000 more will lose their jobs before the middle of the winter, the President has not proposed one single constructive plan or policy to get the American people back to work or even save their jobs and has not given us any work to perform in the House of Representatives. If you want to call the farm bill the solution, while it may be a partial solution for the farmers of the cotton and tobacco districts of the South, yet to 100,000,000 people in this country it means higher costs of foodstuffs, higher costs of the necessity of life, higher costs of clothing. The President said that one-third of our people are ill-fed and ill-clothed. Forty million people, according to the President, are ill-fed and ill-clothed, yet all you Democrats propose is to raise the cost of living, the cost of food, and the cost of clothing to these people who are now losing their jobs by the thousands day by day while we continue to take our mileage and have not put through any legislation at all that would relieve the business depression, restore confidence, or employ labor. [Applause.]

Mr. TAYLOR of Colorado. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, this resolution is presented by direction of the Committee on Appropriations. It is the usual resolution. It conforms in every respect with the resolutions which have been offered on similar occasions at special sessions for the last 50 years. It does not appropriate money; it does not take a dollar from the Treasury. The money has already been appropriated. It merely makes available money which previously has been provided for mileage at the first session of the Seventy-fifth Congress.

Mr. Speaker, we have here this morning the rather anomalous situation of three members of the minority, ostensibly opposed to this resolution, but failing to raise any issue on the question involved. The first gentleman from New York, the distinguished ranking minority member of the Committee on Appropriations, after discussing every possible subject from farm relief to reorganization, agreed that mileage was due. He made it clear that he was not opposed to it per se. The second gentleman from New York prefaced his remarks with the statement that Members were entitled to this mileage. The third gentleman from New York said emphatically that he was not opposed to the subject or to the resolution. Therefore, Mr. Speaker, in view of the outspoken unanimity on the part of the minority in favor of the pending resolution, I ask for a vote at this time. [Applause.]

The SPEAKER. The question is, Shall the rules be suspended and the resolution passed?

The question was taken; and on a division (asked by Mr. TABER) there were—ayes 327, noes 37.

Mr. TABER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was passed.

A motion to reconsider was laid on the table.

THE FARM BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8505, the farm bill, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Under the unanimous agreement heretofore entered into, the Committee will now return to the consideration of section 201, page 14, which the Clerk will read.

Mr. JONES. Mr. Chairman, I find that another Member who is very much interested in section 201 is compelled to be away this afternoon. I therefore ask unanimous consent that the consideration of section 201 be passed over until tomorrow.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the consideration of section 201 be passed over until tomorrow. Is there objection?

Mr. LUCAS. Mr. Chairman, reserving the right to object, if that is agreed to will the chairman of the Committee on Agriculture also ask unanimous consent to pass over the consideration of the corn section until tomorrow?

Mr. JONES. That is all right with me, because we will have plenty of work to do today, anyway. If that is desirable, I will be glad to include that in my request. Mr. Chairman, I also ask unanimous consent that the further consideration of part 2 of title III be passed over until tomorrow.

The CHAIRMAN. The gentleman from Texas [Mr. JONES] asks unanimous consent that further consideration of section 201 and part 2 of title III be passed over until tomorrow. Is there objection?

Mr. WADSWORTH. Mr. Chairman, reserving the right to object, I do not know what that is.

Mr. JONES. Section 201 is the loan provision, in which some Members are interested who cannot be here today. Part 2 of title III is the corn provision, which those who are interested in prefer to have disposed of after the loan provision is disposed of.

Mr. WADSWORTH. That leaves consideration of the tobacco section?

Mr. JONES. Yes; as well as other pending provisions, including the cotton section.

Mr. GILCHRIST. Mr. Chairman, reserving the right to object, will the gentleman indicate whether we will consider part 2 of title III?

Mr. JONES. That goes over until tomorrow under the unanimous-consent request.

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

There was no objection.

The CHAIRMAN. The Committee will, then, return to the consideration of part 1, title III, which is still open for amendment.

Mr. GEARHART. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the drafters of this unconscionable measure drew it with the deliberate purpose in mind of destroying the cultivation of cotton in California, they could not have phrased it more expertly.

It is the most unfair, the most unjust proposal ever presented to a legislative body for its consideration. It is nothing less than a brazen attempt at legislative racketeering, a cruel effort to confer monopolistic advantages upon one section of our country to the detriment of another equally deserving of the sympathetic consideration of our common country.

This bill was conceived in greed, was born in selfishness, and, if permitted to develop into legislative completeness, will be nurtured on avarice and fattened on plunder. In its wake will be found the wreckage of thousands upon thousands of American homes, once the abodes of happy and contented families, smiling wives, laughing children. Where once prosperity and plenty abided will be found the sheriff and the hated foreclosure decree. But those that covet that which others have toiled to achieve laugh at such tears!

How can the friends of this legislative abomination even pretend a different purpose? If it is a reduction of the quantity of cotton that they seek to accomplish, why have they not brought in a bill to control the production of cotton? Why do these bill drafters seek to reduce acres rather than bales? Is it because California produces 580 pounds to the acre, whereas in the Southern States of the old Cotton Belt the poundage produced is only 262? Is it possible they could have been thinking how nice it would be to compel California to forego a bale for each of her acres that are taken out of production while the States of the old Cotton Belt, under a more favorable operation of the reduction formula, would be required to forego but a half of a bale for each acre that is to be retired from cultivation there?

Whether or not thoughts as base as these were in the minds of those who inspired this unjust proposal, California will be compelled, nevertheless, to yield one bale for every one-half bale the South is compelled to forego. And still there are some that say this bill is fair!

And how does the reduction-by-acres idea operate under the formula contained in this baneful measure? All will agree that the 33,736,000 acres devoted to cotton in 1937 have produced too much cotton for the domestic and world markets to consume. According to the consensus of opinion, the utilization of 28,000,000 acres would make available a crop sufficient for all purposes and needs. Did the bill drafters proceed to the devising of a reduction formula which would have imposed on the cotton-producing areas of the Nation a reduction program that would operate equally, fairly, and evenly upon all sections of the country? Did they say to California, to Mississippi, to Alabama, to all of the cotton-producing States, "Reduce your cotton production by 17 percent"? Not at all. They say to California, "Reduce your acreage by 61 percent." They say to Oklahoma, "Reduce your acreage by 3 percent." Texas would be required to reduce 15 percent, North Carolina 12 percent, Mississippi 19 percent, and so on—all of the old Cotton Belt States to the national average of 15½ percent.

Equality! What a mockery. California must reduce her acreage by 61 percent. And the Southern States of the old Cotton Belt shall not be required to forego the cultivation of more than 15½ percent of the land that was harvested within their respective borders this year.

Equality! What a cruel jest. For every acre that California must reduce, better than a bale is taken out of production. For every acre that the States of the old Cotton Belt shall not cultivate, only one-half of a bale will be taken out of production.

If that is equality; if that is fairness; if that is justice—then those words that I learned at my mother's knee have taken on a strangely inappropriate meaning.

Gentlemen of the old South, I appeal to you to join with me in the writing of a formula that will operate justly and equitably in all of our cotton-producing areas. Let us banish from this Hall all thought of profit at another's expense. Let us join hands and march forward together as brothers and coworkers in a great enterprise, to the mutual advantage of all; to the detriment of none.

Gentlemen of old New England, of the North, of the great Middle West and Northwest, that injustice be not done, that fairness prevail, is your great obligation. In your hands is the power to prevent the perpetration of a great wrong. California appeals to you in the name of the thousands upon

thousands of its men, women, and children whose very existence is bound up in a proper solution of this reduction problem; in the name of justice, fairness, equality, and fair play—to help us rewrite the iniquitous provisions of section 355a of this bill, to the end that the right to live and the obligation to let live shall be made inviolate throughout the land. [Applause.]

Mr. JENKINS of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, heretofore in the consideration of farm-relief bills, I have resolved all doubts in favor of them and voted in favor of most of them. I did this out of a desire to help agriculture and out of a fear that I might do our greatest industry an injustice. Many legislators are moved by such considerations. But when a legislator feels that the passage of a bill will undoubtedly fail to do what its exponents think it will do and will prove disastrous to our country and to one of our greatest industries, then it becomes a moral question with him, and if his conscience is still alive he will find himself in opposition to that bill, and he will be able to give a reason for his position. I have no doubts whatever in my mind about this bill. My conscience as well as my judgment revolts against it. I may be too zealous about it, but, to my mind, this is a monstrous measure. It is so monstrous in so many different ways that I doubt whether there is a single Member of the House who can give it his full approval and bring his honest judgment and his clear conscience to support it fully and freely. Without impugning the motives of any of my colleagues who shall support this measure, I dare say that the principal consideration that moves them to such a step is not that their conscience approves fully but, rather, that they feel they want to do what they can to assist agriculture and feel that regardless of their own judgment they might be mistaken and do agriculture an injustice if they fail to support the measure.

I have arrived at my conclusion after an honest effort to get the facts and after reading and studying the bill carefully.

One of the principal reasons that I have for my opposition is that I am doubtful of its constitutionality. My views are strengthened mightily by reason of the fact that it is necessary to use 11½ pages of doubtful assertions to bolster its constitutionality. I think that is entirely too much language. If the affirmative portions of the bill fail to show constitutionality, explanatory language will not cure the defect. One of the New Deal practices has been to try to sail among the shoals of unconstitutionality. They wish to get as near the rocks as possible. I assert that when a bill requires 11½ pages to protect its constitutionality this in itself excites suspicion. And when a bill dealing with the most honest and dependable class of our citizens requires six and one-half pages of penalties for its violations, I think it is entirely too drastic.

When about 30 pages of new substantive statutory law is proposed to be written upon our statute books which is so ambiguous and uncertain as that nobody can understand it, and which is not definite until made definite by ratification of an indefinitely defined class or group of people or by the action of the Secretary of Agriculture, I think we should refuse such a proposal.

Laws are made by the affirmative action of Congress and not by the ratification of certain persons or groups of officers. This bill involves a principle of the initiative and referendum which is not recognized in our Constitution. We are going through the legislative processes of enacting a law which to become effective in many ways must be submitted to a referendum. The total result of our action, if we pass this bill, will be that we have started a program which has no apparent beginning or ending and which is not bounded by fixed lines of geography or production. It might include one man and not his next-door neighbor this year and reverse the choice next year. It might apply to one country this year and not apply next year.

What is law? Law is a rule of action. Law is ordered and orderly action. Inaction is not law. In this bill after employing 11½ pages of apologies for its questionable constitutionality, we proceed to attempt to set up a plan, but before we get it set up we find ourselves setting up other plans which must be carried out before the first plan can be set up. So, if we should pass the bill it would be only a skeleton, the flesh and clothes for which must be supplied later. And it is going to take thousands upon thousands of agents and inspectors to do that job. If this program is commenced it will be a permanent addition of untold millions to our National Budget.

I repeat, I am against this bill because it will regiment all our farmers, both big and little. It may be of benefit to some but it will regiment all of them. Nobody will know when he will be classified one way and when another.

I am opposed to this bill because I am opposed to the doctrine of scarcity. I want to help nature to be bountiful. Out of God's bounty shall the people be fed.

I am opposed to this bill because it makes the Government the loser on every program. If there are any profits made on the program the Government does not get it. But if there are losses, Uncle Sam must assume them. Prices are guaranteed at the top price and not at the bottom. If the value of the crop guaranteed falls, the Government loses. But if it rises the Government does not rise with it. If a private trader were in this game he would demand his winnings if he were to be bound for the losses.

I am opposed to this measure for, if it is set up in its full power and glory, we, who have seen some expensive experiments in government in the past few years, will see the most expensive set-up of agents and inspectors that ever worried a patient public.

I am opposed to this bill because it is unwise, unnecessary, unsound, unreasonable, unworkable, unconstitutional, and unconscionable.

To all who agree with me I sound the call to stand together and save our farmers and our country. [Applause.]

Mr. WILCOX. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I have offered this pro forma amendment for the purpose of gaining the floor in order that I may call attention to the agricultural problems of my congressional district and of that section of the State of Florida immediately adjoining my district. For 5 years, in cooperation with the remainder of the Florida delegation, I have voted consistently for every farm relief measure that has been proposed, although no farm legislation which we have heretofore passed has been of direct benefit to my district.

I have tried to look at these farm measures from the broad viewpoint of the welfare of the entire country. I realize that whatever benefits the Nation as a whole indirectly benefits my district and, although we raise not one boll of cotton nor an ear of corn nor a sheaf of wheat, we have gone along with all of these farm programs. I have supported these measures upon the theory that what benefits agriculture generally is of benefit to the country as a whole. This bill is no different from the others so far as my district is concerned. It cannot directly benefit the agriculture of my section because we produce none of the five basic commodities dealt with in this bill.

The declared purpose of the bill, however, is to elevate the price of farm products and assure to the farmer that he will secure a living price for the products of his farm. I am in full accord and thorough sympathy with that purpose. I contend, however, that the farmers of my district are no different from the farmers of your district and, although we do not produce cotton, corn, wheat, rice, or tobacco, we, too, are entitled to reasonable consideration in any program that may be adopted by the National Government.

I am sure I do not have to remind you of the debates had early last spring in connection with the renewal of the reciprocal tariff agreement law.

I am sure that those debates are sufficiently fresh in the memories of the Members of the House as not to require

any extended repetition upon my part as to the agricultural problem of south and central Florida. Suffice it to say that the agreement negotiated with the Republic of Cuba has brought the products of that country into direct competition with all of the products of the First and Fourth Congressional Districts of my State. In the agreement negotiated with Cuba the President reduced the tariffs on practically all Cuban products which are identical with the products of south and central Florida. This means that Cuba, having identical growing and marketing seasons with Florida, is brought into direct competition in the eastern markets with the products of my State.

At that time, early in the spring of this year, I pointed out very definitely and specifically the effect of the Cuban reciprocal-trade agreement on my district. I quoted the facts and figures, and from them showed that as Cuban importation of agricultural products increases the price of similar products of my district automatically decreases in the same proportion, and that as the line of importations goes up the line of the price of the products of my district goes down. I protested against this agreement and have spent 2½ or 3 years trying to secure a modification which would protect the agriculture of my district.

I realize you cannot do anything directly in this bill for the producers of the agricultural products of my district because such products do not lend themselves to the character of treatment dealt with in the bill. Necessarily you cannot store tomatoes, fresh vegetables, citrus fruits, avocadoes, and celery in times of plenty, lend money against them, and then release them in times of scarcity. However, there is one thing Congress can do which will protect my people from the iniquities of the Cuban reciprocal-trade agreement. In the old Agricultural Adjustment Act we inserted section 22–a, which provides that at any time the President shall find that importations interfere with the programs of the Triple A, the President shall have the right to place embargoes or limitations upon further importations under the Triple A. Necessarily, this does not apply to my district because we have none of such programs in force, for the reason that we do not produce these staple products.

I expect at the proper time to offer an amendment to this bill, and this is the reason for my addressing you at this time. I hope the Committee on Agriculture will carefully consider this proposal, because it is the only way I know of by which you can grant protection to the farmers of my section of Florida, and it is the only way, as I see it, that we can overcome the iniquities of the Cuban trade agreement.

[Here the gavel fell.]

Mr. WILCOX. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

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

There was no objection.

Mr. WILCOX. When we reach the appropriate part of the bill, toward the end of it, I propose to offer an amendment to the original Triple A Act, and I hope the amendment will not be objected to, for, as I say, it is the only manner in which you can protect my farmers. My amendment is to the effect that if the President shall find that the importation of agricultural products, including fruits and vegetables, has had the effect of depressing the price of such products below the 5-year average, he shall have authority to prescribe limitations on further importations until the price again reaches the 5-year level. It seems to me this is perfectly reasonable and perfectly fair. It certainly does not interfere with anybody's program.

As a matter of fact, if the importation of agricultural products from Cuba or any other country has the effect, which my people fear it will have, of depressing the price of their products below the 5-year average, then under the amendment which I shall propose, the President will have the right of limiting further importations until the price again reaches the 5-year level.

I hope the Committee on Agriculture, in charge of the bill here on the floor, will look with favor upon this amendment; and I hope the Committee of the Whole will look with favor upon it, because all of these programs have no effect in my district except to increase the cost of living. We are given no direct benefits in compensation.

Now, the practical application of this amendment is this: If the importation of tomatoes or beans or eggplant or citrus fruit from Cuba shall cause a glutting of the market and a reduction in price below the 5-year average, the President will immediately by proclamation reduce the amount which may be imported from Cuba so as to hold the price at the level of the 5-year average.

This is a practical, though partial, solution of the problem of the fruit and vegetable producers of my State. So far as the present bill now under consideration is concerned, it is the only assistance that I know of which can be granted them. It is just, it is fair, and it is reasonable.

If those sponsoring farm relief legislation are sincere in their assurances of a desire to deal fairly with all farmers, and if they have no desire to discriminate against a class of farmers, I can see no reason why they should not accept and support this proposal.

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

Mr. WILCOX. I am delighted to yield to the gentleman from Texas.

Mr. JONES. May I say to the gentleman that no one has fought more valiantly for the people of his State than has the gentleman from Florida [Mr. WILCOX]. We all respect his views and his fighting qualities. He never overlooks an opportunity to fight for his people and for their rights as he sees them. May I call the gentleman's attention, however, to the fact that in deference to his suggestions and those of some of the rest of us who think it is important, we not only have the soil-conservation features carried forward in this bill but we have a provision that for this current year we will make $70,000,000 available, and after this year we will make more than $100,000,000 available for the disposition of surpluses both at home and abroad and for obtaining wider markets for all farm commodities, both here and abroad. The provisions of section 32 of the 1935 amendments and of the $10,000,000 appropriation are not limited to any specific commodities.

I believe the gentleman has made a contribution in the general discussion heretofore which has tended to bring about recognition for this particular situation.

Mr. WILCOX. I thank the gentleman. I want to express my appreciation and the appreciation of my people for the consideration which the committee and its distinguished chairman have given in this particular regard. Undoubtedly the fund which the committee has provided for the disposition of surplus crops and commodities will have a very beneficial effect upon conditions in my district. And if my efforts have borne fruit to this extent, they have not been entirely in vain. To that extent we do benefit by this act. I hope the committee may find it consistent to go along with me a little further and say that if that provision does not serve to hold the price at the 5-year level, and if, as a matter of fact, the importation of agricultural products does have the effect of depressing the market below the 5-year average, then such importation shall be limited to the extent necessary to hold the price at the 5-year level. After all, what we are all trying to do is to get for the farmer in every branch of agriculture a decent living price for his product without unnecessarily boosting it too high for the consumer to pay, yet at the same time guaranteeing to the farmer some reasonable return.

I can certainly see no logical reason why we should not limit the importation of farm products if such importation is having the effect of lowering the price which our farmers receive. In other words, let us first protect our own farmers. Let us preserve the American market for the American farmer.

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

Mr. WILCOX. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. I am wondering if the sugar legislation passed at the last session and at previous sessions has benefited the sugar growers of the gentleman's district?

Mr. WILCOX. I should like to discuss that matter, but my time has expired.

[Here the gavel fell.]

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: On page 23, strike out the colon after the word "tobacco" in line 5, insert a semicolon, and add the following: "and the needs of the family for which the allotment is made."

Mr. HANCOCK of North Carolina rose.

Mr. JONES. Mr. Chairman, if the gentleman from North Carolina will permit, I wonder if there are many amendments to this section of the bill. We have spent about 3 hours on the tobacco provision.

Mr. ANDRESEN of Minnesota. I have two amendments to offer.

The CHAIRMAN. The Chair may state to the gentleman from Texas that there are about six amendments pending at the desk now.

Mr. GREEN. I have several amendments, Mr. Chairman.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this part of the title and all amendments thereto close in 40 minutes.

Mr. ANDRESEN of Minnesota. Mr. Chairman, reserving the right to object, does the gentleman mean to include the entire tobacco title?

Mr. JONES. Yes.

Mr. ANDRESEN of Minnesota. There are six amendments pending at the Clerk's desk and I have two amendments to offer. It seems to me we could well let the time run along for 10 or 15 minutes before making such a request.

Mr. JONES. We spent considerable time the other day on the tobacco provisions and I do not believe there are many controversial matters left.

Mr. GREEN. On my four or five amendments I want 15 minutes.

Mr. ANDRESEN of Minnesota. If the gentleman will extend the time 10 minutes I shall not object.

Mr. JONES. Then I shall modify my request, Mr. Chairman, and ask unanimous consent that the debate close in 50 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on this part of the bill, being the tobacco title, and all amendments thereto, close in 50 minutes. Is there objection?

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Chairman and members of the Committee, the purpose of this amendment should and will be readily understood and, I am sure, meet with the unanimous approval of the Committee. In view of this fact I do not feel that it is necessary to consume any time in discussing its merits. Before offering the amendment I submitted it to members of the tobacco subcommittee, and I am authorized to say that it met with their unanimous approval. With this amendment subsection (b) of section 305, which is the guide or standard for the allotment of marketing quotas to individual farmers, would read as follows:

The Secretary shall provide, through local committees of farmers, for the allotment of the marketing quota for any State (less the amounts to be allotted under subsection (c) of this section) among the farms upon which tobacco is produced, on the basis of the following: Past marketing of tobacco; land, labor, and equipment available for the production of tobacco; crop-rotation practices; the soil and other physical factors affecting the production of tobacco; and the needs of the family for which the allotment is made.

Since it is generally conceded that the word "labor" used above takes care of the size of the family, with this amendment a fair standard or formula seems to be complete. Though the particular amendment is directed solely toward tobacco marketing quotas, my judgment is that it should also be considered a factor with respect to marketing quotas on the other commodities. If this legislation is to be effective in accomplishing its desirable purposes, which have been clearly presented during the consideration of this bill, it is absolutely essential that the allocation and size of each marketing quota, when it becomes necessary to invoke them to prevent ruinous prices, shall be as fair and equitable as it is humanly possible to make them. Though the old A. A. A. program was a lifesaver to a large majority of the growers in our country, we know that in its administration many inequities and abuses existed. By and large, however, when one considers the gigantic undertaking involved and the fact that it was a novel emergency measure, little complaint could be justified. With the experience that we gained from its administration we can now take precautions and place safeguards in this measure which will insure their elimination.

It will also be my purpose, when we reach page 77 of the bill, to offer another very important and constructive amendment to section 382, known as the publicity amendment, reading as follows:

On page 77, after the period in line 19, insert the following: "The farm marketing quota for tobacco established for farms in a county or other local administrative area shall be made available for public inspection by posting in a public place in each township affected the following information: The name of the farmer, the number of tenants and sharecroppers, if any, the total cultivated acreage in the farm, the allotment made, and the percentage of the total cultivated land allotted to tobacco. Additional certified copies of this information shall be kept available in the office of the county agricultural agent."

Mr. JONES. Mr. Chairman, I understand those who have studied the tobacco question are agreeable to this amendment, and I ask for a vote.

The amendment was agreed to.

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: On page 22, in line 22, strike out the period and insert a colon and the following: "*Provided*, That the 1937 acreage planted shall be the basis of quota in any State which produced less than 1 percent of the national quota during the past 5-year period."

Mr. GREEN. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes on this amendment.

The CHAIRMAN. The Chair will state to the gentleman from Florida that, as the gentleman knows, debate has been limited to 50 minutes. Of course the Chair will state the gentleman's request.

The gentleman from Florida asks unanimous consent that he may proceed for 10 minutes. Is there objection?

Mr. GREEN. I have five amendments and I will use 10 minutes on this amendment.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I may say to the gentleman there are others here who have amendments who are members of the committee; and if the gentleman is going to consume one-fifth or more of the time fixed, there will not be very much time left for others.

Mr. JONES. May I ask the gentleman from Florida how many amendments he has to offer?

Mr. GREEN. I have five amendments, and I would like to have at least 10 minutes now.

Mr. JONES. Would the gentleman be satisfied to discuss all five amendments in the 10 minutes?

Mr. GREEN. I will discuss all of them now if I may have 3 minutes later to close.

Mr. JONES. Mr. Chairman, I do not think that would be fair to the other members of the committee, and I therefore object.

Mr. GREEN. Mr. Chairman, I have gone along all the time with these farm bills, realizing that the farmers of our Nation have to have purchasing power with which to buy the goods of the factories. The 30,000,000 people on the farms are entitled to first consideration by the Congress.

It happens that the provisions of this bill carry no benefits for the people of my district, but, on the contrary, we

are severely penalized. The only product mentioned in this bill raised in my district is flue-cured tobacco. We have been growing flue-cured tobacco in Florida for the last 25 or 30 years. Under the provisions of this bill over the 5-year period Florida would be cut in its quota from 15,000 acres in 1937 to about 7,500 or 8,000 acres for 1938. The Department of Agriculture will add some to this under new area provision and 5-percent new growers' provision of the bill.

In my district, during the past 5 years we have established a tobacco market and built three tobacco warehouses, at Live Oak, in the center of Florida's tobacco belt. We now have under construction three additional warehouses. These warehouses are being built by tobacco growers and not by corporations. They are being built partly by one-, two-, three-, and four-plow tobacco growers. If this bill is passed in its present form, they will have to discontinue the building of these barns and will have to discontinue preparing their lands for the growing of tobacco.

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

Mr. GREEN. A little later. I might say that the soil is already turned and in some instances the tobacco beds are ready for planting next month, in order that they may plant their tobacco in February and March. In my State tobacco is produced 2 or 3 months earlier than in the other States. It happens that our tobacco is superior. It brings 3 cents a pound more than any flue-cured tobacco in the United States. It is not in fact competitive with flue-cured tobacco grown in other parts of the United States because it is of a higher quality. If we reduce our acreage to seven and a half thousand acres instead of 15,000, we will put back on the relief rolls several thousand bona fide tobacco farmers in my district. I want you gentlemen to consider whether or not that is fair. My State during the past 20 years has produced less than one-half of 1 percent of the flue-cured tobacco in the United States. During the past 5-year period it has produced less than three-quarters of 1 percent. On the other hand, States like North Carolina, under the provisions of this bill are given over 68 percent of the flue-cured tobacco in the United States. Is it right, is it just, to put my farmers on the relief rolls when they make less than 1 percent of the tobacco in the Nation, and give North Carolina a monopoly upon flue-cured tobacco in the United States? I ask you to adopt the amendment.

From the table which I hold in my hand, it will be noted that in 1937 North Carolina produced 569,790,000 pounds of tobacco. They grew 661,000 acres, while in my State this season we grew 13,000 acres and produced 10,920,000 pounds. For the information of the Committee, the acreages and pounds produced in the various States by year for the past 10 years are as follows:

Tobacco, flue-cured: Acreage harvested and production by States, 1928–37

Year	Virginia		North Carolina		South Carolina		Georgia		Florida		United States	
	Acreage	Production	Acreage	Production	Acreage	Production	Acreage	Production	Acreage	Production	Acreage	Production
	Acres	*1,000 lbs.*	*Acres*	*1,000 lbs.*	*Acres*	*1,000 lbs.*	*Acres*	*1,000 lbs.*	*Acres*	*1,000 lbs.*	*Acres*	*1,000 lbs.*
1928	138,500	74,278	712,400	493,132	148,000	84,360	113,900	82,894	7,100	4,435	1,119,900	739,099
1929	135,000	85,050	729,300	484,636	118,000	87,320	96,600	87,906	6,800	5,100	1,085,700	750,012
1930	140,000	76,300	768,000	581,200	116,000	98,600	112,900	103,304	7,300	5,767	1,144,200	865,171
1931	100,000	60,000	688,500	476,382	102,000	69,870	83,000	58,930	6,000	4,350	979,500	669,532
1932	62,000	32,240	462,500	288,750	68,000	39,440	23,000	12,075	2,000	1,200	617,500	373,705
1933	79,000	53,720	667,800	530,133	103,000	88,580	65,800	57,246	5,000	3,700	920,600	733,379
1934	70,500	52,875	486,500	412,055	72,000	56,880	50,500	31,562	4,700	3,408	684,200	556,780
1935	86,500	74,390	612,500	572,625	96,000	89,760	72,000	68,400	7,000	6,020	874,000	811,195
1936	90,500	67,875	591,000	451,975	90,000	73,350	85,000	82,450	8,000	7,200	864,500	682,850
1937 [1]	101,000	71,710	661,000	569,790	112,000	106,400	71,000	76,893	13,000	10,920	958,000	835,713

[1] Preliminary. Acreage estimate as of July 1, 1937, and production estimate as of Nov. 1, 1937.

Compiled from reports of the Bureau of Agricultural Economics. Dec. 2, 1937.

The situation in my district will be exceedingly acute if by this bill you should reduce substantially the acreage of tobacco grown. I have received numbers of protests and pleas from my constituents, urging that we be permitted to grow in Florida at least as much acreage of flue-cured tobacco as we produced in 1937. Here is a letter just received from Hon. T. T. Scott, of Live Oak, Fla. Live Oak is in the heart of the tobacco belt of Florida, and Mr. Scott speaks well for the tobacco growers of my district. This morning I received the letter from him, in part, as follows:

> I have just read the copy of the tobacco bill. It is very unfair and unjust to our Florida producers of tobacco. If such a bill is passed we cannot expect over seven or eight thousand acres. We have worked hard to build this industry and now have three additional warehouses under construction. We are also promised additional buyers if we have sufficient acreage as last year. This is a new industry with us and needs your best support. If this bill is passed you will take thousands from farming and put them back on relief. I don't believe this bill will help a single farmer and it will hurt them all. It is vicious and certainly should be fought with all your might. I cannot see how you can legally legislate against a farmer making a living. Our people don't want relief, but an opportunity to work and live. Such legislation as this has started other countries to producing commodities we should be exporting.

A large number of other telegrams and letters contain in the main the same substance as Mr. Scott's letter. It occurs to me that it is a shortsighted policy for the Congress to cut down on the acreage of tobacco in my State and throw bona fide tobacco farmers on the relief roll. It also obviously is unjust and unfair and undemocratic to give by legislation a monopoly to North Carolina to grow flue-cured tobacco. It is an unsound policy. In Florida we have a limited acreage of the finest tobacco soil in the world. Our climatic conditions there are more favorable for flue-cured tobacco than that of any State in the Union. We are not asking for expansion of our tobacco acreage, but we are asking to be treated fairly and to be given as much acreage as we had during the present season.

I ask this for the substantial reason that our Florida flue-cured tobacco is not in fact competitive with other flue-cured tobacco. It is used to wrap plug tobacco and to go in high-grade cigarettes. The additional three or four thousand acres which I am asking for my State will not in fact be felt by any of the other tobacco-growing States. It will be absorbed by a market which is not really open to the lower grades of flue-cured tobacco. In the main, tobacco in Florida is grown by small farmers—one-, two-, and three-mule farmers. They have built their barns during the past 4 or 5 years, particularly during the past 2 years, and have made arrangements to grow tobacco. They have their investment in these little barns and in machinery with which to grow tobacco. If their acreage is reduced or destroyed entirely, their investments will be practically lost. It is un-American to treat them that way. They have no other cash crop to turn to. The limited number of acres which could ever be converted to tobacco production in Florida is so small until, even if all should be absorbed, it would not be a drop in the bucket. I urge that the amendment be agreed to.

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

Mr. FLANNAGAN. Mr. Chairman, this amendment, if adopted, will disregard the whole philosophy of this bill. Florida, under the bill, stands upon the same footing as any other State; and, as a matter of fact, we have been more

than fair with respect to new tobacco territory. The gentleman claims that his farmers will be put upon the relief rolls, when, under the terms of this bill, we set aside 5 percent of the national quota for new growers and to take care of small growers. Five percent of the national quota of flue-cured tobacco will be around 35,000,000 pounds. That will be distributed among new territory and among the small tobacco growers.

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

Mr. FLANNAGAN. Not now.

Mr. GREEN. The gentleman knows that it will not go to Florida.

Mr. FLANNAGAN. Florida will get its equal percentage of that allotment. We merely ask that all States of this Union remain upon the same footing and that no special concessions be granted Florida or any other State.

Mr. COOLEY. Mr. Chairman, I move to strike out the last word. I hope the effect of this amendment will be thoroughly understood. The gentleman from Florida [Mr. GREEN] has, I think he said, five amendments in all, which he will offer to this bill. The effect of this particular amendment is to give to the State of Florida the peak of their production in the year 1937 as a base. When the tobacco growers of North Carolina and other States of the Union were going along with the soil-conservation program and diversifying their crops in an effort to conserve their soil and to prevent a surplus which always brings about ruinously low prices, the tobacco growers in Florida, according to the statement made by the gentleman offering this amendment, have just about doubled their production. He stands here before this membership today begging you to protect the tobacco growers of Florida and in the same breath admitting to you that while tobacco farmers of other sections have been striving to prevent a surplus, farmers in his State have been doing their dead level best to defeat their efforts and build up tobacco acreage in Florida. Tobacco growing in Florida was not heard of a few years ago.

Mr. GREEN. Will the gentleman yield?

Mr. COOLEY. Not now. Within the last 3 or 4 years they have gone into the tobacco-growing business. The gentleman also has another amendment, the effect of which is to give Florida flue-cured tobacco, a new type and a name and number; he suggests No. 15; something that heretofore has not been heard of and has not been recognized by the Department which designated the other types and gave them numbers. The effect of that amendment ultimately will be, as my friend from Virginia [Mr. FLANNAGAN] has suggested, to set up a separate tobacco kingdom for Florida, and to let them grow and market all of the flue-cured tobacco they want to grow, while we are controlling the marketing of the same type of tobacco in other sections.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Not now. Further, he asks you not to put the Florida tobacco grower on the relief rolls. I remind you of the fact that they were not growing tobacco in Florida when in years gone by we stood on the tobacco markets in eastern North Carolina and saw farmers stand there on the auction warehouse floor as their crops were sold for nothing and weep and cry because of the low prices they were receiving and because they did not have money with which to feed and clothe their families. We have been through the ordeal and we know what it is to have a surplus piled up upon us, yet here we hear from Florida this great cry to keep their farmers off the relief rolls. Should they be given preferred treatment when they have done their dead level best to destroy the tobacco programs we have undertaken in the past?

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

Mr. COOLEY. Not now. The records show that they have done that, and the gentleman is coming here now and asking that they be given permission to increase their production from three-quarters of 1 percent to 1 percent, or an increase of 25 percent in production.

Mr. GREEN. Were we not under the A. A. A., the same as you were?

Mr. COOLEY. And as soon as you got out from under the A. A. A. you did your best to break down all other programs.

Mr. GREEN. Did you not grow 90 percent more than we did then?

Mr. COOLEY. We have been growing tobacco all through the years ever since Sir Walter Raleigh came to this country.

Mr. GREEN. And you grew more in proportion than we did.

Mr. COOLEY. I do not yield further, Mr. Chairman. The gentleman from Florida talks about farmers building tobacco warehouses. From his speech I could not tell whether he knows what a tobacco warehouse is or not. Tobacco warehouses are not built by farmers. They are built by warehousemen who are operating auction sales. I suppose he was talking about tobacco barns, curing barns, when he says, "My farmers are building warehouses." Yes; that is what we want to stop your farmers and our farmers from doing—building more barns to cure more surplus tobacco, and building auction warehouses in new areas.

Until the A. A. A. came into effect there was not a single tobacco warehouse in the whole sunny State of Florida, and the gentleman from Florida knows it.

My friends, tobacco is the living of the people of eastern North Carolina, Kentucky, Virginia, and other places, they have been brought up in the business. Their fathers and their grandfathers have cultivated tobacco through the years. Now Florida is here asking for "special" treatment. Why should we give them special treatment, which, as the gentleman from Virginia [Mr. FLANNAGAN] has suggested, is contrary to the very philosophy of this bill? It is not justified by any fair or just rule of treatment, and I hope the amendment will not be adopted.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. COOLEY] has expired.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentleman from North Carolina [Mr. COOLEY], who so ably represents the tobacco sections of his State and other States, has made a most forceful argument for the preservation of tobacco growing in the historic parts of this country, where they have been working for the last 100 years to establish a type of high quality tobacco to be sold to the American people and to people in other sections of the world. I commend him for his fight to save the tobacco growers of his section.

I also want to thank him for the splendid argument he has made in behalf of the dairy industry of this country. We of the dairy sections are putting up the same fight to save the dairy farmers in the historic sections of the United States. The very complaint that the gentleman is making about the people in the State of Florida will prevail in our section. We have worked for 40, 50, yea 60 years, to build up the dairy industry in 10 or more States of this Union. Now, by one piece of legislation, my friend from North Carolina is joining with others to try and break down the dairy industry in its historic sections, and now he comes in here asking the Members of this House to save the tobacco industry for his State. He desires by legislation to stop the farmers of Florida from growing tobacco, so that his farmers may have a monopoly as well as a subsidy.

I believe the gentleman is correct in his philosophy, but we cannot stop the Florida farmers from producing tobacco if they do so in a normal manner and without Government subsidy, nor do we ask in the dairy sections that the dairy farmers be given any subsidy. [Applause.] We do not want to have any encroachment by the Federal Government to advance the dairy industry throughout the United States, in the southern sections, by the payment of a direct subsidy.

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

Mr. ANDRESEN of Minnesota. I cannot yield. But the gentleman has made one of the finest arguments I have ever heard.

Mr. COOLEY. I was going to ask if you did not know that we have set apart 5 percent of the national quota?

Mr. ANDRESEN of Minnesota. I am sorry I cannot yield.

Now, one other word. I have a very good friend, also a member of our committee, the gentleman from Virginia [Mr. FLANNAGAN] who is equally interested in preserving the tobacco areas in this country and for his section. On Tuesday last he took occasion to pay a very high compliment to me. He not only dissected, bisected, and castigated my name, but also took the pains to severely criticize the kind of tobacco which I use. I feel highly honored for the reference which he made by giving the meaning of my first name, I suppose from information gained from some international dictionary. Since last week I have investigated to find out just what type of tobacco the farmers and the people of Minnesota buy and use. I was astounded to learn from the facts furnished me that a large part of the tobacco that we use in Minnesota and in the Northwest comes from the gentleman's district.

Mr. FLANNAGAN. I am glad to know you have such discriminating taste.

Mr. ANDRESEN of Minnesota. I thank the gentleman very much. I thought it was good tobacco, but when the gentleman referred to me in his remarks on that day, he said that my only knowledge of tobacco was the cheap cheroots that I smoked. To my astonishment I found that these cheap cheroots came from the gentleman's district. [Laughter and applause.]

Mr. FLANNAGAN. Will the gentleman yield? We do not make cheroots in my district.

Mr. ANDRESEN of Minnesota. But they are made from your tobacco, nevertheless. Then, observing the gentleman and the type of tobacco he smoked, I was dumfounded to find that he smoked tobacco that came from the district of the gentleman from North Carolina [Mr. COOLEY]. [Laughter and applause.]

Still the gentleman from Virginia desires to sell his tobacco to the farmers and others in the State of Minnesota because we do not raise any. We shall continue to use your tobacco, my friend, because we think it is very good and we want to help the gentleman's district.

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

Mr. ANDRESEN of Minnesota. No, I am sorry; I cannot yield. We want to help the gentleman preserve the tobacco business in his section.

[Here the gavel fell.]

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

The amendment was rejected.

Mr. ANDRESEN of Minnesota and Mr. GREEN rose.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. ANDRESEN], a member of the committee.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: On page 25, beginning with line 22, strike out the language in lines 22 and 23 and down to the word "shall" in line 24 and insert the following language:

"SEC. 307 (a). Any farmer who markets any tobacco in excess of the marketing quota for the farm."

Mr. ANDRESEN of Minnesota. Mr. Chairman, this amendment relates to the penalty provision, which is found on page 25, line 22, section 307. At present the bill provides that the penalty shall be assessed against the buyer who knowingly acquires tobacco from a farmer who sells bootleg or contraband tobacco; that is, tobacco over and above the marketing quota. Possibly it is a good way to secure compulsory control over the tobacco farmers by not having the penalty imposed upon them when they sell more than their allotted quota. It is obviously more popular to penalize the man who buys the tobacco.

I notice that there are a good many here from the cotton and tobacco sections who were very ready and willing to vote a penalty upon the corn and wheat farmers.

My amendment simply seeks uniformity and to have the tobacco farmer subjected to the same penalty the other farmers are in the case of corn and wheat.

The bill provides that the buyer of tobacco shall be assessed a penalty of 50 percent of the value of the tobacco which he buys knowing that the farmer is not allowed to sell it.

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

Mr. ANDRESEN of Minnesota. I yield for a brief question.

Mr. COOLEY. I just want to call attention to the fact that the buyer is authorized to deduct that amount from the seller.

Mr. ANDRESEN of Minnesota. I understand that; but the gentleman can realize full well that there will be a good many farmers who will bootleg their tobacco and sell it to some unsuspecting buyer. No buyer can know in detail as to every transaction whether it is bootleg or contraband tobacco.

A referendum is provided in the tobacco section of the bill. This control can be put into effect with reference to tobacco whenever the farmers wish it. I think the tobacco farmers will be unanimous to put the control provision into effect, because no penalty is assessed against the farmers; the farmers are voting to place the penalty only against the buyer.

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

Mr. ANDRESEN of Minnesota. Surely.

Mr. UMSTEAD. Does the gentleman understand the prevailing method of selling tobacco by tobacco farmers?

Mr. ANDRESEN of Minnesota. Yes; I understand it. I am sorry, but I cannot yield further.

Mr. UMSTEAD. Will the gentleman then say, with the knowledge he has of that system, that it is possible under the language of this bill for the farmer to sell tobacco over and above this quota without having to pay the penalty?

Mr. ANDRESEN of Minnesota. Absolutely. A farmer can market his tobacco to anyone, and if the buyer does not know that it is contraband tobacco the sale goes on without any difficulty.

Mr. UMSTEAD. I am inclined to doubt that the gentleman understands the methods prevailing in the sale of tobacco.

Mr. ANDRESEN of Minnesota. Well, I cannot understand what the auctioneer says; nobody can; but I am very familiar with the system, because my distinguished colleagues, the gentleman from North Carolina, Mr. COOLEY, and the gentleman from Virginia, Mr. FLANNAGAN, explained it in detail in connection with their problems.

Mr. UMSTEAD. If the gentleman had grown and sold tobacco he would understand the auctioneer.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I cannot yield further.

If we wanted to be fair about this control legislation and keep the record straight, we would make all the farmers subject to the same regulations. If the cotton, wheat, and corn farmer is to be subject to a penalty, surely the tobacco farmer should be subject to a like penalty. My amendment seeks only for uniformity throughout the bill, and I hope, therefore, that it will be adopted to clarify the legislation and to put every farmer in this country on an equal basis.

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am now firmly convinced that the gentleman from Minnesota knows very little about the tobacco business.

The reason we placed the penalty upon the purchaser was for the purpose of simplifying the mechanics of the bill. Practically all the tobacco sold in this country is sold upon

the tobacco-warehouse floor. The grower goes there with a card upon which his quota is written, and the buyer knows exactly how much tobacco the seller can legally dispose of without subjecting himself to the penalty. It is easy enough for him to spot the man who is trying to bootleg tobacco. It simplifies the mechanics of the bill, that is all. This question has been carefully considered by all the tobacco representatives in the House and they are together on the penalty provision as it simplifies the mechanics of the act.

I certainly hope the membership of the House will follow the recommendation of the Representatives from the tobacco sections, who have agreed that the penalty should be put upon the purchaser in order to simplify the mechanics of the bill, as I previously stated.

Mr. COOLEY. Will the gentleman yield?

Mr. FLANNAGAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Will the gentleman call attention to the fact that by the language of the bill itself, although the penalties are imposed upon the buyer, by the same act the buyer is authorized to deduct the amount of the penalty from the price which would otherwise be paid for the tobacco?

Mr. FLANNAGAN. Oh, yes. The purchaser does not really subject himself to the penalty because he can take care of himself by making the proper deduction in settling with the tobacco grower.

Mr. COOLEY. Is it not a fact that the tobacco is purchased by comparatively few purchasers?

Mr. FLANNAGAN. Very few.

Mr. COOLEY. If we were to undertake to impose the penalty upon the farmer, it would result in a multiplicity of lawsuits in the district courts?

Mr. FLANNAGAN. Yes. The gentleman has assisted in working out this bill and knows we have simply resorted to a little common sense in working out the mechanics of the bill. We have tried to simplify the administration of the bill in every way.

[Here the gavel fell.]

Mr. GREEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair is desirous of protecting the rights of the gentleman from Florida [Mr. GREEN] and intends to do so. The gentleman from Florida has two amendments pending. If the gentleman from Florida requests recognition now it is doubtful whether he can get recognition later.

Mr. GREEN. If I can secure recognition later, I am satisfied.

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

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. GREEN: Page 22, line 22, strike out the period at the end of the line and insert in lieu thereof a colon and the following: "*Provided*, That any marketing quota for flue-cured tobacco for the State of Florida for the 1938–39 marketing year shall not be less than 75 percent of the production of flue-cured tobacco therein in 1937."

Mr. GREEN. Mr. Chairman, it seems unfair that in connection with a bill of such vital importance to my State I may have only 10 minutes to discuss a proposed amendment. I requested 10 minutes awhile ago, but the chairman of the Committee on Agriculture objected. I have not spoken on this bill up to the present time because the tobacco section is what I am primarily interested in. The members of the Committee on Agriculture have consumed practically all of the time in the last 2 or 3 days. The State of North Carolina has a Member on the committee from the tobacco section; Virginia has a Member; Tennessee has a Member; and then the chairman of that committee objects to my having 10 minutes in which to discuss an amendment.

Mr. FLANNAGAN. Will the gentleman yield?

Mr. GREEN. I will a little later.

If this is an open forum of lawmaking for the American people, are you surprised that when a State has a monopoly upon the growing of one necessity or one commodity it would prepare the steam roller and roll it so viciously over a minority as they are rolling it over Florida in connection with this tobacco quota? Mr. Chairman, I have served in this House for 13 years and I have never heretofore seen the steam roller so well organized and greased so as to crush the minority and annihilate the interests of the American consumer in connection with a so-called farm bill so that two or three States may have a monopoly in cotton, one a monoply in flue-cured tobacco, two a monopoly in burley tobacco, and two or three a monopoly on wheat.

Is it fair? Will it hold water? Do you believe it is right? I am not surprised that the gentleman from North Carolina should be so well informed on tobacco. Last year his State made 661,000 acres of tobacco. My State made 15,000 acres. Under the proposed plan, North Carolina will get 68 percent and more of the national quota on tobacco and my State about three-fourths of 1 percent. Yes, I know the difference between a warehouse and a barn.

My warehouses are to be emptied. My people are to go on relief. My fields that have been broken up for the planting of tobacco today will lie idle, and my people will go on the relief rolls. Mr. Chairman, the American Congress can never legislate without giving due consideration to the consumers of America.* I am surprised and I hope the gentlemen of the Agricultural Committee will accept my amendment which gives my State only 75 percent of what we had in 1937.

It is true that the administrators under the Department of Agriculture will have the power to give Florida 12,000 acres of tobacco under existing provisions of the bill, but it would be far better to actually write in the law that Florida will have at least 75 percent of the acreage for 1938 that it had in 1937. This will in no way upset, alter, or materially change the tobacco program. In fact, I am depending upon the Department officials to allocate to Florida at least 90 percent of the 1937 acreage. This amendment will guarantee to Florida some 12,000 acres of tobacco. It is only fair and just and if we are to have reduction in acreage in Florida, we surely should not have a greater, in proportion, than that of other tobacco-growing States. Tobacco growers from North Carolina have migrated to Florida and are growing tobacco there because the soil and general living conditions are better. It is obviously unfair to penalize them and to cause their tobacco lands to lie idle on account of compulsory Federal farm legislation. I urge that the amendment be adopted.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to have it clearly understood that the tobacco provisions of this bill were not drafted by the gentleman from Virginia, the gentleman from Tennessee, or the gentleman from North Carolina. Before the last session of Congress adjourned, when it appeared that a farm bill would probably not be brought before the House, we called together the Congressmen from every district in the United States in which tobacco is grown. Members from Florida, Georgia, Virginia, North Carolina and South Carolina, as well as from other districts in the United States attended these meetings. If any Member of the House in whose district tobacco is grown was not invited to attend these meetings, then I do not know that Member. These men came from Kentucky, Tennessee, and other places, as I have stated, and we had Members there from Florida. If I am not mistaken, the distinguished gentleman from Florida who has just spoken attended some of the meetings.

We sat down to write a bill, not to give any section or any State a monopoly on tobacco growing, but a bill which would do justice to all sections. We put a provision in the bill, which appears on page 23, which sets apart in subsection (c) 5 percent of the national marketing quota to be divided among the farms on which for the first time in 5 years to-

bacco has been produced. I suppose that will include about every tobacco farm in Florida.

Second, we have a provision for a further increase of allotments to small farms, mentioned in the proviso in subsection (b), so that 5 percent of the national marketing quota has been set apart for new areas and new growers, and small growers. You can clearly see that under this bill there is no effort to freeze the growing of tobacco.

Under this provision the small growers and the new growers in Florida will receive a great benefit from this 5 percent of the national marketing quota which has been set apart. In my section of the country we have small growers, of course, and there will be requests for allotments from the 5 percent. However, all the Members who worked on this bill have the feeling that with the 5 percent set apart everybody can be satisfied in the new areas and at the same time the small growers will be protected.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to my colleague, the gentleman from North Carolina.

Mr. HANCOCK of North Carolina. The gentleman will recall that when we began consideration of the bill at this session this percentage was only 3 percent, and the tobacco group raised it to 5 percent.

Mr. COOLEY. The gentleman is correct. If I am not mistaken the gentleman from Florida was in the meeting when this amendment was agreed to.

[Here the gavel fell.]

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

The question was taken, and on a division (demanded by Mr. GREEN) there were—ayes 11, noes 57.

So the amendment was rejected.

Mr. GREEN. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Page 22, line 15, strike out the word "five", and also strike out the word "years" and insert in lieu thereof the word "year."

Mr. GREEN. Mr. Chairman, this amendment would establish the 1937 acreage as the basis for these quotas.

THE TOBACCO QUOTAS

Apportionment of assumed quotas based strictly on 1937 production would be:

State	Percent	650,000,000 pounds	675,000,000 pounds	700,000,000 pounds
Florida	1.31	8,515,000	8,842,500	9,170,000
Georgia	9.20	59,800,000	62,100,000	64,400,000
South Carolina	12.73	82,745,000	85,927,500	89,110,000
North Carolina	68.18	443,170,000	460,215,000	477,260,000
Virginia	8.58	55,770,000	57,915,000	60,060,000
Total	100.00			

I believe it is fair in cotton, it is fair in corn and wheat, and it is fair in tobacco, where people have embarked upon the growth of some farm commodity. If you are going to have a farm bill—and I hope you want it, if this is the one you are going to have—then you ought to have the 1937 acreage as your basis.

What about the men in California who grow a little long-staple cotton? You are going to dump them out in the street under this bill. How about the producers in Florida? I have a letter I received today from a tobacco grower in my State, saying that in his county alone this bill will put 500 farmers on the relief roll. I fully appreciate the fact that in North Carolina and Virginia one single grower may sometimes have 800 or 900 acres in tobacco. You are legislating now to give him 800 or 900 acres but to give Florida only approximately 8,000 acres. The bill gives one-half dozen North Carolina farmers more than the three or four thousand acres I am asking for Florida. Is this democracy? Is this fair? Is this the kind of a farm bill you call farm relief? How about the situation in California and Arizona, where cotton is grown, and where you are reducing their production 60 percent and smothering down this new territory? Yes, I was in the conference referred to by my colleague, and we had the three committee members writing the bill as they wanted it. They wrote it, and now they are going to pass it, with one group joining another group, railroading it through, trading and trafficking, cotton with wheat, and wheat with corn.

How about the consumers? The people of my State buy corn, they buy wheat, they buy cotton, and they buy rice. I am speaking for the consumers of my State. Under the provisions of this bill they are penalized 25 percent in the cost of everything they buy which is grown on the farm and included in this bill. You refuse to give me 4,000 acres of tobacco, and would rather give it to North Carolina or Virginia or some of those States which reach out with a greedy hand to preserve their monopoly.

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

Mr. GREEN. I will yield a little later.

You can never legislate sanely and safely and in a democratic way unless you write a farm bill which will apply to all farm sections equally. This bill does not do so, because it lets 40 percent of my farm land or tobacco land lie idle, while it lets about 5 or 6 percent lie idle in some tobacco States. This is wrong and unfair. I urge you to vote for the amendment.

[Here the gavel fell.]

Mr. FLANNAGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is just another effort to obtain a special concession for the State of Florida. As far as I can see, the gentleman's argument with reference to the consumer has no application here. It is immaterial to the consumer whether tobacco is produced in Texas, North Dakota, Maine, Florida, Virginia, or Kentucky.

Mr. GREEN. The Department is in favor of this amendment.

Mr. FLANNAGAN. The Department is not in favor of this amendment. The Department of Agriculture approves section 305 as drawn. When you come to allocating State quotas, you take the preceding 5 years' average. If you adopt the amendment of the gentleman from Florida, what would happen? Florida could stay out of the tobacco program in 1938 and increase its acreage 1,000 percent in 1938.

Mr. GREEN. Oh, no; it would reduce it. It would reduce the same as you.

Mr. FLANNAGAN. It could then come in the next year, 1939, under the terms of the amendment, if adopted, and get its allocation based upon an increase of 1,000 percent in its acreage. That is what Florida could do.

Mr. GREEN. The gentleman wants to be accurate, does he not?

Mr. FLANNAGAN. That is a fact. That is just what the gentleman's amendment does. I do not have further time to yield to the gentleman.

Mr. GREEN. I know, but the gentleman ought to give them the facts.

Mr. FLANNAGAN. I am giving them the facts.

Mr. GREEN. The gentleman knows we cannot increase our acreage any more than you can.

Mr. FLANNAGAN. All we are asking is that all the States be placed upon the same footing, and this is what the bill does. We have figured it out in an equitable manner. We have been mighty liberal in the bill to new growers and small growers.

Florida, under the bill fares just like the other States. The provision applying to new growers is applicable to Florida and to every other State in the Union. You raise flue-cured tobacco in Florida. The normal production of flue-cured tobacco is around 700,000,000 pounds, which gives the Secretary, under the 5-percent provision, some 35,000,000 pounds to divide each year among new growers and small growers.

Mr. Chairman, I ask that the amendment be voted down.

The amendment was rejected.

The CHAIRMAN. All time has expired on the tobacco title. Are there any further amendments to this title? If not, the Clerk will read.

Mr. JONES. Mr. Chairman, I ask unanimous consent to return to page 10 for the purpose of disposing of pending amendment, known as the Tarver amendment.

Mr. TARVER. Mr. Chairman, I ask unanimous consent to substitute for the amendment of mine, which is pending, an amendment to which the chairman of the committee has agreed.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to withdraw his pending amendment, so that he may offer a new amendment.

Is there objection?

There was no objection.

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

The Clerk reads as follows:

Amendment offered by Mr. TARVER: On page 10, line 19, after the word "relationship", strike out the period, insert a colon, and the following proviso: "*Provided*, That such change shall in no event be approved if, in the judgment of the committee, the major objective of the landlord in making it is to effect an increase in his benefits."

Mr. JONES. Mr. Chairman, I see no objection to the amendment.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, on behalf of my colleague, the gentleman from Texas [Mr. MAHON] I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: Page 10, line 17, after the period insert the following: "Any reduction in the number of tenants over the average number of tenants on any farm during the preceding 3 years that would increase the payments or grants of other aid under such subsection to the landlord that would otherwise be made shall not hereafter operate to increase any such payment or grant to such landlord."

Mr. JONES. Mr. Chairman, this is an additional provision that would use the 3-year average on the number of tenants. It would simply add an additional provision which is a further restriction.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. ANDRESEN of Minnesota. Does this change the total amount any producer may receive?

Mr. JONES. No; this amendment has nothing to do with that matter.

Mr. WHITTINGTON. Mr. Chairman, if the gentleman from Texas will yield, I would like to ask if the amendment proposed by the gentleman from South Carolina [Mr. FULMER] was ever voted on or if it was adopted. I would like the RECORD to show the fact in that respect.

Mr. FULMER. Yes; that amendment was adopted.

Mr. WHITTINGTON. I do not think so. I believe the amendment is still pending.

Mr. JONES. Let us vote on the pending amendment now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was agreed to.

Mr. WHITTINGTON. Mr. Chairman, I would like to ask whether the amendment offered by the gentleman from South Carolina [Mr. FULMER] to section 10 is pending? My recollection is the amendment was not adopted.

The CHAIRMAN. The Chair is informed there is no such amendment pending at the desk.

Mr. JONES. Mr. Chairman, I ask unanimous consent to consider now section 5 and take up the Lucas amendment.

Mr. ANDRESEN of Minnesota. Do I understand the gentleman from Illinois [Mr. LUCAS] is going to offer his amendment now?

Mr. JONES. Yes; the gentleman from Illinois [Mr. LUCAS] has an amendment pending to section 5 at page 10.

The CHAIRMAN. The Chair would like to inform the gentleman from Texas that here is an amendment pending offered by the gentleman from Texas [Mr. MAHON] to section 4.

Mr. JONES. I understand the gentleman is willing to withdraw that amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

Mr. JONES. Mr. Chairman, the gentleman from Illinois [Mr. LUCAS] has an amendment pending to section 5, and I ask unanimous consent to return to that amendment.

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

There was no objection.

The CHAIRMAN. The gentleman from Illinois [Mr. LUCAS] offers an amendment to section 5, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LUCAS: Page 10, line 24, strike out lines 24 and 25 on page 10 and lines 1 to 22, inclusive, on page 11, and insert in lieu thereof: "The funds available for payments (after allowing for (estimated) administrative expenses, payments with respect to naval stores, and payments in Hawaii, Puerto Rico, and Alaska) shall be allocated among the commodities produced in continental United States with respect to which payments or grants are to be computed. In allocating funds among the commodities the Secretary shall take into consideration and give equal weight to (1) the average acreages of the various commodities for the 10 years immediately preceding the year with respect to which the payment is made, including an acreage of pasture which bears the same proportion to the acreage of all crops that the farm value of livestock and livestock products produced from pasture bears to the farm value of all crops; (2) the value at parity prices of the production from the allotted acreages of the various commodities for the year with respect to which the payment is made, including with respect to pasture the value at parity prices of that portion of livestock and livestock products produced from pasture; (3) the average acreage during the preceding 10 years in excess of the allotted acreage for the year with respect to which the payment is made; and (4) the value based on average prices for the preceding 10 years of the production of the excess acreage determined under item (3). The rate of payment used in making payments to the producers of each commodity shall be such that the estimated payments with respect to such commodity shall equal the amount of funds allocated to such commodity as herein provided. For the purpose of allocating funds and computing payments or grants the Secretary is authorized to consider as a commodity a group of commodities or a regional or market classification of a commodity."

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment to the amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota to the amendment of Mr. LUCAS: In line 1 of the amendment strike out the words "for (estimated)" and insert in lieu thereof "not to exceed 5 percent for."

Mr. ANDRESEN of Minnesota. Mr. Chairman, I call the attention of the committee to the purpose of this amendment. During the fiscal year 1936–37, a 12-month period, the sum of $397,634,419.11 was used to carry out the soil-conservation program. Of this amount $40,313,451 was used for administrative expenses, or 10.14 percent of the total amount, leaving the farmers $357,320,000. It is difficult for me to believe that more than $40,000,000 was necessary for administration purposes.

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

Mr. ANDRESEN of Minnesota. Yes.

Mr. JONES. I call attention to the fact that in 1936 they practically had two programs, the carry-over of the old one and the new, and they had separate committees for each commodity, which I understand will not be true under the present bill. I think, therefore, the gentleman's amendment is all right, and if there is no objection to it, I am willing to agree with it.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I thank the gentleman. I am pleased that he feels that a cut should be made. But, let me point out what the adoption of this amendment means. The total amount if appropriated will be $500,000,000 under the Soil Conservation Act. Under my amendment, as the Chairman has agreed to it, not to exceed 5 percent of this amount, or $25,000,000 may be used for

administrative purposes. This in itself is a staggering figure, and I am sure that if we did not limit the amount to 5 percent of the total appropriation, the administrators could be counted upon to spend at least 10 percent or more in 1938.

The adoption of my amendment means that the farmers of the country will get $25,000,000 more for their benefit payments rather than having this sum used for additional expenses. This saving for the farmers plus the $25,000,000 which was retained and saved for the farmers operating family-sized farms by the adoption of the amendment offered by me last week to limit the size of benefit payments to large operators, gives an additional amount of $50,000,000 for the rank and file of farmers who actually live on and operate their own farms.

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

Mr. LUTHER A. JOHNSON. Mr. Chairman, I move to strike out the last word for the purpose of asking the chairman a question in reference to the construction of the Lucas amendment. What effect will it have on the amount of money allocated for cotton? We have heard considerable discussion as to whether the Lucas amendment would reduce the amount allocated for cotton; realizing that the chairman of the committee has given much thought to this question and having a high regard for his opinion, I submit this query to him.

Mr. JONES. Personally, so far as I have been able to study the amendment, I do not think there is any great difference in the effect of the two provisions. The Lucas amendment would make it a little more definite and certainly would not take anything from cotton. I am inclined to think the Lucas amendment is probably preferable, althought I do not think, after going over them, there is much difference in the two.

Mr. LUTHER A. JOHNSON. We have had some complaint in the past about the amount allocated for cotton being too small, and I wanted to be sure the amount would not be reduced by this amendment. It should be increased.

Mr. JONES. I do not think that cotton will be adversely affected.

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois [Mr. LUCAS], as amended.

The amendment was agreed to.

Mr. LUCAS. Mr. Chairman the suggested substitute for section 5 of H. R. 8505 provides that the funds available for conservation payments in the continental United States shall be allocated among the commodities and groups of commodities produced in the United States. In making this allocation it is provided that one-fourth of the funds will be distributed among the commodities on the basis of the planted acreages of these commodities during the 10 years immediately preceding the year for which the allocation is made. Another one-fourth of the available funds would be prorated among the commodities on the basis of the parity value of the estimated production from the allotted acreages of the commodities. The remaining one-half of the payment would be allocated to those commodities for which the allotted acreages are smaller than the average planted acreages during the preceding 10 years. Thus the allocation of one-half of the funds would be based on the sacrifices involved in meeting the acreage allotments or goals and would be apportioned on the basis of the number of acres of downward adjustment required in meeting the allotments and on the basis of the value of the estimated production from these diverted acres.

Assuming for purposes of illustration that $400,000,000 was available for payments, $100,000,000, or one-fourth, of this amount would be distributed on the basis of each of the four factors enumerated in the proposed amendment. With such an allotment of funds, the formula as it would apply to cotton, for example, may be illustrated as follows: During the past 10 years cotton acreage represented approximately 8 percent of the total acreage of all agricultural commodities, and therefore 8 percent, or $8,000,000, would be allocated to cotton under item No. 1. Assuming an acreage allotment of 30,000,000 acres, average yields for the past 5 years, and parity prices, the value of cotton and cottonseed represents about 11 percent of the total value, similarly computed, for all agricultural products, and therefore 11 percent, or $11,000,000, would be allocated to cotton under item No. 2. In reaching a goal of 30,000,000 acres, a reduction of 7,385,000 acres would be required from the 10-year—1927–36—average acreage. This represents 29.6 percent of the total reduction in acreage required in meeting assumed acreage allotments for all crops with respect to which the acreage allotments are smaller than the 10-year acreage. Therefore, $29,600,000 would be allocated to cotton under item No. 3. The value, based on average prices prevailing during the last 10 years, of the cotton which might reasonably be expected from the 7,385,000 acres determined for cotton under item No. 3 represents 42.2 percent of the total value, similarly computed, of the normal production from the total acreage determined under item No. 3. Thus, $42,200,000 would be allocated to cotton under item No. 4. The total allocation to cotton, therefore, of the assumed $400,000,000 would be $90,800,000, or 22.7 percent of the total funds assumed to be available.

If the total amount of funds available were $500,000,000 instead of $400,000,000, the allocation to cotton similarly determined would be $113,500,000, or 22.7 percent of the total available funds.

Since the productivity of pasture varies widely from area to area, and also varies widely from the productivity of cropland, it is necessary, in order to get data for pasture which are comparable to data with respect to cropland, to convert pasture into equivalent acreage units. This can best be done on the basis of the relative value of the products—that is, livestock and livestock products—produced from pasture to the value of other agricultural commodities. It is provided, therefore, in items 1 and 2, that the pasture acreage shall be reported in terms of an acreage equivalent determined on the basis of the ratio of the value of livestock and livestock products produced from pasture to the value of all other agricultural products. It is estimated that during the past 10 years approximately 23.5 percent of the value of all agricultural products has been livestock and livestock products produced from pasture. Since livestock and livestock products have been somewhat nearer to parity than farm crops, it is estimated that livestock and livestock products produced from pasture now represent a somewhat smaller percentage—20.5 percent—of the total parity value of all agricultural products.

Since in the case of pasture products, soil-conserving crops, commercial orchards, commercial vegetables, sugar, and peanuts, no reductions from the 10-year average acreages will be required, these commodities would not share in the funds allocated under items Nos. 3 and 4.

After the allocation of funds to a commodity is determined the rate of payment on that commodity would be computed by dividing the amount of funds by the probable number of units of the commodity on which payments would be made. Thus if $100,000,000 is allocated under the formula to cotton and it is determined that payments would be made on 4,000,000,000 pounds of cotton, the rate of payment on cotton would be 2.5 cents per pound.

An approximate percentage distribution of funds based on the formula prescribed in the suggested substitute for section 5 of H. R. 8505, assuming average or normal acreage allotments for the next 5 years, is shown in the table which I inserted in the RECORD on December 3 and which may be found on page 852.

The table published indicates, on the basis of the assumed conditions portrayed in the table, that approximately 57 percent of the funds available for payments would be allocated over a period of years to wheat, corn, and cotton. The percentage apportioned to these three commodities would

vary somewhat from year to year, but would probably be in the range of 55 to 60 percent.

The percentage of the total funds that would go to each of these three commodities individually would also vary from year to year, depending largely upon the relative amount of reduction in acreage required in order to meet the allotment for that year. For example, in years when a large reduction was required in cotton and relatively less reduction was required in corn and wheat the amount allocated to cotton would be somewhat higher than the 22.7 percent indicated in the table. Likewise, in years when a drastic reduction in wheat was required and a relatively smaller reduction in cotton and corn was called for, the percentage going to wheat would be increased above that indicated in the table.

Mr. JONES. Mr. Chairman, in view of the adoption of the Lucas amendment, I ask for a correction in section 6, and offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 11, line 23, strike out "and 4" and insert in lieu thereof "4 and 5."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Chair calls the attention of the gentleman from Texas to the fact that there is only one amendment now pending, and that was offered some time ago by the gentleman from George [Mr. PACE].

Mr. JONES. Mr. Chairman, I offer the following amendment as a substitute for the Pace amendment.

The CHAIRMAN. The gentleman from Texas offers a substitute for the amendment offered by the gentleman from Georgia [Mr. PACE]. The Clerk will first report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amendment offered by Mr. PACE: After the word "tenants", in line 6, page 7, add the words "sharecroppers."

The CHAIRMAN. The Clerk will now report the substitute offered by the gentleman from Texas [Mr. JONES].

The Clerk read as follows:

Mr. JONES offers as a substitute: On page 7, lines 6 and 7, strike out "owners, cash tenants, and fixed or standing rent tenants, operating farms" and insert "farms operated by owners, tenant, or sharecroppers."

Mr. JONES. I think this is better because the allotments are made to farms rather than to particular landowners, tenants, or sharecroppers. This would make it cover all farms. It would not make any difference, then, who was operating. The allotment is made to the farm rather than to the owner or tenant or sharecropper, and it would remove any doubt.

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

Mr. JONES. I yield.

Mr. FULMER. In other words, suppose an allotment of 200 acres would be given to any landlord, then he would proceed to divide that with any tenants he might have. If that landlord should give a tenant a very small acreage, one that perhaps would induce him to come back for additional acreage, he would have to come back to the landlord, and he would not be able to get it out of the committee?

Mr. JONES. As I understand, this allotment would be made in the regular way to the farms, as all other allotments are made, and I assume that in making the allotments, the State or local committees that really handle it would take into consideration the various conditions that prevail with reference to the farm, just as they would as it is here.

Mr. FULMER. I would like to state to the gentleman, if that is possible I can have 500 or 1,000 acres and I can so deal with my tenants that I will give them a very small allotment, and then I will say, "You go and get an additional allotment." And when they do that, I, as a landlord, would get one-half of the proceeds of what they grow on the land.

Mr. JONES. No. This is all to be given those who have not exceeding 15 acres. It is limited to that.

Mr. TARVER. Mr. Chairman, will the gentleman yield for a moment?

Mr. JONES. I yield.

Mr. TARVER. Carrying out the chairman's idea, an examination of the language of the section discloses that it has no application whatever to farms where the landlord is the owner of more than 15 acres. So that the example given by our colleague from North Carolina is not in point.

Mr. JONES. That is right.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Texas to the amendment offered by the gentleman from Georgia [Mr. PACE].

The substitute amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Georgia, as amended by the substitute.

The amendment as amended was agreed to.

Mr. JONES. Mr. Chairman, in order to conform the numbers with the changes made, I ask that the numbers "6" and "7" on page 8 be changed to "5" and "6."

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Clerk will read now beginning at part III, "Marketing quotas—Wheat," on page 44.

Mr. JONES. Mr. Chairman, I ask unanimous consent, in order to give fuller time for discussion, that the reading of part III be dispensed with, and that amendments may be offered to any part of the section, and that it be read by title.

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

There was no objection.

The Clerk read as follows:

PART III—MARKETING QUOTAS—WHEAT

DEFINITIONS

SEC. 331. For the purposes of this part—

(a) "Marketing year" shall be the period from July 1 of one year to June 30 of the succeeding year.

(b) "Total supply" for any marketing year shall be the carry-over of wheat for such marketing year plus the estimated production of wheat in the United States during the calendar year in which such marketing year begins.

(c) "Carry-over" for any marketing year shall be the quantity of wheat on hand in the United States at the beginning of such marketing year, not including any wheat which was produced in the United States during the calendar year then current.

(d) "Normal supply" shall be a normal year's domestic consumption and exports of wheat plus 20 percent of a normal year's domestic consumption and exports as an allowance for a normal carry-over.

(e) "Reserve supply level" shall be a normal year's domestic consumption and exports of wheat plus 32 percent of a normal year's domestic consumption and exports to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(f) "Normal year's domestic consumption" shall be the yearly average quantity of wheat, wherever produced, that was consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(g) "Normal year's exports" shall be the yearly average quantity of wheat that was produced in the United States and exported therefrom during the 10 marketing years immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

(h) "Marketed" shall be the disposition by sale, barter, exchange, or gift.

(i) "National average yield" for wheat shall be the national average yield per acre of wheat during the 10 calendar years immediately preceding the calendar year with respect to which such national average yield is used in any computation authorized in this part, adjusted for abnormal weather conditions and trends in yields.

(j) "Normal yield" for any farm shall be the average yield per acre of wheat for the farm adjusted for abnormal weather conditions during the 10 calendar years immediately preceding the year with respect to which such normal yield is used in any computation authorized under this part. If for any such year the data are not available, or there is no actual yield, an appraised yield for such year, determined in accordance with regulations issued by the Secretary, shall be used as the actual yield for such year. If, on

account of drought, flood, insect pests, or other uncontrollable natural cause, the production in any year of such 10-year period is less than 75 percent of the average (computed without regard to such year), such year shall be eliminated in calculating the normal yield per acre.

LEGISLATIVE FINDINGS

SEC. 332. Wheat is a basic source of food for the Nation, is produced throughout the United States by more than a million farmers, is sold on the country-wide market and, as wheat or flour, flows almost entirely through instrumentalities of interstate and foreign commerce from producers to consumers.

Abnormally excessive and abnormally deficient supplies of wheat on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce. Abnormally excessive supplies overtax the facilities of interstate and foreign transportation, congest terminal markets and milling centers in the flow of wheat from producers to consumers, depress the price of wheat in interstate and foreign commerce, and otherwise disrupt the orderly marketing of such commodity in such commerce. Abnormally deficient supplies result in an inadequate flow of wheat and its products in interstate and foreign commerce with consequent injurious effects to the instrumentalities of such commerce and with excessive rise in the prices of wheat and its products in interstate and foreign commerce.

It is in the interest of the general welfare that interstate and foreign commerce in wheat and its products be protected from such burdensome surpluses and distressing shortages, and that a supply of wheat be maintained which is adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions as well as in years of plenty, and that the soil resources of the Nation be not wasted in the production of such burdensome surpluses. Such surpluses result in disastrously low prices of wheat and other grains to wheat producers, destroy the purchasing power of grain producers for industrial products, and reduce the value of the agricultural assets supporting the national credit structure. Such shortages of wheat result in unreasonably high prices of flour and bread to consumers and loss of market outlets by wheat producers.

The provisions of this part affording a cooperative plan to wheat producers are necessary in order to minimize recurring surpluses and shortages of wheat in interstate and foreign commerce, to provide for the maintenance of adequate reserve supplies thereof, and to provide for an adequate flow of wheat and its products in interstate and foreign commerce. The provisions hereof for regulation of marketings by producers of wheat whenever an abnormally excessive supply of such commodity exists are necessary in order to maintain an orderly flow of wheat in interstate and foreign commerce under such conditions.

REGIONAL OR MARKET CLASSIFICATION

SEC. 333. The provisions of this part shall apply to wheat, but the Secretary is authorized after due notice and public hearing to interested parties to treat as a separate commodity any regional or market classification, type, or grade of wheat if he finds such treatment necessary in order adequately to effectuate the policy of this act with respect to such regional or market classification, type, or grade.

ANNOUNCEMENTS OF SUPPLIES AND ALLOTMENTS

SEC. 334. Not later than July 15 of each marketing year for wheat, the Secretary shall ascertain and announce the total supply, the normal supply, the reserve supply level, and the national acreage allotment for wheat for such marketing year.

NATIONAL ACREAGE ALLOTMENT

SEC. 335. The national acreage allotment of wheat for any marketing year shall be that acreage which the Secretary determines will, on the basis of the national average yield for wheat, produce an amount thereof adequate, together with the estimated carryover at the beginning of the next succeeding marketing year, to make available a supply for such succeeding marketing year equal to the reserve supply level.

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 336. (a) The national acreage allotment for wheat shall be apportioned by the Secretary among the several States on the basis of the acreage devoted to the production of wheat during the 10 calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.

(b) The State acreage allotment for wheat shall be apportioned by the Secretary among the counties, or other administrative areas in the State deemed by the Secretary the most effective for the purpose of the administration of this part, on the basis of the acreage devoted to the production of wheat during the 10 calendar years immediately preceding the calendar year in which the national acreage allotment is apportioned (plus, in applicable years, acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such period.

(c) The local acreage allotment of wheat shall be apportioned by the Secretary, through the local committee, among the farms within the county or other local administrative area on the basis of tillable acres, crop-rotation practices, type of soil, topography, and production facilities. Notwithstanding any other provision of this section, if, for any reason other than flood or drought, the acreage of wheat planted on the farm is less than 80 percent of the farm acreage allotment for wheat, the farm acreage allotment shall be 25 percent in excess of such planted acreage.

MARKETING QUOTAS

SEC. 337. (a) Whenever it shall appear that the total supply of wheat as of the beginning of any marketing year will exceed the normal supply thereof for such year by more than 25 percent, the Secretary shall, not later than the May 15 prior to the beginning of such marketing year, announce such fact and, beginning on June 1 of such calendar year and continuing through June 30 of the following calendar year, a national marketing quota shall be in effect with respect to the marketing of wheat. The Secretary shall ascertain and specify in the announcement the amount of the national marketing quota in terms of a total quantity of wheat and also in terms of a percentage of the national acreage allotment made for the preceding marketing year which he determines will, on the basis of the national average yield of wheat, produce the amount of the national marketing quota.

(b) The amount of the national marketing quota for wheat shall be equal to the amount of the reserve supply level less the sum of the estimated carry-over of wheat as of the beginning of the marketing year with respect to which the quota is announced and the estimated amount of wheat which will be used on farms as seed or livestock feed during the marketing year.

(c) The farm marketing quota for any farm shall be an amount of wheat equal to the aggregate normal production of an acreage determined by applying to the farm acreage allotment for the marketing year preceding that for which the quota is effective the national acreage allotment percentage specified in the Secretary's quota announcement.

(d) No farm marketing quota with respect to any crop of wheat shall be applicable to any farm on which the normal production on the acreage planted to wheat is less than 200 bushels.

REFERENDUM

SEC. 338. Between the date of the issuance of any announcement of any national marketing quota pursuant to the provisions of this part and the effective date of any such quota specified in such announcement, the Secretary shall conduct a referendum of all farmers who will be subject to the quota specified therein to determine whether such farmers favor or oppose such quota. If more than one-third of the farmers voting in the referendum oppose such quota, the Secretary shall, prior to the effective date of such quota, announce the result of the referendum, and upon such announcement the quota shall become ineffective.

ADJUSTMENT AND SUSPENSION OF QUOTAS

SEC. 339. (a) If the Secretary has reason to believe that any national marketing quota for wheat will not make a normal supply of wheat available for marketing during the marketing year for which such quota has been established, he shall cause an immediate investigation to be made with respect thereto, in the course of which due notice and opportunity for public hearing shall be given to interested persons. If, upon the basis of such investigation, the Secretary finds the existence of such fact, he shall announce the same. Upon such announcement the amount of such national marketing quota shall be increased to such amount as he shall have determined, upon the basis of such investigation, will make available for marketing during such marketing year a normal supply of wheat. He shall announce such increased marketing quota. The amount of each farm marketing quota shall be increased in the same ratio.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national marketing quota for wheat should be terminated, he shall cause an immediate investigation to be made to determine whether the termination of such quota is necessary in order to effectuate the declared policy of this act or to meet an increased demand arising from such export demand or emergency. If, upon the basis of such investigation, the Secretary finds that such termination is necessary, he shall immediately announce such finding and thereupon such quota shall terminate.

(c) Whenever it shall appear from either the July or the August production estimates, officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of wheat as of the beginning of the marketing year was less than the normal supply plus 25 percent thereof, the Secretary shall announce such fact prior to July 20, or August 20, as the case may be, if farm marketing quotas have been announced with respect to the crop grown in such calendar year. Thereupon such quotas shall become ineffective.

TRANSFER OF QUOTAS

SEC. 340. Farm marketing quotas for wheat shall not be transferable but, in accordance with regulations prescribed by the Secretary for such purpose, any farm marketing quota in excess of the supply of wheat for such farm for any marketing year may be allocated to other farms on which the acreage allotment has not been exceeded.

PENALTIES

SEC. 341. (a) Any farmer who, during any marketing year, markets any wheat in excess of the farm marketing quota for the

farm on which such wheat was produced shall be subject to a penalty of 15 cents per bushel of the excess so marketed.

(b) The penalties provided for in subsection (a) of this section shall be collected and paid in such manner, at such times, and under such conditions as the Secretary may by regulation prescribe.

PUBLICATION AND REVIEW OF QUOTAS

SEC. 342. The farm marketing quotas for wheat established for farms in a county or other local administrative area shall be made available for public inspection, and may be reviewed, in the manner provided in part VI of this title.

Mr. DONDERO. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it is conceded that this is not a price fixing bill. Its main objective is the control of production of five commodities named in the measure, namely: wheat, corn, cotton, rice, and tobacco.

I do not believe that the farmers of my district want this form of legislation. The president of the National Farm Bureau, Mr. Edward O'Neal, who is in the gallery now, says it does not want it, because the compulsory provisions of the bill are not strong enough to suit it. The National Grange says it does not want this bill because it does contain "must" legislation, or compulsory provisions. I quote its position:

We are strongly of the opinion that the new legislation should be based on the idea of voluntary cooperation on the part of the farmers rather than compulsory control on the part of the Government. It should be clearly understood that under no circumstances does the Government have the right to use the word "must" when it comes to telling the farmers of the country how much or how little they should produce of any particular crop, or how much or how little they should place upon the market. There can be no such thing as a majority, under the guise of a referendum, dictating as a minority in matters of this kind.

In the opinion of the National Grange both House and Senate bills should be referred back to committee and stripped of their compulsory features.

The Grange of my State of Michigan says it does not want it because it is opposed to the present policy which permits entry into this country of agricultural products far in excess of the amount of agricultural products we export to other countries. This is what it has to say:

If farmers, by authority of law, are to be expected to market only those portions of their crops which can be consumed, mainly in the domestic markets, imports of similar and competitive products should be curtailed.

We urge that in the formulation of additional reciprocal-trade agreements more attention be given by the State Department to securing foreign markets for our farm products in exchange for industrial goods rather than continuing what appears to be too much the present procedure of exporting our industrial commodities under favorable rates secured abroad in exchange for agricultural imports which enter our markets at lower rates of duty.

Those of you who come from agricultural districts, when you go back and tell your people you voted for this bill, may be asked to reconcile your position why you voted to impose a tax of $4 on every man, woman, and child in your district, annually, which is what this measure means, while at the same time we pursue a policy in this Nation of permitting entry into this country of agricultural products to the extent of $868,000,000 during the last fiscal year in direct competition with the products grown by the farmers of your section.

In the report of the Bureau of Agricultural Economics, issued on November 20 of this year, we find in the first paragraph the following amazing statement:

The value of imports of commodities, similar to or substituted for, those produced on American farms, rose by 35 percent over the fiscal year of 1935–36. The value of American farm exports, on the other hand, declined by 4 percent in spite of some improvement in the foreign demand situation. As a result the competitive imports exceeded agricultural exports for the first time on record.

That report shows that we imported, during the last fiscal year, competitive agricultural products to the value of $868,000,000 and noncompetitive farm products to the value of $669,930,000, or a total of $1,538,327,000.

The total exports of farm products of all kinds for the same period were valued at $732,826,000. Unbelieveable as it may seem, the people of this Nation bought twice as much from the farmers of foreign countries as all the other nations in the world bought from us.

This bill provides a Federal subsidy of $500,000,000 annually which is to be permanent legislation in order to control the production of the commodities named in the measure. This means an annual tax of $4 for every man, woman, and child in the Nation.

An ordinary congressional district in this country contains about 300,000 population. You may be asked to justify the position that you took when you voted to impose a tax upon the people of your district to the extent of $1,200,000. In my congressional district, the Seventeenth Michigan, this bill means a tax of $1,300,000.

We have had some experience in an attempt to regulate the production of crops in this country, particularly the cotton crop. We tried to hold up the price by plowing under every fourth row; and yet, this year, because this legislative body failed to take into account the weather man, who is the agent of the Almighty, we have raised the largest cotton crop in the history of the United States—18,000,000 bales. The normal amount of cotton required for home consumption amounts to about 7,000,000 bales annually.

The question that now confronts us is, What are we going to do with the other 11,000,000 bales which is the amount above the requirements for domestic consumption? That is the problem that we are asked to solve when it comes to cotton. You have also tried to fix the price of cotton, and the record shows, if the figures given to me by our distinguished colleague the gentleman from Tennessee [Mr. CHANDLER], are correct, that during the last 8 years in which we have attempted to regulate the price of cotton by fixing the loan value on it, the price has been the lowest in any 8-year period since the Nation has raised cotton, or for which there is any record since 1831.

For every dollar's worth of products grown by the farmers of my district we have permitted the farmers of foreign nations to send into this country $2 worth of their own agricultural products in direct competition with the farmers of this Nation. I do not believe that the farmers of this country are willing to be put into a legislative strait jacket under the guise or the promise that they are to be given some financial help in the form of a Federal subsidy. I believe the farmers of the country want to be let alone. If we preserve the American market for the American farmer, then, in my judgment, the wise thing to do would be to place a subsidy upon American farm products sold to other countries and preserve the best market in the world, the American market, the home-consumption market, for the American farmers. This will help American agriculture. Thomas Jefferson once said, "If we must ask Washington when to sow and when to reap, we will soon want bread." [Applause.]

Mr. HOOK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I cannot follow the logic of my colleague from Michigan. He said that the Farm Bureau is against this bill because it was not drastic enough. He said that the farm Grange is against it because it is too drastic. He also wants us to believe that this bill and the actions of this Congress heretofore on farm legislation have increased costs to the consumer. Still he will say that farm products are the lowest they have been in a number of years. I cannot quite understand the logic of his argument.

If one farm organization says it is too drastic and the other farm organization, which is supposed to have an equal amount of knowledge on farm problems, says that it is not drastic enough, then I think that it is just about right and what the farmers and the consumers of this country need.

Mr. JONES. Mr. Chairman, I offer an amendment to make this title conform to the committee amendment offered by the gentleman from Kansas [Mr. HOPE.]

The Clerk read as follows:

Committee amendment offered by Mr. JONES: On page 46, line 8, before the word "or", insert "plant disease."

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer another amendment in conformity with an amendment already adopted.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: On page 52, line 6, after the word "referendum", insert ", by secret ballot."

Mr. GREEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, on taking stock of this bill I am just wondering how those of us from farm districts who are penalized by its provisions are going to answer an already overburdened constituency. For instance, in my State where we have farmers who have gone from the tobacco fields to relief roll several questions come up. He pays a little more for his flour, if he can buy any; he pays a little more for tobacco, if he can get a plug of tobacco to chew; he pays a little more for his rice, if he can buy any; and corn, what is he going to do about that? If he gets any to feed his chickens he will pay one-third more a bushel for it; yet, by the provisions of this bill he himself is thrown out of producing tobacco.

Cannot our committee deliberate a little longer on this bill and bring out one that will relieve the farmers of America? It seems to me that the thing to do is for the House to recommit this bill and let the committee bring back another bill, one more fair, one less sectional.

The cost of living is already advancing. How about you gentlemen from the manufacturing districts? Here is the farm bill coming along making your constituents pay more for the shirts they wear, more for the tobacco they chew, more for the things they eat. On the other hand, you gentlemen who take land out of cotton cannot raise eggs on it, you cannot raise butter on it. So, what are you going to do, my friends?

I wonder if the philosophy of this bill is not contrary to the fundamental laws of supply and demand; if we are not going far afield from it. I am wondering if the bill will not be a detriment to the American people and defeat the very intent of Congress. I am wondering, when so many of our people are hungry, desire flour to eat, desire corn flakes to feed their children, if it would not be a better policy to have unlimited production and let the W. P. A. buy up this surplus, process it, and give it to the hungry of the land rather than to open up the markets of America for foreign raised and processed farm products. We have a large relief load in America. Many are hungry, and yet in this bill you would curtail production of the vital necessities of life. This bill is wrong. Adequate farm relief can be approached from an angle more sane and more perfect.

I am wondering if our philosophy is not wrong. Why can we not give larger benefit payments to the men who till their farms rather than putting compulsion on them? Why can we not produce wheat and corn nearly in keeping with the demand of our hungry mouths and devise some scheme whereby our acres could be tilled, our hungry fed, and the farmer benefit by payments? Let him be permitted to elect to grow in our free democracy such things from the breast of Mother Earth as the Almighty has devised that the farmer may grow. Are we not going a little far afield when we undertake to pick out two, three, or five commodities in our Nation and disregard entirely the consumers of our Nation? This bill is class legislation; it is sectional, and may defeat its own purpose of farm relief.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, this section involves practically the same principles that some of the other sections cover and I wonder if we cannot agree on limiting the debate?

Mr. CASE of South Dakota. I have an amendment or two.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on part 3, the wheat section, and all amendments thereto close in 50 minutes and I mean the part only in reference to wheat.

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

Mr. FERGUSON. Mr. Chairman, reserving the right to object, we had 50 minutes to finish up on the tobacco section. I think 1 hour is not too much time in which to discuss wheat.

Mr. JONES. I will amend my request and make it not to exceed 1 hour, which I hope the Members will not take.

The CHAIRMAN. The gentleman from Texas [Mr. JONES] asks unanimous consent that all debate on amendments to part 3 close in 1 hour. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I offer an amendment to make this part conform to the similar provisions in the other parts of the bill.

The CHAIRMAN. There is an amendment pending which was offered prior to the speech made by the gentleman from Florida, that amendment having been offered by the chairman of the Committee on Agriculture. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. JONES], chairman of the Committee on Agriculture.

Mr. RANKIN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. RANKIN. The question the Chair put to the House a moment ago, as I understood it, did not comply exactly with the request made by the chairman of the Committee on Agriculture. I understood that his request covered all amendments with reference to wheat in section 3 only.

Mr. JONES. That is in part 3.

Mr. RANKIN. The question as put by the Chair covered all of part 3.

Mr. JONES. The other commodities are in other parts of the same title, so the request covered only part 3, which has to do with wheat.

Mr. RANKIN. Is there anything else in part 3 except wheat? Is cotton included in that section?

Mr. JONES. No; cotton is in part 4.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 54, line 20, after the word "prescribe," insert "and shall be covered into the general fund of the Treasury of the United States."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. CREAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when any group of people representing between 30 and 40 percent of the people receive for their wages only 9.4 percent of the national income there is something wrong. The national income of all for 1936 was $63,799,000,000. The farm income was approximately six billion, or 9.4 percent of the whole. No one will say that the labor is not as hard and the hours longer than any other kind of labor.

In the more prosperous days agriculture received 20 percent of the national income.

All last week we heard much talk from this floor from those who are opposed to any kind of farm legislation now or any other time. Whenever any remedy is proposed for the farmer they get excited and full of fears, afraid they will hurt the farmer or infringe on his constitutional rights. Others offer advice that certain provisions might invalidate the bill. I presume that some opponents of the bill would be greatly perturbed, indeed, if the bill should be invalidated by the courts after passage.

We heard their applause in this body when announcement came that the A. A. A. had been invalidated, and, judging from that, we know how greatly disappointed they would be if this bill should meet the same fate.

Although a referendum is provided, they assume that the farmer does not know what he wants. They fear he will vote against his own interest. As the referendum is taken annually, it should be considered that after any year's trial the program could be discontinued on any one of the farm crops—cotton, wheat, tobacco, corn, rice.

The part referring a vote could be made, with slight changes in the wording, directory instead of mandatory, relieving all the issue about the legality of the referendum. The result would be the same. So long as we have the present Secretary of Agriculture we know that he would not want to force a program unless the farmers wanted that program as shown by some test of sentiment recorded.

Ah, my friends, it would be a terrible calamity if the farmer should be given power to regulate production according to the views of some of my colleagues. In almost every branch of farming pools and voluntary control by the majority of farmers has been in vogue in patchwork over the Nation and all eventually failed because the whole Nation could not be reached in the program.

If controlled production is a bad thing, then why do other lines of business practice it? It is the secret of success of the other side of the business world. What factory product suffers with overproduction to such an extent that a farmer can buy it at half the cost of production?

Not only is production carefully estimated, but in addition to that price fixing in violation of law goes on and on in spite of all the antitrust statutes. Enforcement is well-nigh impossible.

If all other business proceeded as blindly and extravagantly in overproduction as the farm business, then he could buy what he needs for a little or nothing and all business would be on a parity. In that case the farmer would not need the present proposed remedy. He is the only man as a group who says to all people when he buys, "What is your price?" and when he sells he says, "What will you give me?" He has nothing to say about either end of the transaction.

The maker of the factory product controls both the quantity and the price. Such control is the only defense that the farmer can use in self-defense. If a merchant bought more than he could sell he would go broke. If a factory continued to make more than it could sell it would soon close down. If an individual bought more than he could eat, wear, or use he would be extravagant. Yet our friends who want the farmer to feed and clothe the world for nothing think it the wise thing to do for the farmer to deplete his soil, work his children to death, deny himself all the luxuries of life that others enjoy, and, like the ox in his stall, be content with his humble lot and have his consolation in the theory that it is more blessed to give than to receive.

The farmers want to do business like other business people. They want organized production. Other business can and does organize and control production. The farmer cannot, and the Government agency is the only means by which he can do so. They say it is bad if the minority after a referendum has to pay a tax for overproduction. If penalties must come from overproduction, what does it matter to whom it is paid?

By overproduction he drew down penalties on his own head and all his neighbors'. By raising tobacco year after year in such quantities that it would not pay the freight to market for a year's work he was heavily penalized for overproduction. There is no escape from a penalty for overproduction, whether the Government collects one or not.

Each year the farmer is the only man who must gamble on price and production and grope in the dark as to what his course should be as to production.

Other business sits at the council table and by the use of all expert advice available agree on a course of action.

The farmer sits alone without advice or compass to charter his business for the year.

Some say that Congress has no right to control production. When we prohibit prison-made goods in interstate commerce we thus limit production indirectly.

No one questions the right of Congress to fix tariff rates and they could be such that it would practically destroy production on some articles. Even though it be bad policy no one questions the validity of tariff laws.

Every tariff law enacted was intended to affect production. Let me illustrate how a plan for a fixed price by the factory often has but little relationship with production.

The average price for tobacco as a whole in 1929 was 18.3 cents. In 1932 the price fell to 10.5 cents.

At the same time the retail price of cigarettes advanced from $6 per thousand to $6.85 per thousand.

The farmers lost one hundred and seven million in this price slump and the tobacco companies made an increased profit of twelve million in the same time. I know of no law to make the company pay more money. Their only rebuke for overproduction is to pay the sacrifice price, assuming that a hint to the wise is sufficient. This bill provides a method of regulated production in line of consumption to save this enormous waste and penalizing the farmer for his shortsightedness.

Economic scarcity is not recommended by anybody. Economic sufficiency without waste is the desired end. Wasteful overproduction in any business is disastrous.

While synthetic friends may shed crocodile tears about lost liberty under controlled production I do not know that the farmer will regret some of his lost privileges.

He has had the privilege of being the goat with unorganized production in competition with organized price-fixed production in other lines.

When 3 percent of the people get possession of 97 percent of the wealth of the Nation we want to have the privilege of providing a system for a better distribution of the earnings.

To those who weep, wail, and gnash their teeth at the thoughts of regimentation or surrender of individual initiative we ask, What have you done to prevent a system from continuing to take too heavy a toll from those who earn their living by the sweat of their brow and permitting a system to be established that drains all the earnings of all the people into the unequal division of a small minority receiving 97 percent of the gain in wealth?

Organized labor has had some success in getting a fair share of its earnings. The farmer wants the same privilege. [Applause.]

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

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: In title III, strike out part 3, relating to marketing quotas on wheat.

Mr. FERGUSON. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count.

Mr. FERGUSON. Mr. Chairman, I withdraw the point of order.

Mr. COFFEE of Nebraska. Mr. Chairman, the amendment I have offered strikes out the objectionable part of this bill pertaining to wheat. It strikes out the compulsory marketing-quota features. It strikes out the un-American penalty provision.

All the benefits the wheat farmer will be able to obtain under this bill are those under the Soil Conservation and Domestic Allotment Act, which my amendment will not impair. The amendment which I have just offered strikes out the marketing quotas and penalty provisions and will not eliminate any of the benefits that the farmer might otherwise obtain. It eliminates only the compulsory control features embodied in marketing quota and penalty provisions.

I would like to quote from a letter from the National Grange to all Members of Congress under date of November 30:

In the opinion of the National Grange both House and Senate bills should be referred back to the committee and stripped of their compulsory features. In planning a long-time program for

agriculture we should not begrudge the time or patience that is necessary to make it sound, workable, and constitutional.

My amendment strikes out the compulsory provisions and referendum, which is of questionable constitutionality. The quota provisions in this bill could force every farmer who raised in excess of his quota to place in storage his surplus production and hold it off the market. What can these tenant farmers and the small landowners do who have no storage facilities to store their wheat? What difference does it make whether that wheat is stored in Bill Jones' granary on the farm or whether it is in the terminal elevators destined for export trade? It is in the showcase. It is a part of the visible supply.

Mr. Chairman, if the farmers are forced to hold this wheat from the market under penalty through the compulsory feature of the bill, many will probably lose their wheat because there are very few who are able to store their wheat on the farm without its deteriorating. If the farmer sends it to a terminal elevator for storage he must retain ownership and that will cost him about 12 cents per bushel per year. What difference will it make on the price whether that wheat belongs to the farmer or whether he sells it in the normal course of trade and it belongs to someone else?

It will have no beneficial effect on the market. There is nothing in this bill which is going to maintain the price of wheat. Payments will be made to wheat farmers under the Soil Conservation Act. We anticipate approximately $500,000,000 will be distributed under that act. Any additional funds must be provided from new revenue by the Committee on Ways and Means, and appropriations made by the Appropriations Committee. However, the prospects are not very good that additional payments will be made. Consequently, do you believe the wheat farmers of the United States will be satisfied to get a compulsory control bill when they are expecting something worth while? You cannot force farmers who sell in excess of their quota to pay a penalty of 15 cents per bushel. That is a confiscatory tax. The wheat farmer wants a fair price and his fair share of the national income, but marketing quotas and penalties will not give them to him.

Mr. Chairman, I hope those who are opposed to compulsory control and those who are eager to provide a voluntary and a workable plan will support this amendment.

[Here the gavel fell.]

Mr. PIERCE. Mr. Chairman, I rise in opposition to the amendment to strike out the compulsory features of the wheat section of the bill we are now discussing.

We simply must do something of significance for the wheat farmers of this country. Wheat is now growing on 57,000,000 acres. There will ordinarily be sown next spring 23,000,000 acres, or a total of 80,000,000 acres for the 1938 crop. At an average of 12½ bushels to the acre, this means a billion bushels of new wheat in sight next year. We shall carry over more than 200,000,000 bushels, so that the first of next July we shall face a total supply of a billion and a quarter bushels.

The wheat farmers of the country are expecting something will be done to control and stabilize this important crop. My colleague, the gentleman from Nebraska, says, "What difference does it make? It will be in the showcase, anyway." The difference is that if the marketing quotas are retained in the bill and go into effect the farmers will know that they can get fair prices for what they can sell. Measures must be taken to cut down acreage, and we must cut it down if we maintain anything like parity prices.

The quantity of wheat consumed today varies very little from year to year. Human stomachs are inelastic. Bread is the cheapest food that can be bought. It is the cheapest thing on the market.

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

Mr. PIERCE. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. When does the quota go into effect? The gentleman states the quota will reduce production. When does it go into effect, after the crop is planted, or before?

Mr. PIERCE. After; that is, it will not go into effect in time to change the 1938 crop, but it will go into effect next fall and will control the 1939 crop.

Mr. FERGUSON. My understanding of the bill has been that the quota cannot be put into effect until May, after the crop is planted.

Mr. PIERCE. It will not affect the 1938 crop, but it will affect the 1939 crop.

Mr. FERGUSON. Regardless of the year, it does not go into effect until after the crop is planted?

Mr. PIERCE. No; but if we pass this bill now, it will be proclaimed in November, and they will start establishing the quotas in May, as the gentleman states.

Mr. FERGUSON. Does the gentleman anticipate this, regardless of what the prospects are?

Mr. PIERCE. If we have on hand a billion bushels of wheat next year with no place to put it and no place for it to go, and with no foreign market, then it is time we should commence to curtail production. This curtailment can and will take place in 1939 if this bill is allowed to pass at this time.

Mr. FERGUSON. The gentleman makes the definite statement it will go into effect.

Mr. PIERCE. I will admit freely the amount of money in prospect is nowhere near enough to afford the farmer a reasonable benefit payment for his wheat. The present authorization will give him a dollar to a dollar and a half an acre, or about 12 cents a bushel. It ought to be something like 25 cents. In the committee I favored a processing tax of 20 cents, which would mean about one-third of a cent additional on a loaf of bread, but would afford the farmer something like 25 cents a bushel as a reward for complying with the program. I think that is about the program we should have had. However, as it is now, the best thing we can do is to pass this bill as it is, with the compulsory features in it.

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

Mr. PIERCE. I yield to the gentleman from Washington.

Mr. LEAVY. The gentleman represents a western wheat-growing district.

Mr. PIERCE. I do.

Mr. LEAVY. So do I. Would it not be infinitely better for our wheat growers if they were permitted to produce for the domestic market on a program of cost of production, and if then the surplus were handled as an exportable surplus based upon world market prices, then if they were given the compulsory program which is submitted here?

Mr. PIERCE. It may be possible we shall have sometime a cost-of-production program, but that is not in this bill, nor in prospect.

Mr. LEAVY. Is there any reason we should not have it now?

Mr. PIERCE. It is not possible for us to obtain it at this time.

[Here the gavel fell.]

Mr. ANDRESEN of Minnesota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Nebraska [Mr. COFFEE]. The gentleman from Oregon [Mr. PIERCE], who has just addressed the committee, has told us this bill will not go into operation for the wheat crop of 1938. I take it the gentleman is correct; in fact, I agree with him, it will not go into effect.

Mr. PIERCE. That is my understanding.

Mr. ANDRESEN of Minnesota. The gentleman states we are about to have a billion-bushel crop, with the possible supply running much higher than a billion bushels, yet with less than 700,000,000 bushels needed for domestic consumption and for export. The gentleman says the bill is not going into effect until 1939.

Mr. PIERCE. On the 1939 crop.

Mr. ANDRESEN of Minnesota. This means the wheat farmers of the United States will, possibly, get the lowest

price they have ever received for their 1938 crop because of the large supply.

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

Mr. ANDRESEN of Minnesota. No; I am sorry, I cannot, my time is so short.

If we are to have any protective program for the wheat farmer it should go into effect immediately, because we have about 250,000,000 bushels more wheat in this country today than we can consume during the next 12 months.

The price has been sinking from $1.32 a bushel on wheat down to 60 cents a bushel on certain grades. Unless a world demand is created to buy the wheat surplus we have in this country between now and the next harvest, we will probably see 25-cent wheat in the United States again. So by putting through this legislation which makes control effective in 1939, you are doing nothing for the wheat farmers of this country. As you know, I am opposed to compulsory control of wheat or any other commodity. The wheat farmers of this country do not want compulsory control. We did not have a single wheat farmer or a single wheat representative appear before our Committee on Agriculture in favor of compulsory control; in fact, the members of the committee from wheat sections during the first 2 weeks of the deliberations of our committee opposed compulsory control of wheat, but it crept into the bill after the beginning of our special session of Congress. Now, why give the farmers something they do not want or something they are not asking for? All they are interested in is securing fair, decent prices for their wheat. Instead of giving them parity prices, this legislation permits the accumulation of such large surpluses as will depress the price of wheat rather than increase the price and give them cost of production or parity.

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

Mr. ANDRESEN of Minnesota. I yield.

Mr. HOOK. As I understand the gentleman's argument, he is for a high tariff and always has been. Will the gentleman explain to me, with a high tariff, how he expects to be able to increase his world market?

Mr. ANDRESEN of Minnesota. I can tell the gentleman this: The American people have purchased around 50,000,000 bushels of wheat during this year from foreign countries. This is wheat that was brought in here and with a duty paid on it, due to this administration's program of scarcity. As to going into the general details of the tariff with the gentleman, I will be very pleased to take that up with him and discuss it at length later.

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

Mr. ANDRESEN of Minnesota. I yield.

Mr. CRAWFORD. It might be well for my colleague from Michigan [Mr. HOOK] to look up and see how Japan has expanded its world markets in face of all the tariffs imposed by the countries of the world. You expand your markets by making a better product and selling it at a lower price or by cutting costs.

Mr. ANDRESEN of Minnesota. Apparently the gentleman from Michigan is interested in providing a market in the United States for commodities produced in other countries.

Mr. Chairman, I hope the amendment of the gentleman from Nebraska will prevail. The type of legislation to give wheat farmers cost of production or parity prices should be in the form of a legislative proposal which will aid them in the disposal of their surplus in the world market. The compulsory control provisions of the bill before us will surely destroy the world market and pile up huge quantities of wheat in this country to further depress the price.

If the amendment to strike compulsory control is adopted, the wheat farmers will receive the same benefits under a voluntary program as provided in the Soil Conservation Act.

Mr. FERGUSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is the first time I have taken the floor on this farm bill. I represent a district that is probably in the first 10 in the Nation in the production of wheat. I have counties that in years past have produced more wheat in a single county than half the States in the United States. I have tried to sell myself on this marketing quota for wheat, but try as I will, I can find no single benefit that can be derived from it for my wheat farmers.

In the first place, the argument that the imposition of a quota will reduce production is absurd. The Secretary does not impose the quota until the acreage is already planted. The wheat is planted and then on May 15, if the Secretary of Agriculture has previously determined, we have more wheat than we can consume and export, he says, "You made a mistake and planted too much wheat and now the Department of Agriculture is going to impose a penalty on you for planting that wheat."

How is this penalty arrived at? I took my slide rule and made the necessary calculations to find out how the Secretary of Agriculture arrived at a conclusion under this quota basis, and finally taking the 10-year average of the acreage in Oklahoma, I determined that approximately four and a half million acres would be assigned to that State. Figuring our State average at 11.5 bushels, I find that our normal production would be 51,000,000 bushels. If you reduce this by the 20 percent anticipated, it gives us a quota of 40,000,000 bushels. The national crop is now at 990,000,000 bushels. Therefore, according to the advocates of this bill, the quota would be in effect, and this year in Oklahoma we would have 22,286,000 bushels of wheat subject to a penalty of 15 cents per bushel.

You may say that the farmers of Oklahoma should pay this $3,342,000, which would be the amount of the penalty. If he does not desire to pay the penalty, he has the choice of storing the wheat. You cannot store wheat on the farm, you have to send it to the elevator, and what is the cost of storing wheat? One cent a bushel a month, and if he carries it over to the next crop, as he undoubtedly would have to do if the quota were in effect, he would be taxed 12 cents storage on his carry-over.

He has a choice of a 15-cent penalty or a cent a month storage. How a Congress can consider this quota, which is an admission of the fact that you are penalizing the farmer, taxing him into keeping his surplus, as something that would raise the price of wheat after the experience of the Farm Board, I cannot understand. It is recognized by the Department of Agriculture the day that the Secretary of Agriculture invokes the quota that a surplus exists. If it is on his farm, it is there, if it is in the elevator, it is there, held over the market, to depress the price, and the wheat farmers of my district would not be in favor of this legislation. I am glad to have had this opportunity to support the very intelligent amendment offered by the gentleman from Nebraska [Mr. COFFEE], that strikes out all of the quota provisions in reference to wheat in this bill. With that out of the bill the fact that they attempt to regulate freight rates, the fact that they attempt to extend the activities of the Surplus Commodities Corporation, makes it a good bill.

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

Mr. KLEBERG. Mr. Chairman, I move to strike out the last word. I rise in support of the amendment of my colleague from Nebraska [Mr. COFFEE] to strike out the compulsory provisions of the bill as they apply to wheat. Last year at the windup of the session our committee had had under consideration a bill which was a white mule, just like the compulsory features of this bill happen to be. White mules you know according to tradition are not supposed to die from natural causes. In some way or other that mule was led around the block and brought back with a few spots of paint on it and sold as a paint mule, without possessing any advantages over the mule when not painted. The white mule was turned down for various faults and defects this same year some time ago, and now we are buying a painted mule with service-connected disability that happens to be that identical white mule, though with a few spots of paint on it, and it has been given a part in what would otherwise

have been a reasonably though temporarily successful piece of farm legislation, and without adding other than a white mule of another color to it.

Mr. Chairman, a peculiar situation exists at this moment. In discussing the penalty provisions of this bill, it happened to be my province the other day to call the attention of the House to the many new gymnastics essential for Congress to go through to put the quota provisions into effect. First of all, Congress has to take off its hide, something that is part of it, its power to regulate commerce, to make these quota provisions apply. It delegates this power of which it cannot divest itself to the Secretary of Agriculture. That is the first thing and we know Congress cannot do that. We then do a cartwheel or something by attempting to divest ourselves of a power which we do not have, and then attempt to vest that nonextant power in the Secretary of Agriculture, permitting him under certain conditions and following certain trends—trends, mind you, undefined—to indulge in legislation which affects the control of production, arriving at exactly the same unconstitutional end complained of by the Supreme Court when it reviewed and finally nullified the Agricultural Adjustment Act.

Let us not kid ourselves, when we drift from the position which this Nation has occupied for years under a representative government into a condition where we lapse into autocratic and bureaucratic control, which we must do if we follow the quota provisions set up in this bill. We are by our action here today under the quota provisions of this bill instituting a process which will result in dooming representative government. Thomas Jefferson said not so long ago, and it appears in the Kentucky Resolutions, something which had to do with the present-day citizen's view with reference to what might be termed too implicit confidence in our public men. He said:

> It would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights. Confidence is everywhere the parent of despotism; free government is founded in jealousy; not in confidence. It is jealousy, and not confidence, which prescribes limited constitutions, to bind down those whom we are obliged to trust with power. Our Constitution has, accordingly, fixed the limits to which, and no further, our confidence may go. In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.

I make no unnecessary plea as to the patently unconstitutional provisions of this bill. Every member of this House, be he layman or lawyer, applying casual attention of his mind to the question, is bound to be confronted with the facts. Mr. Chairman, I can see no reason why Members of Congress from the sections which produce cotton, wheat, field corn, rice, and tobacco should vote to retain the compulsory quota provisions of this bill.

By so doing they are not jealous in the protection of the liberty of their farmer constituents and evince a willingness to saddle them with a useless white mule. A white mule who has been colored and whose only contribution would be his doubtful beauty and whose defects are known even to past generations who have discarded him.

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

Mr. HOPE. Mr. Chairman, the district which I represent produces more wheat than any other congressional district in the country. It has produced as much as 140,000,000 bushels of wheat in a single year. I have given a great deal of thought and study to the problem of wheat, and, in its essentials, it is the same as the cotton problem because in the case of each commodity you have one in which the price is based upon the world price, influenced by world supply, and yet you have the producers of those commodities buying in a market which is very largely a protected one.

I think the logical and fair solution in the case of each of these commodities is to frankly recognize the fact that we cannot protect them under our tariff system, that the producers thereof are discriminated against because of our tariff system, and that we should pay a subsidy out of the Federal Treasury, raised preferentially through a processing tax on the commodities involved, in order to equalize the lack of tariff protection. I think that is the soundest program that has been offered for both wheat and cotton. I do not believe it is sound to attempt to restrict our production of either of these commodities to the basis of domestic consumption. To do so in the case of cotton would be ruinous, and to do so in the case of wheat would involve adjustments which at the best would be extremely hard to make, and which would have repercussions in other lines of agricultural production because it would require a shifting of acreage to other crops.

I have found it very difficult to support a measure which included any provision for marketing quotas, yet I have asked myself this question a great many times since the matter of marketing quotas has been under discussion: "What will we do in this country in connection with the wheat problem the first time we have 1,027,000,000 bushels of wheat as a year's total supply?" That is what we are going to have. It is almost inevitable. We will probably have it next year. We will certainly have it the year following, unless we have a crop failure or a yield very much below normal. When we reach that stage of supplies, it is my opinion that the farmers of this country will be demanding something a great deal more drastic than a provision for marketing quotas. I know that many farmers in my district at this time are opposed to what they refer to as compulsory control. I do not know whether they have in mind marketing quotas or whether they have in mind some compulsory control over production, but I am very firmly of the opinion that whenever we reach that stage where our total supply is over 1,000,000,000 bushels, with a price level that will inevitably follow a supply that large, my farmers are going to favor marketing quotas.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. PHILLIPS. Mr. Chairman, I take the floor at this time, not to make any speech, not to voice any opinion, but to put a few questions out on the air, so to speak, because there may be others like myself who are open-minded on this subject and wish to be enlightened.

First of all, I am sure there are many, like myself, who do not believe, as a philosophy, in an economy of scarcity. But even admitting that we are facing a condition and not a theory, even admitting that it may be necessary to adopt an economy of scarcity to meet the condition at the time, here are some of the questions that we wonder about:

First of all, the practicality of a national election—and that is what it is—on wheat, on corn, on cotton, on rice, and on tobacco. A day or two ago I raised the question on the floor as to such an election. Would it be held locally, that is, two or three communities together? Would those communities be bound by the result and other communities not be bound? The gentleman from Washington [Mr. LEAVY] asked the question, and he was told by the chairman of the committee that there would be national elections, the farmers of Maryland, our neighbors, for instance, being bound by what the farmers of Kansas and Texas voted. Is that wise? Some of us would like to know.

Also, we would like to know, assuming the bill is passed, how can you store grain on farms under seal? Is an inspector going to put his seal on every slat of a corncrib or on every board of a wheat bin? How can that proposition be worked out practically?

Lastly, are we wise in passing farm legislation that is not definitely, intimately, and delicately geared with legislation affecting tariffs, wages, and hours?

Mr. Chairman, I yield back the balance of my time.

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

Mr. DIRKSEN. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, this is my maiden observation on the pending farm bill, but may I suggest, even though it is unpleasant to suggest it, that history runs in deadly parallels. The gentleman from Nebraska, irrespective of the merit or lack of merit of his amendment, is very essentially right when he says that whether you impound this wheat on the farm or

in terminal elevators, or any other place, it will be in the so-called national showcase, or reflected in the visible supply, and will have a tremendous overhanging effect on the market.

Stop thinking of wheat for a moment as so many wheat berries, and think of it in terms of flour. I used to be a baker. I always thought of wheat in terms of flour. Five bushels of wheat to a barrel of flour. One billion bushels of wheat, 200,000,000 barrels of flour. Three hundred 1-pound loaves to the barrel. Sixty billion loaves of bread. That is the way this wheat crop appeals to me.

Now, look at the parallel. Under Herbert Hoover we had the so-called Farm Board. They were given authority to go out and buy and sell wheat. They finally impounded 245,000,000 bushels of wheat. We are still liquidating that Board and trying to collect for wheat which it sold abroad. Divide that by 5 and it indicates the number of barrels of flour that the Farm Bureau controlled. Every time a flour salesman came into our place of business I said, "For how much can I get a barrel of flour or a thousand barrels or 5,000 barrels for 90-day or 120-day or 180-day delivery?" Do you know what he would say? He would say, "You tell me what the Farm Board is going to do and I will tell you what flour will be worth 90, 120, or 180 days from now."

The Secretary of Agriculture has authority to suspend the quotas. This means that while this wheat in the Wheat Belt farm, which is translated in terms of flour, may be stored on the farm or in elevators it is a threat and holds things in suspense. The overhanging supply helps determine the price wheat will bring. Under the Farm Board, the Board had authority to say when wheat should be released for the market. Under the pending bill, it is the Secretary of Agriculture who determines and suspends quotas. There is the parallel so far as overhanging supply is concerned.

You must think of the consumer back home who eats bread. This wheat, if processed into flour, would provide about one and one-third loaves of bread per day for every man, woman, and child in this country; certainly not too much. Put up the price too high, and what happens? They will go to macaroni and spaghetti made out of durums and semolinas; they will go to potatoes; they will go to sweet-potatoes. After a while your demand begins to recede, and then your price begins to go down. The overhanging supply is therefore a potent factor in determining the price of wheat, whether it is stored in John Jones' barn or in a Minneapolis, St. Paul, or Kansas City elevator. That is what is going to determine ultimately what price the wheat is going to bring, and it is only proper that the Committee should have this parallel recalled as it proceeds to vote on the amendment of the gentleman from Nebraska. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The gentleman from New York [Mr. WADSWORTH] is recognized for 4 minutes.

Mr. WADSWORTH. Mr. Chairman, not long ago I would have been astounded had I been told that within my lifetime, the Congress of the United States would pass legislation inflicting a penalty upon the farmer for selling more food than the Secretary of Agriculture said he could sell.

The amendment offered by the gentleman from Nebraska brings up just one simple question: Is liberty to be banished in America? I cannot conceive how any person conscious of the provisions of the Constitution of the United States can contend that Congress has the power to say to John Jones working his own acres that he cannot plant certain acreage to a certain crop as best fits his judgment, and that he cannot sell more than a certain number of bushels of his own produce from his own land save at the expense of a penalty, to be imposed in the form of a tax per bushel prohibitive in amount, or a fine, or imprisonment, as was attempted under the Potato Act.

Has Congress the power to do a thing of this sort to the farmer living on his own land? If so, then it may say to a manufacturer: "You shall not manufacture more than so many pairs of shoes." It may say to a tailoring establishment: "You shall not make more than so many suits of clothes."

If this power is extensible to a farmer under the Constitution—and that I deny—but if it is extensible to a farmer with respect to his wheat, and his corn, and his cotton, then it is extensible to every citizen of the United States who produces anything.

To my mind this bill spells Hitlerism in its fundamentals, for under it you propose to say to me: "Despite the fact that you are supposed to know what you are doing on your own land, we know better than you do; and you shall not make your living in the way you want to make it, you must do it in the way prescribed by Government." This is what goes on in Germany. The German farmer today—and they are but a step ahead of this bill—the German farmer today is told what he must plant. He must raise potatoes if the Government tells him to, and if he does not raise his potatoes effectively the Government displaces him and puts another man on his own land. We are marching in that direction with this kind of legislation. [Applause.]

[Here the gavel fell.]

Mr. HOFFMAN. Mr. Chairman, I offer an amendment.

Mr. FERGUSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FERGUSON. Is there not an amendment pending?

The CHAIRMAN. The pending amendment is to strike out the title. The amendment offered by the gentleman from Michigan is to perfect the title. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOFFMAN: Page 50, line 9, after the word "committee", insert "not more than one of whom if said committee numbers more than two and not more than two of whom if said committee numbers more than three and no more than three-fifths of whom if said committee numbers more than three, shall be members or supporters or vote the ticket of any one political party."

The CHAIRMAN. The gentleman from Michigan is recognized for 3 minutes.

Mr. HOFFMAN. Mr. Chairman, the gentleman from New York [Mr. WADSWORTH] seems to be concerned with the question of whether this bill is constitutional. The question of the constitutionality of proposed legislation has not heretofore prevented its passage. This House, like the administration, seems to be possessed with the idea that it must do something whether the doing be good or ill. During the past few years Congress has passed a number of laws which were clearly unconstitutional. We have before us others which are clearly unconstitutional, which take away the power of the States, which give to the Federal Government and Federal Departments arbitrary authority over the everyday lives of the citizens. We have the legislative "itch" and nothing will cure it except the passage of additional laws. Enactment of legislation, regardless of its constitutionality, its workability, or its practicability, is the rule. We passed the capital gains tax legislation and the undistributed profits tax. We enacted a law giving us the processing tax. Millions were illegally collected, have never been refunded to the taxpayers and never will be. Still the motto hangs on the wall, "Legislate regardless of the consequences." Another depression, another crisis, some other emergency may distract the people's attention before they catch up with us.

My amendment is simply an attempt to make this bill, after you do pass it, a little less obnoxious to everyone.

Under the welfare act in our district, Republicans, in fact all who wanted to get on welfare, were forced to sign blanks which disclosed how much, if anything, they had contributed to the Democratic organization since 1932.

This bill is to be administered by a committee, elected in the district, but controlled by the Secretary of Agriculture. We do not wish this act to give the same opportunity to purchase votes by a distribution through the Department of Agriculture of substantial cash payments or enlargement of quotas. This amendment is for the purpose of making it possible to have the act legally administered by a nonpartisan as distinguished from a political committee. The

amendment does not require that a Republican be a member of the committee, but I would like to see the law so phrased that it would be possible, say, for a Progressive or someone who is not a New Dealer, to be a member of the committee.

That is why I offer this amendment. I will say to my friend LUCAS, from Illinois, who is giving me encouragement by his smile, he knows what our country over there is. He was over there with the soldiers.

Mr. LUCAS. Will the gentleman yield?

Mr. HOFFMAN. The gentleman would make a speech if I yielded to him. I would say to my friend from Illinois, and I know he personally would not take an unfair advantage, that we would like to have someone on the committee who is not a New Dealer, if there are to be more than two. The amendment I have offered provides for a nonpartisan committee. Is there anything wrong with that? Bear in mind, I am not asking to have a Republican put on there. I would not think of making that sort of request to anyone connected with the administration, but just to have on there someone who is not a New Dealer.

Mr. KNUTSON. The gentleman would be in favor of putting some Jeffersonian Democrats on the committee?

Mr. HOFFMAN. Yes; a Jeffersonian Democrat, or just a plain Democrat, but not all New Dealers. New Dealers, I have noticed, exclude Democrats as well as Republicans. They exclude everyone whose mind does not run along with the mind of the administration, that is, except when the Supreme Court interferes with their political vote buying. It would be only fair where the distribution of public funds is involved and where quotas are fixed and the question of whether a farmer has conformed or not is to be determined, to have those allotments made, those quotas fixed, the question of conformity or nonconformity decided by a fair and impartial committee, and that cannot be done and that will not be done where the law is administered by those who believe in regimentation, the control of the private lives of our farmers and their farms by the Secretary of Agriculture or his subordinates.

You Democrats who opposed the packing of the Supreme Court and were threatened with political execution, you, if any there be, who have set aside your own good judgment at the request of some bureaucratic chief or subordinate, you who day in and day out, week after week, month after month have followed without sign of revolt the orders, not only of the President but those issued by the various Departments, and who now find yourselves threatened with opposition in the next campaign by the administration or spokesmen for it, as some of the Senators who opposed the packing of the Court have been threatened, should have the situation in mind and for your own self-preservation as well as for other reasons, you should oppose this plan to strengthen the powers of the various Departments which at any moment may turn against and destroy you.

The arbitrary authority which you helped to create in these various Departments and which some looked upon with complacency when it was used to defeat Republicans will, in the next campaign, be used against men who believe in the principles of the Democratic Party and who have long served that organization well and faithfully.

[Here the gavel fell.]

Mr. REED of New York. Mr. Chairman, I am going to address myself for a few moments to the regimentation features of the bill and the pains and penalties to be imposed upon the farmers of this country.

This seems to be the year when we are celebrating the one hundred and fiftieth anniversary of the Constitution of the United States. A great many individual liberties are guaranteed in that document. There is not a man on this floor who does not know that once you begin the regimentation of any group in this country it is going to continue, and every man here knows from past experience that when you pass a bill with a few regimentation features in it, by the time the bureaucracy gets through with it, the principle is carried to the *n*th degree. Individual liberty is destroyed. You had that experience under the Blue Eagle. The Members who voted for the N. R. A. never expected they were going to impose the penalties and bear down upon the free citizens of this country as was done under that act.

May I illustrate how far these things go when some reigning power decides it ought to, for the general welfare, regiment its people. It is not so long ago in history that a bill comparable to this farm bill was passed and became law in Japan. The farmers were regimented down to the finest detail. Under that law a person who was assessed a hundred pounds of rice was forbidden to build a farmhouse exceeding 65 feet long. A farmer assessed 50 pounds of rice was held down to a farmhouse 46 feet long. He could not have an alcove in that house and the law prescribed that he could use only a certain quality of tile on the roof.

The man who had property assessed at 20 pounds of rice was restricted to a thatched roof and he could not have even the comfort of a mat on the floor of his house. They carried the detail down to the point where they regimented the farmers' wives under that bill and prescribed what they could wear. It even prescribed the type of hairpins she had to wear. They had to be wooden hairpins.

In every detail the farmer was regimented. He was regimented to the kind of clothes he could wear and the kind of dishes he could use on his table. What kind of a set-up did they have? Did they have a county unit? No; but they had almost the same set-up.

They simply organized the Japanese families into households of five or more; then there was a chief who was responsible to the higher power; in other words, the central authority. He was comparable to the county agent that we find in the pending bill.

They imposed very drastic penalties in that country, and these penalties were all applied to the farmers. They even went so far as not only to stop freedom of speech among the farmers but they prescribed by law what the farmers could not say and prescribed under certain conditions what he must say, even to exact words and phrases. Whether that was done to get the right answer on a referendum conducted by the then secretary of agriculture history does not reveal, but the fact remains all of these drastic regulations had a certain effect upon the national character of the Japanese.

Mr. Chairman, our farmers are not going to stand for any such regimentation program. It has been tried in past history. As the distinguished gentleman from New York [Mr. WADSWORTH] just stated, they are doing it now in Germany. All through history these things have been tried, and it has always meant the destruction of liberty. [Applause.]

[Here the gavel fell.]

CLASSIFICATIONS FOR WHEAT

Mr. CASE of South Dakota. Mr. Chairman, I rise to call attention again to one provision in the bill if the bill is agreed to and becomes law as written. We have section 333, which reads:

REGIONAL OR MARKET CLASSIFICATION

SEC. 333. The provisions of this part shall apply to wheat, but the Secretary is authorized after due notice and public hearing to interested parties to treat as a separate commodity any regional or market classification, type, or grade of wheat if he finds such treatment necessary in order adequately to effectuate the policy of this act with respect to such regional or market classification, type, or grade.

The importance of that provision, which should go even further in my estimation, is evidenced by the fact that it is not hard spring wheat but the soft winter wheats that create the surpluses, if any. The increase alone in the estimated production of winter wheat for 1937 is equal to one-third of all the spring wheat produced. The Department of Agriculture's summary as of November shows these figures:

	1928-32	1936	1937 (preliminary)
Wheat, all kinds	864, 532, 000	626, 461, 000	886, 895, 000
Winter (of above)	623, 220, 000	519, 013, 000	688, 145, 000
Spring (of above)	241, 312, 000	107, 448, 000	198, 750, 000
Durum spring (of above)	53, 687, 000	8, 175, 000	28, 335, 000
Other spring	187, 625, 000	99, 273, 000	170, 415, 000

These figures show that normally, spring wheat is something over one-third of winter wheat in production. And hard spring wheat is the choice flour wheat. But this year, although we have a supply above normal on the total of all wheat, spring wheat provides less than one-fourth of the total supply. They show that while winter wheat is 10 percent above the average years from 1928 to 1932, spring wheat is 16 percent below the 5-year average.

If a marketing quota is applied to wheat as a whole, the burden of the soft wheat surplus will fall in multiplied violence on the hard-wheat producers.

When we have a drought, it is the hard spring wheat that suffers. Look at the figures for 1936. While winter wheat was down 16 percent from normal, spring wheat as a whole was down 55 percent. And durum was down 80 percent.

The wheat growers in the Dakotas feel that durum should be eliminated from the wheat classification as a whole and that separate classifications should also be made for other wheats according to market and regional trade customs.

The matter is of national importance. Under the idea of the ever-normal granary, what wheat will be put in the granary? The surplus of soft wheat or good hard flour wheat? There never has been an overproduction of hard spring wheat, and in the national interest, it should have a separate classification so that the burden of a surplus in the soft wheats would not create a desperate shortage.

As stated by an editorial in the Dakota Farmer:

> To provide the ever-normal granary with bread wheat, its production must not be decreased.

Five classification have been suggested as proper for allotment purposes:

1. Hard, red spring wheat.
2. Durum wheat.
3. Hard, red winter wheat.
4. Soft, red winter wheat.
5. White wheat.

I am sure that recognition of these facts prompted the inclusion of section 333 in the bill authorizing the Secretary to hold hearings and make separate classifications if he finds it necessary to effectuate the purposes of the act.

The people in my section would like to have an amendment providing that the Secretary shall make the proper classifications to treat the different kinds of wheat as separate commodities. The amendment they have suggested would direct the Secretary to hold the hearings and make a finding. May I ask the chairman of the Committee on Agriculture if he feels section 333 is such that the Secretary will take notice of a demand or of a given situation and call these hearings in order to make these classifications?

Mr. JONES. I think so. The objection to putting a direction in the bill for him to do that is the fact that in many years they will not need it and in other years they will. There is no use holding expensive hearings unless there is need for the hearings. I am sure the Secretary will hold hearings when the need is apparent.

[Here the gavel fell.]

Mr. JONES. I believe there is considerable misunderstanding about the purposes of this particular part. This does not in any way interfere with the normal flow of a normal crop of wheat, and does not contain any sort of production control. Provision is made in title II for loans. Without this part of title III we shall simply have soil conservation plus loans on a reasonable basis when there is about to be a price collapse. Only when there are more than a billion bushels of wheat on hand, including the production from that crop year, can the quotas be effective, and then only is less than one-third of the farmers who would be subject to such quotas do not favor the imposition of quotas.

Think back over previous years and recall what a supply of a billion bushels means in terms of prices. In 1931 we had in my section of the country a price of 18 cents per bushel for wheat. It would not be regimentation if you simply provide that when conditions reach such an absurd length the farmers, if they wish, may not do more than require a grower to hold off the market a certain percentage of his production.

Right in the Constitution, that they talk about, it is stated that Congress shall have the right to regulate commerce between the States. You talk about regimentation! When you enact a high-tariff system which takes care of the industrial wing of this country and then want to link with that a provision which will inevitably in the surplus years drive us back to 20-cent wheat you provide for regimentation of a far worse type than a provision which will enable the farmers to get a fair price for their products. I do not want to be regimented back to the dark days of 1931 and 1932. Do you?

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

Mr. JONES. No, I am sorry; I do not have the time.

We have here a very mild provision. We have the soil-conservation amendments, which I hope is sufficient to handle the whole situation, and I believe it probably will with the exception of perhaps 1 year in 10. However, when we reach the terrible situation where we have the loans, and we have the surplus supplies, and then a bumper wheat crop comes along, while we are selling all we can abroad—and we have a provision for the use of over $100,000,000 to do this selling abroad, even paying losses on such sales—if you vote to strike out this title and vote that the farmer must shoulder a weight of 20 or 25 cents a bushel, even though two-thirds of them want to impose quotas, then, in effect, you vote for a kind of regimentation that absolutely wrecks the whole farm population of this country. If you join with those who believe in the high-tariff system and are unwilling to go along with the philosophy even of the man who first advocated the high-tariff system, then you vote for a result which in the bad years will mean another price collapse, with its consequent destruction of farm purchasing power and eventual industrial collapse.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. HOFFMAN].

The question was taken; and on a division (demanded by Mr. BACON) there were—ayes 42, noes 87.

So the amendment was rejected.

Mr. PIERCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. PIERCE: Page 16, line 1, after the words "marketing quotas", insert "and allotment payments."

Mr. JONES. Mr. Chairman, this is an amendment to page 16. We have passed that section.

The CHAIRMAN. The gentleman is correct.

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

The CHAIRMAN. That section has been passed; therefore the point of order is sustained.

The Clerk will report the further amendment offered by the gentleman from Oregon.

The Clerk read as follows:

> Amendment offered by Mr. PIERCE: Page 44, line 3, strike out the words, "marketing quotas" and insert in lieu thereof the words "allotment payments."
>
> Page 50, strike out lines 18 to 25, inclusive.
>
> Pages 51, 52, 53, and 54, strike out entire pages and insert in lieu thereof the following section:
>
> "SEC. 337. (a) As soon as practicable following the close of each marketing year for wheat, the Secretary shall make allotment payments with respect to each farm upon which the acreage devoted to wheat during such marketing year is not in excess of the applicable acreage allotment for the farm: *Provided, however,* That, in accordance with regulations prescribed by the Secretary, reduced payments may be made for substantial compliance with such acreage allotment. The allotment payments shall be at the rate of 15 cents per bushel of the normal production of the farm acreage allotment of wheat for such marketing year, but in no case shall the rate of payment per bushel exceed the amount by which the average parity price exceeds the average of prices received by farmers for wheat in the United States during such marketing year.
>
> "(b) The allotment payments provided for in subsection (a) of this section shall be made upon such terms and conditions, and in such manner, as the Secretary determines will carry out the policy of this title.
>
> "(c) Such payments may be made, subject to the consent of the farmer, in the form of wheat, in such amounts as the Secretary determines are equivalent to money payments at the rates set forth in subsection (a) of this section."

Mr. ROBERTSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROBERTSON. Is the only difference between this amendment and the Coffee amendment that the amendment of the gentleman from Oregon provides a 15-cent-per-bushel payment to the wheat farmer?

The CHAIRMAN. The Chair does not consider that a parliamentary inquiry. The Coffee amendment was to strike out the title.

The question is on the amendment offered by the gentleman from Oregon [Mr. PIERCE].

The amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. ANDRESEN of Minnesota) there were—ayes 77, noes 51.

Mr. JONES. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. JONES and Mr. COFFEE of Nebraska.

The Committee again divided and the tellers reported that there were—ayes 85, noes 76.

So the amendment was agreed to.

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

The Clerk read as follows:

Mr. BOILEAU moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Wisconsin moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The gentleman from Wisconsin is recognized for 5 minutes.

Mr. BOILEAU. Mr. Chairman, I call your attention to the fact that the Committee has just now taken action which, if followed with reference to the other commodities, would mean doing away with marketing quotas, and I presume that, certainly, if the Members of the House do not want marketing quotas on wheat, they do not want marketing quotas on rice, corn, tobaccco, and cotton, because as I gather the feeling here, there is a stronger sentiment against marketing quotas with respect to these other commodities than there is with respect to wheat. So I am assuming it will be the judgment of the Committee to strike out these marketing quotas.

If this be true there is nothing left in the bill that is not already provided for under existing law.

Bear in mind this bill has three or four different features. In the first place, we provide in the first part of the bill for certain amendments to the existing soil conservation and domestic allotment plan, but also bear in mind that there is not a thing that can be done, at least for the 1938 crop, under the amendments we propose in this bill that cannot be done under existing law. As a matter of fact, the Department of Agriculture has already submitted to the public the 1938 soil-conservation and domestic-allotment plan, and they tell the Committee that even if we do pass this bill, with the soil-conservation features as written into the measure, and with the proposed amendment that will be offered by the gentleman from Illinois [Mr. LUCAS], which amendment is now pending, and even if that amendment should be adopted, there is nothing in the bill, so far as the soil-conservation program is concerned, that can be done in 1938 or will be done in 1938 that cannot be done or will not be done under existing law.

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

Mr. BOILEAU. I am sorry I cannot yield now. If I get more time, I shall be pleased to yield to the gentleman.

I am offering this motion in all seriousness, and not as a pro forma motion. I submit that so far as soil conservation is concerned, there is nothing in the bill we need for this year. Secondly, we come to the loan provisions. We provide for loans, but the loans are not compulsory, and I submit to you that under existing law the Surplus Commodity Corporation can make the loans as provided in this bill. So we do not need the bill for that purpose.

What else is there left in the bill? Marketing quotas; and you have just taken action striking out the marketing quota for wheat, and I presume you will want to do the same thing with reference to the other commodities.

Mr. Chairman, I make this motion not as one opposed to a farm program. I am in favor of a farm program; but I submit that the Committee on Agriculture, of which I have the honor of being a member, has not presented a bill that meets the approval of the membership of this House. [Applause.] If we strike out the enacting clause here and now, rather than waiting 2 or 3 more days to recommit the bill, it seems to me the Committee on Agriculture will then know the attitude of the Members of the House, and we will go back into the committee and will work out a bill on a different theory and base it upon a different principle. We will take the bill introduced by Members on your majority side—the gentleman from Iowa [Mr. EICHER] and the gentleman from Oklahoma [Mr. MASSINGALE]—a bill, as I understand it, based on a different philosophy. It is a bill based on cost of production, and it brings up the parity price, too. As a matter of fact, I may say to the gentleman from Texas, who just made a suggestion to me, that he ought to be for such a program, because I do not know of any program which is more in harmony with the result which the gentleman advocated before the committee; and I appeal to you cotton people to let us get together on a program that will meet the wishes of the American people. The American people do not desire this type of program. They want a farm program, but they do not want this kind of program; and, in view of the fact that everything left in the bill can be done under existing law, we are not hurting anybody if we knock this bill into a cocked hat and send it back to the committee, and I know our committee will find a way of bringing back a bill here that will do justice to the American farmer. [Applause.]

Mr. JONES. Mr. Chairman, I am amazed at some of the statements of my good friend from Wisconsin [Mr. BOILEAU]. In the first place, a vote by about one-third of the membership of the House is not final by any means on an amendment. [Applause.] The gentleman then follows with the statement that there is nothing else in the bill. There is a tremendous amount of other things in the bill, even though the House should eliminate the wheat quota. In the first place, there is a provision for allotting acreage for soil conservation purposes on the tilled acreage basis, which practically all the farmers in every section of the country want. That would go out, and you see again what a jam we get in sometimes when we follow the wishes of a gentleman, like the gentleman from Wisconsin [Mr. BOILEAU], fine fellow though he is, who wants to wreck the bill, because he wants a particular thing. They have tried to correlate people who want a half dozen different types of bills. What he wants is the price-fixing bill. Somebody else wants the domestic-allotment plan, and so on, but there are other things in this bill. In the second place, we provide the domestic-allotment plan may be used. We also provide for the Secretary to make applications to the Interstate Commerce Commission and fight them through for adjustments in the discrimination against agriculture in freight rates. Certainly that should stay in the bill. We provide for a fund of $125,000,000 for widening the distribution of farm commodities and their products at home and abroad, making it the duty of the Secretary of Agriculture to use this fund. I think that is the most important provision in the bill. [Applause.]

I believe in the philosophy of selling all of the farm products and their commodities, both here and abroad, that can be sold at anything like a reasonable price. This bill is riven through, if you will turn over to the latter part of it, with provisions that stimulate an effort to broaden and widen the distribution of farm commodities, and I think that is a tremendously important provision. But as a matter of fact surely, surely, this Congress that can remember the days of 1931 and 1932, when the destruction of the purchasing power

of farmers brought down the business of America and left the smokestacks of industry rusting in idleness, will not be led astray by the gentleman from Wisconsin. Are you gentlemen, simply because you happen to be in a whim, going to vote to destroy any farm bill? The bill suggested by the gentleman from Wisconsin can never pass this House at this time. The time may come when it can, but when you talk about regimentation, when you fix the price and put everybody in jail or fine them for selling at a price below the fixed price, then you will have to have a tariff as high as Haman, and you will have to have a 12-cent tariff on cotton and go over, lock, stock, and barrel, to the philosophy that destroyed the export business of this country. Are you going to do that? I do not believe you will. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on the motion of the gentleman from Wisconsin that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The question was taken, and on a division, demanded by Mr. BOILEAU, there were—ayes 44, noes 142.

So the motion was rejected.

The CHAIRMAN. The clerk will read.

Mr. JONES. Mr. Chairman, in order to save time I ask that part 4 be read by title, and be inserted in full in the RECORD, and be subject to amendment at any point.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that part 4 be read only by title, and that amendments be offered to any part of the title. Is there objection?

Mr. ANDRESEN of Minnesota. Mr. Chairman, I reserve the right to object. Is it the purpose to discuss that and have amendments offered this afternoon?

Mr. JONES. I hope at least to have the perfecting amendments offered, but may not vote on any motion that may be made with reference to the entire title. I hope to get the perfecting amendments disposed of this afternoon.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk read the title.

Part IV is as follows:

PART IV—MARKETING QUOTAS—COTTON

LEGISLATIVE FINDINGS

SEC. 351. Excessive surpluses and violent fluctuations of supplies of cotton on the Nation-wide market are detrimental to the general welfare of the Nation. Excessive surpluses of such supplies destroy the income of cotton farmers, their purchasing power for industrial products, and the value of the agricultural assets supporting the national credit structure. Violently fluctuating supplies result in excessive prices to consumers and loss of markets by farmers.

In the absence of effective legislation, surpluses of cotton will accumulate and violent fluctuation of supplies will occur.

The general welfare requires that such recurring surpluses and fluctuations be minimized; that supplies of cotton adequate to meet domestic consumption and export requirements in years of drought, flood, and other adverse conditions, as well as in years of plenty, be maintained; and that the soil resources of the Nation be not wasted in the production of excessive supplies.

The conditions affecting the production and marketing of cotton are such that, without the exercise of Federal powers, farmers, individually or in cooperation, cannot effectively prevent the recurrence of such surpluses and fluctuations, maintain their incomes in a fair balance with the incomes of individuals other than farmers, maintain normal carry-overs of cotton, or provide for the orderly marketing thereof.

The marketing of abnormally excessive supplies of cotton materially affects the volume thereof in interstate and foreign commerce, disrupts the orderly marketing of cotton therein, reduces the prices for cotton with consequent injury to and destruction of such commerce, causes disparity between prices of such commodity and industrial products in interstate and foreign commerce with consequent diminution of the volume of such commerce in industrial products, and otherwise acutely and directly affects, burdens, and obstructs interstate and foreign commerce. The continuously operative provisions of this part are necessary in order to minimize recurring surpluses and fluctuations in the supplies of cotton; to provide for the maintenance of adequate reserve supplies and further the orderly marketing of cotton; and to maintain a fair balance between the incomes of farmers and the incomes of individuals other than farmers. The provisions of this part for the regulation of marketings by producers of cotton, whenever abnormally excessive supplies thereof exist, are necessary in order to maintain an orderly flow of cotton in interstate and foreign commerce under such conditions.

DEFINITIONS

SEC. 352. For the purposes of this part—

(a) "Cotton" does not include cotton the staple of which is one and one-half inches or more in length.

(b) "Marketing year" shall be the period from August 1 of one year to July 31 of the succeeding year.

(c) "Total supply" of cotton for any marketing year shall be the carry-over at the beginning of such marketing year plus the estimated production thereof in the United States during the calendar year in which such marketing year begins.

(d) "Carry-over" of cotton for any marketing year shall be the quantity thereof produced in the United States and on hand either within or without the United States at the beginning of such marketing year, not including any of the production thereof in the United States during the calendar year then current.

(e) "Normal year's domestic consumption" of cotton shall be the yearly average quantity of cotton consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption.

(f) "Normal year's exports" of cotton shall be the yearly average quantity of cotton produced in the United States and exported therefrom during the 10 marketing years immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

(g) "Normal supply" of cotton shall be a normal year's domestic consumption and exports, plus 40 percent of a normal year's domestic consumption and exports as an allowance for a normal carry-over.

(h) "National average yield" of cotton shall be the national average yield per acre of cotton during the 5 calendar years immediately preceding the calendar year in which such national average yield is used in any computation authorized in this part, adjusted for abnormal weather conditions and trends in yields.

(i) "Normal yield" of cotton for any farm shall be the average yield per acre thereof during the 5 calendar years immediately preceding the calendar year in which such normal yield is used in any computation authorized under this part, adjusted for abnormal weather conditions and trend in yields. If for any reason there is no actual yield, or the data therefor are not available, for any year, then an appraised yield for such year, determined in accordance with regulations of the Secretary, shall be used. If, on account of drought, flood, insect pests, or other uncontrollable natural cause, the production in any year of such 5-year period is less than 75 per centum of the average (computed without regard to such year), such year shall be eliminated in calculating the normal yield per acre.

(j) "Normal production" of any number of acres of cotton on a farm means the normal yield for the farm times such number of acres.

(k) "Actual production" of any number of acres of cotton on a farm means the actual average yield for the farm times such number of acres.

(l) "Marketed" shall be the disposition by sale, barter, exchange, or gift, or to be so disposed of; and the term "for market" means for disposition in any such manner.

(m) "Tilled acreage" shall be farm land which is tilled annually or in a regular rotation.

ANNOUNCEMENTS OF SUPPLIES AND ALLOTMENTS

SEC. 353. Not later than November 15 in each calendar year the Secretary shall ascertain and announce the total supply and the normal supply of cotton for the marketing year commencing August 1 of such calendar year and shall also ascertain and announce the national acreage allotment for the next succeeding calendar year.

NATIONAL ACREAGE ALLOTMENT

SEC. 354. The national acreage allotment of cotton for any calendar year shall be that acreage which the Secretary determines will, on the basis of the national average yield for cotton, produce an amount thereof adequate, together with the estimated carry-over from the marketing year ending in such calendar year, to make available a supply for the marketing year commencing in such calendar year equal to the normal supply. The national acreage allotment for any year shall not be less than 60 percent of the average acreage planted to cotton during the 10-year period ended December 31, 1932.

APPORTIONMENT OF NATIONAL ACREAGE ALLOTMENT

SEC. 355. (a) The national acreage allotment for cotton for each year shall be apportioned by the Secretary among the several States on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural conservation and adjustment programs) with adjustments for abnormal weather conditions and trends in acreage during the applicable period.

(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary to the counties and other administrative areas in the State. The allotment to any county or other local administrative area shall be apportioned annually

by the Secretary, through the local committee, among the farms within such county or area, on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the county or area. The allotment to any farm on which cotton has been planted during at least one of such years shall be that proportion of the farm acreage allotment which would otherwise be made which the number of such years bears to five.

(c) Two and one-half percent of the State acreage allotment shall be apportioned to farms in such State which were not used for cotton production during any of the 5 calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton; crop-rotation practices; and the soil and other physical facilities affecting the production of cotton.

(d) Two and one-half percent of the State acreage allotment (plus any amount of the State acreage allotment not apportioned pursuant to subsection (c)) shall be apportioned in such State to owners, cash tenants, and fixed or standing rent tenants, operating farms to which an allotment of not exceeding 15 acres has been made under the apportionment of the allotment to the county or administrative area. Such additional allotment shall be made upon such basis as the Secretary deems fair and equitable.

(e) In determining allotments under subsections (b), (c), and (d), the Secretary shall also take into consideration the acreage on the farm devoted during such 5-year period to the production of any one or more of the following soil-depleting commodities: Tobacco, wheat, field corn, and rice.

(f) Notwithstanding any other provision of this section, if, for any reason other than flood or drought, the acreage planted to cotton on the farm during any calendar year is less than 80 percent of the farm acreage allotment for cotton for such year, the farm acreage allotment shall be 25 percent in excess of such planted acreage.

MARKETING QUOTAS

SEC. 356. Whenever the Secretary determines that the total supply of cotton, as of August 1 of any year, exceeds by more than 15 percent the normal supply thereof for the marketing year commencing on that date, the Secretary shall announce such fact not later than November 15 of such year, and marketing quotas shall be in effect during the marketing year beginning on August 1 of the next succeeding calendar year with respect to the crop of cotton grown in such calendar year. Cotton produced in the calendar year in which such marketing year begins shall be subject to the quotas in effect for such marketing year, notwithstanding that it may be marketed prior to August 1.

AMOUNT OF FARM MERKETING QUOTAS

SEC. 357. The farm marketing quota for any farm shall be an amount of cotton equal to the normal production or the actual production, whichever is the greater, of the farm acreage allotment for such farm. The penalties provided for in section 360 shall not apply to the production of any producer on whose farm the acreage planted to cotton does not exceed the farm acreage allotment for such farm.

REFERENDUM

SEC. 358. Not later than December 15 of any calendar year in which an announcement of farm marketing quotas pursuant to the provisions of this part has been made the Secretary shall conduct a referendum of all farmers who will be subject to such quotas to determine whether they favor or oppose such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, prior to the end of such calendar year, announce the result of the referendum, and upon such announcement the quotas shall become ineffective.

ADJUSTMENT OF FARM MARKETING QUOTAS

SEC. 359. (a) If, prior to July 1 in any calendar year, the Secretary has reason to believe that the farm marketing quotas announced with respect to the crop to be produced in such calendar year will prevent a supply of cotton equal to the normal supply from being available for marketing during the marketing year commencing in such calendar year, he shall cause an investigation to be made with respect thereto, in the course of which due notice and opportunity for hearing shall be given to interested persons. If, upon the basis of such investigation, the Secretary finds the existence of such fact, he shall announce the same forthwith and shall specify such increase in, or termination of, existing quotas as he finds on the basis of such investigation is necessary to make available for marketing during such marketing year a supply of cotton equal to the normal supply.

(b) If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national marketing quota for cotton should be terminated, he shall cause an immediate investigation to be made to determine whether the termination of such quota is necessary in order to effectuate the declared policy of this act or to meet an increased demand arising from such export demand or such emergency. If, upon the basis of such investigation, the Secretary finds that such termination is necessary, he shall immediately announce such finding, and thereupon such quota shall terminate.

PENALTIES

SEC. 360. (a) Any person who markets cotton from a farm in excess of the farm-marketing quota and any person who knowingly acquires cotton so marketed shall be subject to a penalty of 2 cents per pound of the excess so marketed, but not more than one penalty shall be collectced with respect to the same cotton.

(b) The penalties provided for in subsection (a) of this section shall be collected and paid in such manner, at such time, and under such conditions (either by requiring returns to be made and filed, or by stamps, coupons, tickets, books, tags, or other reasonable devices or methods necessary or helpful in securing a complete and proper collection and payment of such penalties or in properly identifying marketings which are free from penalties) as the Secretary may by regulations prescribe. The penalties provided for under subsection (a) of this section shall be collected under the direction of the Secretary and shall be covered into the general fund of the Treasury of the United States.

(c) The Secretary is hereby authorized to examine such books papers, records, accounts, correspondence, contracts, documents, and memoranda, the examination of which he has reason to believe is necessary to enable him to carry out the provisions of this part which are within the control of producers, warehousemen, ginners, common carriers, and persons engaged in the business of purchasing cotton from farmers.

(d) All information reported to or acquired by the Secretary pursuant to this section shall be kept confidential by the Department, except that such information as the Secretary deems relevant may be disclosed in a suit or administrative hearing involving the administration of this part.

PUBLICATION AND REVIEW OF QUOTAS

SEC. 361. The farm marketing quotas for cotton established for farms in a county or other local administrative area shall be made available for public inspection and may be reviewed in the manner provided in part VI of this title.

Mr. JONES. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: Page 58, line 10, strike out the word "five" and insert the word "ten."

Page 58, line 19, strike out "five-year" and insert "ten-year."

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: Page 58, line 18, before the word "or" insert "plant disease."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, a further committee amendment.

The Clerk read as follows:

Page 63, line 10, after the word "referendum" insert a comma and the word "by secret ballot."

The amendment was agreed to.

Mr. JONES. Mr. Chairman, a further committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. JONES: Page 63, line 5, after the period, insert: "The penalties provided for in section 360 shall not apply to the production of any producer if the production on his farm does not exceed 1,500 pounds of lint cotton."

Mr. JONES. Mr. Chairman, that is an amendment in which a great many Members are interested, who come from the cotton States. It is in accord with an amendment heretofore presented in the Bankhead Act by Mr. DOXEY. A number of Members have expressed an interest in an exemption, and this amendment is unanimously reported from the committee.

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

Mr. JONES. I yield.

Mr. RANKIN. Would the gentleman agree to an amendment to make that 2,000 pounds? That is only four bales. The trouble we had with the old Bankhead bill in the beginning was that you cut the quota of the small farmer down to where he could not make enough money to pay his taxes. I think the gentleman ought to agree to make this four bales instead of three.

Mr. JONES. When you consider the tenants and sharecroppers, there are 2,300,000 cotton farmers, and when you put this exemption at three bales, I think that is as far as you can go and have any program.

Mr. RANKIN. Suppose you made it four bales, that would still make all these individual farmers—I mean the people who do the actual work—raise less than 10,000,000 bales. If you make this three bales, evidently some of these tenants will raise a great deal more than that, and some of these men who own small farms and who owe debts on those farms and who have interest and taxes to pay cannot do so with three bales of cotton.

Mr. JONES. May I suggest that if you do that and destroy the program, you will find those who grow two or three bales much worse off, because you will have a price collapse if you do not have some sort of program. I think the committee has been quite reasonable in providing 1,500 pounds of lint cotton as an exemption. I hope the gentleman will not press that matter.

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

Mr. JONES. I yield.

Mr. FULMER. In addition to that, we have set aside 2½ percent of the total State allotment to give additional acreage to any farmer whose acreage does not exceed 15 acres.

Mr. RANKIN. But the trouble is if the Ford amendment should be stricken from the bill when we go back into the House, then you would leave this cotton allotted by counties, and the poor hill counties, where the farmers live who do their own work, would have their county quota cut down and the result would be that these small farmers would have their individual quotas cut down to where they could not raise enough cotton to meet their obligations.

The CHAIRMAN. The time of the gentleman from Texas [Mr. JONES] has expired.

Mr. RANKIN. Mr. Chairman, I rise in opposition. I wish to offer an amendment to strike out "1,500" and insert "2,000." I desire to address myself to that amendment.

The CHAIRMAN. Does the gentleman offer the amendment now?

Mr. RANKIN. Yes.

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

The Clerk read as follows:

Amendment offered by Mr. RANKIN to the committee amendment: In the last line, strike out "1,500" and insert in lieu thereof "2,000."

Mr. RANKIN. Mr. Chairman, this amendment I have offered simply means raising the quota of the small farmer from three bales of cotton to four bales. I would much prefer to see it raised to five bales, but I know from the attitude of the House that you would not be willing to go that far.

In offering this amendment, I am not questioning the Committee on Agriculture. I know that committee has done the best it could, but I have seen the effects of the first Bankhead bill, when they cut the acreage of the small farmers in the hill counties to the very minimum.

They are the men who have always diversified. The small farmer has always grown his own corn, or a large part of it. He has tried to raise his own hay, his own sorghum, and his potatoes and other things on which his family had to live. He is the man who ought not be disturbed at all. He is not the man who is overproducing cotton. It is the man on the large plantations, where they do not plant anything but cotton. Under the old Bankhead bill they cut those men, those small white farmers, down to where many of them could not raise enough cotton to pay their taxes. Many of them came to me with tears in their eyes and simply said they could not raise enough cotton to pay the taxes on their land and the interest on their debts. Many of them lost their farms, while the large planters profited at their expense.

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

Mr. RANKIN. I yield.

Mr. MAHON of Texas. I would say the average west Texas cotton producer produces at least 25 bales a year, on the average. Would not the gentleman's amendment tend to give the allotment all to the small farmers, and there would not be anything left?

Mr. RANKIN. No; it would not. But it would give the small white farmer a chance to live. This Government has asked these small white farmers to diversify, and now you propose to punish them for it. There are other sections of the country where they make 25 bales to the mule or the family, but as a rule they do not make anything else. Those people should not have a right to raise all the cotton, to the exclusion of the small white farmers who do diversify.

I submit that the man who owns his land, who lives on it, is worth more to this country, because of the fact that he does try to own his home and rear his family and pay taxes and maintain the community, than is the Negro tenant or the Mexican tenant, who does not try to own anything and who raises nothing but cotton.

I go further than that. This small white farmer, who raises a few bales of cotton each year, and who raises his own corn, his own hay, his own hogs, chickens, cows, potatoes, peas, and other diversified crops, and who pays his taxes and helps to maintain the community, is worth more to that community than the large absentee landlord who controls thousands of acres of rich land, works it with Negro or Mexican tenants, and raises nothing but cotton. They are the ones who drew these large payments of $50,000 to $100,000 a year under the old Bankhead bill while the small white farmer had his production reduced to where he could not survive.

He is the man who was penalized, and he is the man whose battles I am fighting when I ask you to adopt this amendment to permit him to raise at least four bales of cotton and not cut him down to where he cannot live and give it to the man with the large plantation that is never operated except by tenants, where they grow practically no corn, where they grow nothing on which to live, where they never have diversified, and probably never will. If we are going to do justice to the farmers of the country let us protect those little fellows who have been diversifying all the time, doing what this Government has asked them to do. Let us not penalize them by cutting their quotas so low that they cannot make a living.

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

Mr. RANKIN. I yield.

Mr. CRAWFORD. When the gentleman refers to 2,000 pounds, under the rules and regulations of the Department would that mean 2,000 pounds net or would they shave it down?

Mr. RANKIN. No; that would not be shaved down; that is 2,000 pounds of lint cotton.

Mr. CRAWFORD. Was it not shaved down under the Bankhead Act?

Mr. RANKIN. Yes; but we did not have this provision in the Bankhead Act. We ought to have a provision in this bill giving the small farmer the right to raise at least 2,000 pounds of lint cotton. That is on four bales. I can see no reason why we should not adopt this amendment and protect the little fellow who has been struggling all these years against all kinds of adversity trying to protect himself. I would like to see it increased to five bales, but I fear the House would not go with me. I am having so much trouble with this amendment.

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

Mr. RANKIN. I yield.

Mr. COOLEY. Mr. Chairman, does not the gentleman think that if we grant an exemption of 2,000 pounds, remembering that there are 2,300,000 farmers in the country, that it will wreck the program?

Mr. RANKIN. No; it will not wreck the program.

They need that much in order to live. We know all of them will not raise that amount, but some have to raise that much. Even if they did, that would only be 9,200,000 bales. Now, do you want to take it away from the little fellow and give it to the big planters with their tenants who never raised anything but cotton?

Mr. COOLEY. We have given them an exemption.

Mr. RANKIN. Yes; he has been given an exemption of three bales by the committee, largely as a result of the persistent efforts of my colleague from Mississippi [Mr. DOXEY], for which I know the small farmers of my State will be grateful.

But I think we ought to go further and give them an exemption of four or five bales apiece if we are going to pass legislation of this kind.

I want to congratulate the committee on the provision in the bill basing the acreage allotted to cotton on the amount of land in cultivation. That will at least insure the small farmer against discrimination as between him and his neighbors.

I wish that a plan could have been worked out to more equitably distribute the allotment as between counties in the same State so the large, black counties could not claim the lion's share over the small, white counties in the hill section.

I hope when we go back into the House for final passage of this measure we can vote out the Boileau amendment, which reads as follows:

And (except for lands which the Secretary determines should not be utilized for the harvesting of crops but should be permanently used for grazing purposes only) shall be further conditioned upon the utilization of the land, with respect to which such payment is made, so that soil-building and soil-conserving crops planted or produced on lands normally used for the production of cotton, wheat, rice, tobacco, or field corn shall be used for the purpose of building and conserving the fertility of the soil, or for the production of agricultural commodities to be consumed on the farm, and not for market. As used in this subsection the term "for market" 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 such terms shall not include consumption on the farm. An agricultural commodity shall be deemed consumed on the farm if consumed by the farmer's family, employees, or household, or by his work stock; or if fed to poultry or livestock on his farm and such poultry or livestock, or the products thereof, are to be consumed by his family, employees, or household.

Everyone knows that amendment is directed at the dairy industry in the South and West. Why should we penalize our farmers for diversifying—doing the very thing they have been urged by the Department of Agriculture to do for the last 40 years? Why try to wreck our small dairy farmers with an amendment of this kind?

I believe I represent more small dairy farmers than any other Member of this House from a Southern State. The farmers of my district are selling more than 1,000,000 pounds of milk a day. The district produces the best milk, the best butter, and the finest cheese to be found in the world. Our cattle are free from tuberculosis, they have no anthrax, Bang's disease, contagious abortion, or other maladies that are transmitted to human beings through the use of milk or milk products. Our soil is sufficiently saturated with iodine to prevent people who eat those dairy products from contracting the horrible disease of goiter, so prevalent in the State of the author of this vicious amendment.

If it is not eliminated from the bill, either here or in the Senate, or in conference, and this measure finally becomes law, there are methods by which our farmers can avoid its unjust penalties. There is usually a legitimate way to avoid the evil effects of a dishonest law or the penalties of an unjust regulation.

The vicious attitude toward the South that is constantly manifested by some Members of this body may be written into law or inserted by amendments of this kind, but they can never be enforced. Our farmers are not slaves. They do not have to sell their birthright for a mess of pottage.

There are ways in which our farmers can escape the penalties of this vicious amendment, and if it remains in the bill I shall take delight in informing the farmers in my district how to do it.

I demand justice, and not injustice, for the farmers I represent. [Applause.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to this amendment close in 3 minutes.

Mr. TARVER. Does the gentleman mean his amendment?

Mr. JONES. Yes.

Mr. TARVER. Mr. Chairman, I have an amendment, and should like 5 minutes in which to discuss it.

Mr. JONES. I will let the gentleman present it. Mr. Chairman, I modify my request to make the time 10 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the amendments offered by him and all amendments thereto close in 10 minutes. Is there objection?

Mr. TARVER. Mr. Chairman, I shall not object with the understanding that I may have 5 minutes within which to discuss the amendment I propose to offer. Otherwise I shall be obliged to object.

The CHAIRMAN. The Chair is not in position to give the gentleman any assurance in that respect.

Mr. TARVER. I shall then be obliged to object, Mr. Chairman.

Mr. JONES. I will be glad to have the gentleman take his time right now.

Mr. TARVER. With that assurance I shall not object.

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

There was no objection.

Mr. JONES. Mr. Chairman, I would like just a minute on the pending amendment.

The CHAIRMAN. The gentleman from Texas is recognized for 2 minutes.

Mr. JONES. Mr. Chairman, whatever the House may think about the provisions for marketing quotas, I hope they will not adopt the amendment offered by my good friend from Mississippi.

We cannot, here in Congress, control land titles or the handling of land so far as titles are concerned; the States have that privilege. There are 2,300,000 and some odd individual farmers when you consider the tenants and sharecroppers as part of the farm.

Now, there are some of those who do not grow three bales. Some of them grow only two bales. Some in the marginal areas grow only one bale. You will not help those fellows by raising this exemption to four bales. By adopting this amendment you will bring in a vast number of exemptions that would practically destroy the effect of the quota provisions. Let us have the quota provisions or not have them. If we are to have them, let us have them in something like a workable and real form.

May I say further there were no exemptions at first in the Bankhead bill. There was later inserted an exemption of not to exceed two bales. Here we have an exemption of all producers of every type who produce not to exceed three bales. The average of all producers is only about five and one-half and even this year it will not run much more than six bales. The normal production runs from five and one-half to six bales.

Mr. RANKIN. Will the gentleman yield?

Mr. JONES. I yield for a question. The gentleman had 5 minutes and I only have 2.

Mr. RANKIN. The gentleman talks about wrecking the program. As a matter of fact, my amendment would merely raise his own exemption from 3 to 4 bales.

Mr. JONES. Raising this would bring in a vast number, and it would not do anybody much good. If we are going to have a program, let us have a good program. If you do not want a program, vote it out entirely. That is your privilege.

Mr. Chairman, I hope the Committee will not agree to the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the Clerk's desk. I move to amend the committee amendment offered by the gentleman from Texas by inserting, after the word "producer", the words "whether owner, tenant, or sharecropper."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Georgia [Mr. TARVER].

The Clerk read as follows:

Amendment offered by Mr. TARVER to the committee amendment: After the word "producer", in the second line, insert "whether owner, tenant, or sharecropper."

Mr. RANKIN. Mr. Chairman, I ask unanimous consent that the committee amendment, as amended by the amendment just offered, may be reported without taking it out of the gentleman's time.

The CHAIRMAN. Without objection, the Clerk will report the committee amendment as amended.

There was no objection.

The Clerk read as follows:

The penalties provided for in section 360 shall not apply to the production of any producer, whether owner, tenant, or sharecropper, if the production on his farm does not exceed 1,500 pounds of lint cotton.

Mr. TARVER. Mr. Chairman, the Department of Agriculture by some sort of administrative legerdemain which I have never been able to understand, has construed the word "producer" not to include a sharecropper. The pending amendment as drawn by the chairman of the Committee on Agriculture will insure an exemption of three bales to landowners and to tenants, but not to sharecroppers.

The sharecropper, Mr. Chairman, is the man who works the land. The landlord furnishes the stock and utensils, and the sharecropper receives as his wages one-half of the crop produced, so far as cotton is concerned. Of course, he has to sell that cotton.

The chairman of the Committee on Agriculture, I think without having as thoroughly considered this matter as he might have done, is of the opinion that a sharecropper can sell any amount he desires from land cultivated by him without being subjected to any penalty, but the language of the section does not admit of that construction. It provides that any person who markets cotton from a farm in excess of the farm-marketing quota shall pay the penalty of 2 cents per pound.

Mr. COOLEY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does the gentleman understand that a sharecropper is given an allotment under this measure?

Mr. TARVER. Oh, no.

Mr. COOLEY. If he is not given an allotment, how can he be penalized?

Mr. TARVER. The tenant is not given an allotment, yet you include the tenant in this provision. The allotment is made to the farm. The only effect of your amendment, if it is proposed in good faith is that notwithstanding more than the acreage allotment to the farm may have been planted by the tenant or landowner he may proceed to market three bales of cotton from that farm without paying any penalty. I am saying if you have several tenants and sharecroppers on a farm and more than the acreage allotted to the farm is planted, it would be unfair to allow the tenants and landowner each to market up to 1,500 pounds of lint cotton from that farm and not allow the same privilege to the sharecropper. The amendment as drawn is a patent discrimination against the sharecropper, since the word "producer" is construed by the Department to include tenants but not sharecroppers.

Mr. MAY. Will the gentleman yield?

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

Mr. MAY. Is not a large proportion of the cotton produced in the South produced by sharecroppers and if they are exempted entirely, will that not upset the whole program?

Mr. TARVER. They are not exempted entirely or at all and that is the point I make. When an exemption is granted to the tenant, who likewise receives no allocation of farm acreage, the exemption, in fairness, ought to extend also to the sharecropper.

Mr. COOLEY. Will the gentleman yield?

Mr. TARVER. I yield to the gentleman from North Carolina.

Mr. COOLEY. Does not the sharecropper obtain his allotment from the landowner in the first instance?

Mr. TARVER. Yes, and the tenant does too. Why do you include the tenant without including the sharecropper? The allotment is made to the farm. The exemption is to the producer, which, according to the Department, does not include a sharecropper.

Mr. COOLEY. The tenant is not included in the section to which the gentleman refers.

Mr. TARVER. He is included in the committee amendment offered by the chairman of the gentleman's committee. I believe the gentleman is a member of the Committee on Agriculture. The language of the amendment, as I recall it, will be construed to mean, where it says "producer", the landlord or tenant. The Department of Agriculture has decided that a tenant is a producer, but a sharecropper is not a producer.

Mr. COOLEY. It means any person who has an allotment in the first instance. The sharecropper in the first instance has no allotment, so he is not subject to any penalty.

Mr. TARVER. Then the amendment offered by the committee does not amount to a flip of your finger. If you mean to exempt only three bales to each farm, you are not exempting anything so far as a large percentage of the farm population of the South is concerned. It would not amount to anything to the tenants and sharecroppers on any farm which will have a total acreage allocation upon which three bales of cotton can be raised, although there may be several tenants or sharecroppers, and the total acreage allotted to the farm might be so small that each tenant or sharecropper could not market even one bale of cotton. You are making a gesture here which means nothing unless it means that each one of those tenants and sharecroppers shall be allowed to market free from penalty at least three bales of cotton without regard to the acreage allotted to the farms on which they are located. If you are trying to have it mean anything else, you are trying to fool him, and you are presenting something here which is not in good faith a matter of relief for the tenant and sharecropper population of the South.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am entirely in accord with the purpose of the gentleman, but the whole marketing quota provision applies only to the producers who are operating the farms. The restriction is that the penalty provided in this part shall not apply to the production of any producer on whose farm the acreage planted to cotton does not exceed the farm acreage allotment of such farm.

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

Mr. JONES. I am sorry, I do not have the time.

Since this provision, the way it is construed in connection with other provisions of the bill, does not subject the sharecropper to any penalty, I fear if the sharecropper is covered by this provision he will be subject to a penalty when he exceeds the fixed amount. I fear such a provision will make the sharecropper subject to penalty.

The gentleman speaks of the tenant. The allotment to the producer is made to everyone who has a part of that farm, and the part of the farm controlled by the tenant is construed as a farm in itself. It is a unit. He is a renter. He has control of that farm. He is subject to the provision because he is a producer, in the sense in which the term is used here. While I believe the gentleman's purpose is proper, I fear his amendment might tend by implication to bring the sharecropper, who would not otherwise be subject to penalty, within the terms of the penalty provision. Further, if he could include the sharecropper, then a man could have all of his family included and get all kinds of exceptions.

Mr. FULMER. If the gentleman will yield, is it not a fact the allotment will be made to the landowner?

Mr. JONES. Yes.

Mr. FULMER. The landowner can allot to his sharecropper any amount of acreage?

Mr. JONES. Of course.

Mr. FULMER. He can grow any amount of cotton, and there will be no strings on him.

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

Mr. JONES. I yield to the gentleman from Georgia.

Mr. TARVER. According to the gentleman's construction of this amendment, if the landowner had several tenants on his farm and only 10 acres of cotton acreage allotted to him, let us say, he could not accord to such tenants three bales of cotton each, could he?

Mr. JONES. Yes; each one's land is construed as an individual farm.

Mr. TARVER. Then if the tenants are to be so construed, why not include the sharecroppers?

Mr. JONES. The sharecroppers are not subject to the penalty under the terms of the bill.

Mr. TARVER. Suppose there were five or six sharecroppers on a farm where only 10 acres, let us say, are allotted for cotton purposes. Does the gentleman mean the sharecroppers could market any amount of cotton they wanted to from that farm?

Mr. JONES. They could market any part of their cotton.

Mr. TARVER. But none in excess of that produced on the cotton acreage allotted to the farm. Does the gentleman mean to say they could go into the market and sell all the cotton they, the sharecroppers, produced?

Mr. JONES. No.

Mr. TARVER. Of course not.

Mr. JONES. They could market their part, but the landlord could not sell his part.

Mr. TARVER. They could not sell any part not produced on the farm acreage allotment.

Mr. JONES. Of course, they could not do so on an allotment. That is the allotment basis. The allotment is not made to the sharecropper, so he is not subject to the penalty.

Mr. TARVER. This amendment is supposed to allow them to exceed the allotment. If it does not do this, it is of no effect.

Mr. JONES. They do not have that allotment.

Mr. WHITTINGTON. Would the exemption cover the case of a tenant who pays a part of the proceeds of the crop for his rent, just as the sharecropper does?

Mr. JONES. He would be a tenant, then.

Mr. WHITTINGTON. Undoubtedly he is a tenant.

Mr. JONES. However, he would get his allotment. The allotment is made to him. Therefore, he would be subject to the penalty.

Mr. WHITTINGTON. May I remind the gentleman that under the Soil Conservation Act the allotment is made to the owner as the producer and not to the tenant who pays a part of the proceeds of the crop as rent. He is in the same position as the sharecropper, about whom the gentleman is talking.

Mr. JONES. The allotment is made to the farm.

Mr. WHITTINGTON. Of course, it is.

Mr. JONES. We changed that all the way through here. It is made to the farm.

[Here the gavel fell.]

The CHAIRMAN (Mr. COOPER). The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER] to the committee amendment.

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 14; noes 63.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now recurs on the committee amendment.

The committee amendment was agreed to.

Mr. JONES. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. JONES. Mr. Chairman, I have embodied in one amendment all of the amendments which were adopted in the provisions of Title I except the Ford amendment. I thought I would save time by offering them all together. I have made the following change in place of the Ford amendment. Instead of a local administrative area being permitted to be established by the Secretary of Agriculture, which could include more than one county, I have made one change, and this is the only change from the other amendment. I propose to make the apportionment to the counties and subdivisions of counties. "95 percent of the State acreage allotment shall be apportioned annually by the Secretary to the counties and minor civil subdivisions thereof." This would include townships or any other subdivision of a county, but would not enable them to include an area larger than the county. I believe this would accomplish all of the purposes of the Ford amendment without any of its handicaps. The trouble with the Ford amendment is that it would upset the machinery a good deal and give certain counties an advantage.

Mr. RANKIN. That language was used in the bill before the Ford amendment was adopted, was it not?

Mr. JONES. No; we had "local administrative area," which might include several counties. This was one of the objections which the gentleman from Mississippi [Mr. FORD] made.

I am perfectly willing for the committee to take action, but I thought I would save time by including all these matters in one amendment. If the gentleman wants to offer his amendment as an amendment to the amendment——

Mr. RANKIN. Let me say to the gentleman from Texas that I realize the Ford amendment——

Mr. JONES. This does not affect the Ford amendment in the general provisions.

Mr. RANKIN. But the committee ought to go further than they have gone. They ought to make some concession to protect the hill farmers of these States against having all the quota or an overwhelming majority of it go to the larger plantations. We need some protection and I don't think we are getting it under this bill.

Mr. JONES. I think that is exactly what we are doing. We put allotments on a tilled-acreage basis and all the way through the provision we allow the inclusion in the allotment of the acreages taken out under previous adjustments.

Mr. RANKIN. But you give us no credit for those counties that have diversified all along.

Mr. JONES. Oh, yes; that provision is in here.

Mr. RANKIN. Let us hear it read.

Mr. JONES. On the tilled-acreage proposition, "in determination allotments to farms under subsections (b), (c), and (d), the Secretary shall," and so forth.

We have that in the other provision also,

> The Secretary shall also take into consideration the acreage diverted under previous agricultural-adjustment and conservation programs and the acreage on the farm during such 5-year period to the production of any one or more of the following soil-depleting commodities.

If you want to go back to the provision on allotment to the counties——

Mr. RANKIN. There is where the trouble comes in, I will say to the gentleman.

Mr. JONES. The language with respect to that is—

> The apportionment to the counties or civil subdivisions shall be made on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural-adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such 5-year periods.

Mr. RANKIN. Certainly; you simply penalize us for having diversified.

Mr. JONES. No; we give you additional acreage.

Mr. RANKIN. The counties are penalized for having so diversified.

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

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 60, strike out, beginning with line 16, down through line 3, on page 62, and insert the following:

"(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary to the counties and minor civil subdivisions thereof in the States. The apportionment to the counties or civil subdivisions shall be made on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such 5-year period. The allotment to any county or minor civil subdivision shall be apportioned annually by the Secretary, through the local committee, among the farms within the county or subdivision on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the county or subdivision. The allotment to any farm on which cotton has been planted during not more than 2 of such years shall be one-half of that which would otherwise be made. The allotment to any farm on which cotton has been planted during 3 of such years shall be three-quarters, and if planted during 4 of such years shall be four-fifths of the farm allotment which would otherwise be made.

"(c) Two and one-half percent of the State acreage allotment shall be apportioned to farms in such State which were not used for cotton production during any of the 5 calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the production of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton.

"(d) Two and one-half percent of the State acreage allotment (plus any amount of the State acreage allotment not apportioned pursuant to subsection (c)) shall be apportioned in such State to farms operated by owners, tenants, or sharecroppers to which an allotment of not exceeding 15 acres has been made under the apportionment of the allotment to the county or subdivision. Such additional allotment shall be made upon such basis as the Secretary deems fair and equitable.

"(e) In determining allotments to farms under subsections (b), (c), and (d) the Secretary shall also take into consideration the acreage diverted under previous agricultural adjustment and conservation programs and the acreage on the farm devoted during such 5-year period to the production of any one or more of the following soil-depleting commodities: Tobacco, wheat, field corn, and rice. In determining allotments under this section to farms on which during such 5-year period the cash income from cash crops other than cotton was greater than the cash income from cotton and cottonseed, the allotment that would otherwise be made shall be appropriately reduced according to ratios fixed by the Secretary representing the current relative values per acre or per unit of cotton and such other commodities. In making such adjustment due consideration shall be given to current trends in the uses to which the farm is devoted. Notwithstanding any other provision of this section, the acreage allotment apportioned to any farm under this section shall not exceed 60 percent of the tilled acres thereon."

Mr. RANKIN. Mr. Chairman, I wonder if the gentleman from Texas would not agree to have these amendments printed in the RECORD and carried over until tomorrow so we may have time to look them over?

Mr. JONES. I may say to the gentleman that I have no particular objection to that, except these amendments are amendments we have already adopted, except the one amendment.

Mr. RANKIN. I understand that, but there are some very serious questions in reference to the one amendment.

Mr. JONES. I do not object to this amendment remaining pending until tomorrow, and I want to make the suggestion in this connection that my friend, the gentleman from Texas [Mr. KLEBERG], wants to offer a motion to strike out.

Mr. RANKIN. The gentleman could do that tomorrow.

Mr. JONES. And I want that motion to go until tomorrow, and so does the gentleman from Texas, and let us have any other perfecting amendments presented at that time and have just this particular amendment and a motion to strike out go over until tomorrow.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that further reading of amendments be dispensed with and printed in the RECORD. Is there objection?

There was no objection.

Mr. FORD of Mississippi. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FORD of Mississippi. I understood the Chair to propound a unanimous-consent request.

The CHAIRMAN. The Chair did, and there was no objection.

Mr. FORD of Mississippi. I was on my feet reserving the right to object.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. FORD of Mississippi. Reserving the right to object, I desire to offer a substitute or perfecting amendment, or an amendment to the amendment of the gentleman from Texas [Mr. JONES].

Mr. JONES. The gentleman would be permitted to offer that tomorrow.

Mr. FORD of Mississippi. I ask that it be printed in the RECORD.

The CHAIRMAN. Has the gentleman offered it yet?

Mr. FORD of Mississippi. I shall offer it when I am permitted to do so.

The CHAIRMAN. The gentleman may offer it.

Mr. FORD of Mississippi. I ask unanimous consent that it be printed in the RECORD.

The CHAIRMAN. Is there objection?

Mr. TAYLOR of South Carolina. Mr. Chairman, reserving the right to object, does that unanimous consent preclude all amendments except those enumerated by the Chairman?

Mr. JONES. No; we are going ahead with any other amendment. I wanted this to go over.

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

Mr. WHITTINGTON. Mr. Chairman, I reserve the right to object, but will that preclude the presentation of any other perfecting amendment?

Mr. JONES. No; I have just stated that any other amendment may be offered. This only provides that this amendment go over until tomorrow, and that the motion to strike out go over until tomorrow and that any other amendment be offered now.

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

There was no objection.

The CHAIRMAN. The gentleman from Mississippi offers an amendment and asks unanimous consent that its reading be dispensed with and that it be printed in the RECORD. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. FORD of Mississippi: Beginning with line 14, page 60, strike out all down to the period in line 1 of page 61, and insert in lieu thereof the following:

"(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary among the farms within the State on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the State."

Mr. WHITTINGTON. Mr. Chairman, I make the same request, and I offer the amendment with the same request.

The CHAIRMAN. Of course, the gentleman understands there cannot be three amendments pending at the same time. Is the gentleman merely asking unanimous consent to have his amendment printed in the RECORD?

Mr. WHITTINGTON. That is all that I am asking.

The CHAIRMAN. Without objection, it is so ordered.

The amendment referred to is as follows:

Whittington amendment: Page 59, line 8, strike out the period, insert a comma, and add: "excluding such acreage devoted to crops produced for market other than cotton."

Mr. KLEBERG. Mr. Chairman, I prefer the same unanimous-consent request that my amendment to strike out section 4 be printed in the same way.

The CHAIRMAN. The gentleman from Texas [Mr. KLEBERG] asks unanimous consent that the amendment that he is about to offer be printed in the RECORD. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. KLEBERG: Page 55, strike out part 4.

Mr. MASSINGALE. Mr. Chairman, I ask unanimous consent that an amendment which I proposed should be treated likewise.

The CHAIRMAN. The gentleman from Oklahoma presents a similar request. Is there objection?

Mr. JONES. Mr. Chairman, I reserve the right to object. After talking with my friend from Oklahoma, I think I have in the amendment the provision that he makes inquiry about, and I wish he would look over it with that in mind.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. MASSINGALE: Page 60, line 23, after line 22, strike out all of line 23 and all of line 24 down to and including the word "percentage" and insert the following:

"On the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural conservation and adjustment program) with adjustments for abnormal weather conditions and trends in acreage during the applicable period, which basis".

Mr. PACE. Mr. Chairman, I make a similar request to that of the gentleman from Texas, Mr. Kleberg.

The CHAIRMAN. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. PACE: Strike out the following portion of paragraph (e) of the committee amendment:

"In determining allotments under this section to farms on which during such 5-year periods the cash income from cash crops other than cotton was greater than the cash income from cotton and cottonseed, the allotment that would otherwise be made shall be appropriately reduced according to ratios fixed by the Secretary representing the current relative values per acre or per unit of cotton and such other commodities. In making such adjustment due consideration shall be given to current trends in the uses to which the farm is devoted."

Mr. HOBBS. Mr. Chairman, I make the same request with reference to four amendments which have been on the Clerk's desk all day.

The CHAIRMAN. Is there objection?

Mr. JONES. Mr. Chairman, I reserve the right to object. Are they amendments to the Ford amendment?

Mr. HOBBS. No; they have nothing to do with that.

Mr. JONES. If the gentleman has them ready, can we not get rid of them now? Has the gentleman got them ready so that he can offer them now?

Mr. HOBBS. Yes.

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

Mr. JONES. Mr. Chairman, I object. The gentleman from Alabama will withdraw his request.

Mr. HOBBS. I withdraw my request, Mr. Chairman.

Mr. GEARHART. Mr. Chairman, I make a similar request to include in the RECORD amendments I shall propose, to be offered tomorrow.

Mr. JONES. Are they amendments to the Ford amendment?

Mr. GEARHART. No.

Mr. JONES. I would rather have them offered today. For the present, I object to further offering of amendments until we dispose of what we can now.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. Whether Members will lose any of their rights to offer amendments if they do not ask the right to have them incorporated in the RECORD at this time?

The CHAIRMAN. They will not.

Mr. RANKIN. Mr. Chairman, I renew my request.

The CHAIRMAN. Will the gentleman again state his request?

Mr. RANKIN. My request was that the amendments be printed in the RECORD and that they be carried over until tomorrow.

Mr. JONES. I shall not object to the printing of any amendments that we do not dispose of this afternoon, but I do hope that all amendments that Members want to make to this cotton section may be made this afternoon and disposed of this afternoon, except the two to which I have referred.

Mr. RANKIN. Except the amendment you offered?

Mr. JONES. And the Ford amendment or any amendment to that amendment.

Mr. RANKIN. What about the Kleberg amendment?

Mr. JONES. And that one also. I included that. They both go together.

Mr. RANKIN. I confine my request, then, to those amendments.

Mr. JONES. I have no objection to any amendment to the pending amendment which I offered, or to the Ford amendment, which will be offered as an amendment to that amendment.

The CHAIRMAN. The Chair will state to the gentleman from Texas that permission has already been given to several Members to incorporate in the RECORD amendments that they propose to offer, which the Chair understands do not apply to the Ford amendment.

Mr. JONES. Members were talking to me, and I overlooked that. I would like to go ahead and dispose of them this afternoon as far as we can.

Mr. TAYLOR of South Carolina. Mr. Chairman, reserving the right to object, I would like to ask if that request is not inconsistent with the answer which the present incumbent of the chair made in response to the inquiry by the gentleman from New York [Mr. FISH].

Mr. RANKIN. No. It does not shut off anybody.

Mr. JONES. Are there any amendments pending?

The CHAIRMAN. There are. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. The gentleman from Alabama [Mr. HOBBS] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 59, line 15, at the end of section 353, change the period to a colon and add: "*Provided, however*, That in 1937 the Secretary shall perform the duties required of him by this section during the month of December."

Mr. HOBBS. Mr. Chairman, the plight of the cotton farmer today is due, in large measure, to the fact that we produced an eighteen and a half million bale crop in 1937, which, added to the carry-over, has given us a disastrous reduction in the price of that staple, until in spite of the 9-cent pegging loan, the price has dropped to 7½ cents, through the floor which that loan was supposed to provide. Why, in the face of that statement of fact, which is uncontrovertibly true, anyone could contend that the control provisions of this bill should not apply to the 1938 cotton crop is beyond my comprehension. Yet this bill does exactly that; as much so as though it had been expressed in haec verba.

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

Mr. HOBBS. Of course, I am delighted to yield to the distinguished chairman of the Committee on Agriculture.

Mr. JONES. There are a number of amendments pending. It does not look as though it will be possible to dispose of them this afternoon. If it is satisfactory to the gentleman, I would like to move that the Committee now rise, and give the gentleman his full 5 minutes tomorrow morning.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. JONES. Yes.

Mr. WHITTINGTON. That will not preclude the offering of additional amendments tomorrow?

Mr. JONES. Oh, no, no.

Mr. HOBBS. I will be happy to grant the distinguished chairman's request, and I will now renew my request, that the four amendments which I propose to offer be printed in the RECORD.

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

There was no objection.

The amendments are as follows:

Amendment offered by Mr. HOBBS: On page 63, line 16, at the end of section 358, change the period to a semicolon and add: "*Provided, however,* That marketing quotas for cotton for the year 1938 shall be announced by the Secretary within 10 days after this act shall have become a law, and within 30 days thereafter the Secretary shall conduct a referendum of all farmers who may be subject to such quotas, to determine whether they favor or oppose such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, within 30 days after the referendum, announce the result of the referendum, and upon such anouncement, the quotas shall become ineffective."

Amendment offered by Mr. HOBBS: On page 62, line 13, strike out the words and figures "by more than 15 percent."

Amendment offered by Mr. HOBBS: On page 64, line 23, strike out "2 cents per pound" and substitute in lieu thereof "75 percent of the purchase price."

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8505, had come to no resolution thereon.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 525. Joint resolution to make the existing appropriations for mileage of Senators and Representatives immediately available for payment.

EXTENSION OF REMARKS

Mr. HANCOCK of North Carolina. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD by including a letter which I wrote to a constituent in my district on the wage and hour bill.

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

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter from the Governor of the State of Vermont.

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

There was no objection.

Mr. RANKIN and Mrs. JENCKES of Indiana, by unanimous consent, were granted permission to revise and extend their own remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that, following the orders already agreed upon, on Thursday, my colleague from Massachusetts [Mrs. ROGERS] may be permitted to address the House for 15 minutes.

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

There was no objection.

THE FARM BILL

Mr. KELLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an amendment that I had not completed at the time permission was granted to others to print amendments in the RECORD. I have now sent the amendment to the desk.

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

There was no objection.

The amendment referred to follows:

Amendment offered by Mr. KELLER: Page 60, line 13, after the word "period", insert: "*Provided further,* That no State shall receive an allotment for any crop year beginning with the crop year 1938 of less than 5,000 bales of cotton, if during any 1 of the 10 crop years prior to the date of the enactment of this act the production of such State exceeded 5,000 bales."

PERMISSION TO ADDRESS THE HOUSE

Mr. ALLEN of Delaware. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

THE LATE HON. WILBUR L. ADAMS, FORMER MEMBER OF CONGRESS FROM DELAWARE

Mr. ALLEN of Delaware. Mr. Speaker, it becomes my solemn duty at this time to announce to the House the death of the Honorable Wilbur L. Adams, of Delaware. He died Saturday, December 4, and will be buried tomorrow, Tuesday, December 7.

Mr. Adams was a Member of this body during the Seventy-third Congress. He was a loyal Democrat, a staunch supporter of the Roosevelt New Deal. In the passing of Mr. Adams I have lost a true friend and my State has lost an upright and honored citizen.

Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD at a later date concerning the life and character of the late Mr. Adams.

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

There was no objection.

ENROLLED JOINT RESOLUTION SIGNED

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

H. J. Res. 525. Joint resolution to make the existing appropriations for mileage of Senators and Representatives immediately available for payment.

ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House adjourned until tomorrow, Tuesday, December 7, 1937, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Wednesday, December 8, 1937, at 10 a. m.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. CROSSER's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles.

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, trainlengths bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

878. A letter from the Acting Secretary of Navy, transmitting the draft of a proposed amendment to the bill

(H. R. 6703) to amend section 2 of the act entitled "An act to give wartime rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States," approved June 21, 1930, so as to prohibit persons who have been subsequently separated from the service under other than honorable conditions from bearing the official title and upon occasions of ceremony wearing the uniform of the highest grade held by them during their war service and for other purposes; to the Committee on Military Affairs.

879. A letter from the Secretary of War, transmitting the draft of a proposed bill for the relief of the estate of Raquel Franco, late of Panama City, Republic of Panama; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8432. A bill to provide for a flowage easement on certain ceded Chippewa Indian lands bordering Lake of the Woods, Warroad River, and Rainy River, Minn., and for other purposes; without amendment (Rept. No. 1653). Referred to the Committee of the Whole House on the state of the Union.

Mr. EDMISTON: Committee on Military Affairs. H. R. 8176. A bill providing for continuing retirement pay, under certain conditions, of officers and former officers of the Army, Navy, and Marine Corps of the United States, other than officers of the Regular Army, Navy, or Marine Corps, who incurred physical disability while in the service of the United States during the World War, and for other purposes; with amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 8021. A bill for the relief of Mrs. George Orr; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. McREYNOLDS: Committee on Foreign Affairs. House Resolution 364. Resolution requesting certain information from the President of the United States (Rept. No. 1651). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 7484) for the relief of Berthel Christopher; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7927) for the relief of Bertha Thompson Williams; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 4586) for the relief of Clark Wiley; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 7293) for the relief of the estate of John B. Brack; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8181) for the relief of James F. Johnston; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 8546) granting a pension to William W. Humes; Committee on Claims discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. GREEN: A bill (H. R. 8621) making appropriations for extending the market news service of the Department of Agriculture in the States of Florida, Georgia, and Alabama; to the Committee on Appropriations.

By Mr. BARRY: A bill (H. R. 8622) to abolish personal and deficiency judgments that have been taken by the Home Owners' Loan Corporation in foreclosures and to forbid the taking of said judgments in the future; to the Committee on Banking and Currency.

By Mr. BUCKLER of Minnesota: A bill (H. R. 8623) authorizing the State Highway Departments of North Dakota and Minnesota and the Boards of County Commissioners of Traill County, N. Dak., and Polk County, Minn., to construct, maintain, and operate a free highway bridge across the Red River of the North westerly of Neilsville, Minn.; to the Committee on Interstate and Foreign Commerce.

By Mr. MOTT: A bill (H. R. 8624) authorizing the Secretary of War to grant to the Coos County court of Coquille, Oreg., and the State of Oregon an easement with respect to certain lands for highway purposes; to the Committee on Military Affairs.

By Mr. MURDOCK of Utah: A bill (H. R. 8625) to grant the right to cut timber in national forests for the construction of a railroad from Craig, Colo., or from Springville, Utah, to Ouray, Utah, or to a point on Green River near Ouray, Utah, or from Craig, Colo., to Springville, Utah; to the Committee on the Public Lands.

By Mr. VOORHIS: A bill (H. R. 8626) to amend the Social Security Act, approved August 14, 1935; to the Committee on Ways and Means.

By Mr. WELCH: A bill (H. R. 8627) to fix the definition and application of certain terms used in the navigation and steamboat inspection laws with reference to the fishing industries and the vessels employed therein, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McGEHEE: A bill (H. R. 8628) to provide for the addition of certain lands to the Vicksburg National Military Park, in the State of Mississippi, and for other purposes; to the Committee on the Public Lands.

By Mr. TREADWAY: A bill (H. R. 8629) to repeal the undistributed profits tax, as of the taxable year 1937, to impose in lieu thereof a one-point increase in the normal tax upon corporations, and to restore the flat rate of 12½ percent tax upon capital gains; to the Committee on Ways and Means.

By Mr. JENKINS of Ohio: Resolution (H. Res. 373) authorizing an investigation of the National Bituminous Coal Commission; to the Committee on Ways and Means.

By Mr. McCORMACK: Joint resolution (H. J. Res. 526) to authorize the acceptance of title to the dwelling house and property, the former residence of the late Justice Oliver Wendell Holmes, located at 1720 Eye Street NW., in the District of Columbia, and for other purposes; to the Committee on the Library.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY: A bill (H. R. 8630) for the relief of Nikola Miskov; to the Committee on Immigration and Naturalization.

By Mr. CELLER: A bill (H. R. 8631) for the relief of Vincenzo Ferrero; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 8632) for the relief of Anton Goepel; to the Committee on Immigration and Naturalization.

By Mr. PETERSON of Georgia (by request): A bill (H. R. 8633) for the relief of the Georgia Marble Co.; to the Committee on Claims.

By Mr. SANDERS: A bill (H. R. 8634) for the relief of Jose Munden; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 8635) for the relief of Antonino Gioia; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Georgia: A bill (H. R. 8636) for the relief of W. F. Towson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3497. By Mr. CITRON: Petition of the Inter-Veteran Association, of New Haven County, New Haven, Conn., protesting against the activities of the German-American Bund as un-American and contrary to good citizenship; to the Committee on Immigration and Naturalization.

3498. Also, petition of the United Aircraft Post, No. 2096, Veterans of Foreign Wars, of East Hartford, Conn., requesting a congressional investigation of the German-American Bund, and that the citizenship of its members who are naturalized be revoked, and that its alien members be deported, for its un-American activities and the setting up of concentration and other camps inimical to the United States; to the Committee on Immigration and Naturalization.

3499. Also, petition of the Veterans of Jewish Faith. Department of Connecticut, protesting against the setting up of Nazi camps and the propagation of Nazi doctrines at these camps of the German-American Bund, and objecting to military drilling and preaching of disloyalty to America at these semimilitary camps; to the Committee on Immigration and Naturalization.

3500. Also, petition of the citizens of Southbury, Conn., in mass meeting assembled, asking Congress to investigate the creation of semimilitary Nazi camp, where youth of German extraction are taught Nazi doctrines and given military drill and inculcated with un-American activities, said camp being located at Southbury, Conn.; to the Committee on Immigration and Naturalization.

3501. By Mr. COFFEE of Washington: Telegrams in the nature of petitions of Tolt, Orillia, Enumclaw, Issaquah, and Auburn branches of the Seattle Milk Producers' Association, urging support of the Boileau amendment to the pending bill for the relief of agriculture; also the support of the Andresen amendment placing foreign dairy producers on the same basis as American dairy producers with respect to tuberculosis-free herds; and opposing the so-called wage and hour bill on the contention that such bill would increase the cost to the consumer and farm producer of the goods he buys; to the Committee on Agriculture.

3502. Also, petition of members of the Brotherhood of Locomotive Firemen and Enginemen, Northern Pacific Railway, praying for the enactment of Federal legislation fixing 40 as the maximum hours per week during which any railroad employee should be given employment, and pointing out that under the system now in vogue regular men may work the equivalent of 36 days a month freight service, 44 days passenger, 30 days yard service, and calling attention to the great hardship this works upon the men lower in the seniority list, and that it does not coincide with the President's injunction that private industry should take up the slack in employment; to the Committee on Interstate and Foreign Commerce.

3503. Also, petition of the United Mine Workers of America, District No. 10, praying for immediate investigation of activities of hired "goon squads" and exposure of the alleged racket in the coal industry in the State of Washington; to the Committee on Labor.

3504. By Mr. COLDEN: Resolution adopted by Local 64 of the National Federation Post Office Clerks, Los Angeles, Calif., favoring a straight 30-year compulsory retirement for all postal employees and opposing any and all bills in Congress to raise the age limit or extend the years of service of such employees; to the Committee on the Post Office and Post Roads.

3505. By Mr. CURLEY: Petition of Local 35, United Federal Workers of America, of Billings, Mont., endorsing House bill 8431, establishing a 5-day week; to the Committee on the Civil Service.

3506. Also, petition of the Army Base Local 43, United Federal Workers of America, endorsing House bill 8431 establishing a 5-day week in the Federal service and House bill 8428 to provide for a hearing and disposition of employee appeals from discriminatory treatment by supervisors in the Federal service; to the Committee on the Civil Service.

3507. By Mr. DONDERO: Petition of 100 citizens and bakers of the city of Detroit, Mich., protesting against the enactment of the crop-control program, containing so-called processing taxes, etc.; to the Committee on Agriculture.

3508. By Mr. LUTHER A. JOHNSON: Petition of Hon. Lewis M. Seay, county judge, and R. L. Nance, mayor of Thornton, Tex.; Jim Poindexter, mayor of Kosse, Tex.; Joe Clonts, commissioner; John Mackey, commissioner; Ike Kennedy, commissioner; Frank Burke, commissioner; Moffet and Leach, Big Hill, all of Limestone County, Tex., favoring continuing liberal appropriation for national and rural roads; to the Committee on Roads.

3509. Also, petition of Mrs. H. D. Beaumont, president, and Mrs. C. B. Thames, secretary, Hearne Shakespeare Club, Hearne, Tex., opposing reduction of Federal appropriations for highways; to the Committee on Roads.

3510. By Mr. KENNEY: Petition of Local No. 73, United Shoe Workers of America, calling for the passage of the minimum wage and maximum hours bill; to the Committee on Labor.

3511. By Mr. KRAMER: Petition of the Searchers Club, Jewish Community Center, Los Angeles, pertaining to segregation and discrimination practiced against Negro people; to the Committee on the Judiciary.

3512. By Mr. KEOGH: Petition of Samuel Knighton & Sons, Inc., New York City, concerning a processing tax on wheat; to the Committee on Agriculture.

3513. Also, petition of the Chamber of Commerce of the State of New York, concerning fix-freight rate making; to the Committee on Interstate and Foreign Commerce.

3514. Also, petition of the Chamber of Commerce of the State of New York, concerning specific recommendations on tax legislation to help business; to the Committee on Ways and Means.

3515. Also, petition of the Chamber of Commerce of the State of New York, concerning change in status of Army engineers; to the Committee on Military Affairs.

3516. Also, petition of the American Institute of Architects, Washington, D. C., concerning distribution of profits tax; to the Committee on Ways and Means.

3517. By Mr. MEAD: Petition of the Filomat Society of Buffalo, N. Y., expressing opposition to the crop-control proposal now pending in Congress; to the Committee on Agriculture.

3518. By Mr. O'NEILL of New Jersey: Petition of the New Jersey Chapter, American Institute of Architects, and New Jersey Society of Architects, on the proposed amendments to the National Housing Act; to the Committee on Banking and Currency.

3519. By Mr. PFEIFER: Petition of the American Institute of Architects, Washington, D. C., concerning the undistributed-profits tax; to the Committee on Ways and Means.

3520. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning legislation by Congress to fix freight rate making; to the Committee on Interstate and Foreign Commerce.

3521. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning tax legislation to help business; to the Committee on Ways and Means.

3522. Also, petition of the Chamber of Commerce of the State of New York, New York City, concerning change in status of Army engineers; to the Committee on Military Affairs.

3523. Also, petition of the Artists Union of America, New York City, concerning the Coffee bill (H. R. 8239) to estab-

lish a Department of Fine Arts; to the Committee on the Library.

3524. By Mr. QUINN: Petition of the Westinghouse Local, No. 601, United Electrical and Radio Workers of America, endorsing legislation program of the Committee for Industrial Organization: to the Committee on Labor.

3525. By Mr. RICH: Petition of the McKean County (Pa.) Pomona Grange opposing the Black-Connery labor bill; to the Committee on Labor.

3526. Also, petition of the Lycoming County (Pa.) Pomona Grange, No. 28, opposing the Black-Connery labor bill; to the Committee on Labor.

3527. Also, petition of the Pomona Grange, No. 30, of Tioga County, Pa., protesting against the passage of the Black-Connery labor bill or any similar substitute; to the Committee on Labor.

3528. By Mr. SHANLEY: Petition of the Inter-Veteran Association on the German-American Bund in America; to the Committee on the Judiciary.

3529. By the SPEAKER: Petition of the Junior Order of United American Mechanics, State Council of New Jersey, Trenton, N. J., regarding the appointment of a special committee of the Senate and House to investigate and determine, in their opinion, the origin and development of the stars and stripes flag; to the Committee on the Library.

3530. Also, petition of the National Social Security Protective Association of America, relating to taking care of citizens because of the failure of banks and building and loan associations; to the Committee on Ways and Means.

3531. Also, petition of the Council of American Mariners, New York, N. Y., concerning the Panama Canal tolls; to the Committee on Ways and Means.

SENATE

TUESDAY, DECEMBER 7, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

RUSH D. HOLT, a Senator from the State of West Virginia, 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 Monday, December 6, 1937, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

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

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

Mr. WHITE. I announce the unavoidable absence of my colleague the senior Senator from Maine [Mr. HALE]. My colleague is suffering from a slight cold, and, during these inclement days, it seems prudent that he should stay inside.

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

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

My colleague the junior Senator from Illinois [Mr. DIETERICH] is detained in Springfield, the capital of the State of Illinois, on official business.

The Senator from Connecticut [Mr. MALONEY], the Senator from Montana [Mr. WHEELER], and the Senator from Nevada [Mr. MCCARRAN] are necessarily detained.

I ask that this announcement go in the RECORD for the day.

Mr. BARKLEY. Mr. President, in addition to the announcement just made, I wish to announce that members of the Banking and Currency Committee are engaged in holding hearings on the housing measure.

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

PETITIONS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Frank White, of Atlanta, Ga., praying that an old-age pension of $30 per month be granted to ex-slaves, which was ordered to lie on the table.

Mr. LONERGAN presented resolutions of the Board of Selectmen of South Hadley; the Rod, Gun, and Revolver Club of Russell; the Holyoke Chapter of the Connecticut River Antipollution Association, and the Rod and Gun Club of East Long Meadow, all in the State of Massachusetts, favoring the enactment of the so-called Lonergan-Vinson bill, being the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, which are ordered to lie on the table.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. LODGE:

A bill (S. 3100) for the relief of Carl G. Lindstrom; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3101) to authorize the Secretary of War to grant a right-of-way for highway purposes upon and across Kelly Field, a military reservation, in the State of Texas; to authorize an appropriation for construction of the road and necessary fence lines; to the Committee on Military Affairs.

A bill (S. 3102) for the relief of the estate of Raquel Franco (with accompanying papers); and

A bill (S. 3103) for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama (with accompanying papers); to the Committee on Claims.

A bill (S. 3104) for the payment of claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

By Mr. O'MAHONEY:

A bill (S. 3105) to amend the Commodity Exchange Act, as amended, to extend its provisions to wool and other agricultural commodities traded in for future delivery; to the Committee on Agriculture and Forestry.

By Mr. DAVIS and Mr. GUFFEY:

A joint resolution (S. J. Res. 236) authorizing the President to invite foreign countries to participate in the ceremonies to commemorate the one hundred and fiftieth anniversary of the national ratification of the Constitution of the United States in Philadelphia, Pa., June 17 to 21, 1938; to the Committee on Foreign Relations.

AGRICULTURAL RELIEF—AMENDMENTS

Mr. MCADOO submitted an amendment and an amendment in the nature of a substitute, Mr. AUSTIN and Mr. POPE each submitted an amendment, and Mr. BANKHEAD submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in