Methodist Church, urging an early passage of Senate bill 860, to provide for the common defense in relation to the sale of alcoholic liquors to the land and naval forces of the United States and to provide for the suppression of vice in vicinity of military camps and naval establishments; to the Committee on Military Affairs.

2826. Also, petition of 25 residents of Slippery Rock, Butler County, Pa., deploring the sale and gifts of liquors to our boys in camps and in the Army, respectfully urging that the Members of Congress do everything in their power to prohibit its use in the Army and Navy and help honor mothers by assuring them that their boys will not become drunkards while answering their country's call; to the Committee on Military Affairs.

2827. By Mr. LECOMPTE: Petition of sundry citizens of Seymour, Iowa, urging cooperation with the Federal authorities in tightening law enforcement around military, naval, and other training camps and in joining a national defense movement against prostitution and liquor; to the Committee on Military Affairs.

2828. Also, petition of sundry citizens of Allerton, Iowa, in the interest of preventing the sale or gift of intoxicating liquors, including beer, to soldiers and sailors in uniform; to bring about the discontinuance of the sale of beer in Government commissaries; to create dry zones around military and naval establishments; to set up dry zones around industrial establishments in which airplanes, ships, tanks, arms, and equipment must be produced with the utmost precision and speed for the support of the armed forces; to the Committee on Military Affairs.

2829. Also, petition of sundry citizens of Eldon, Agency, and Ottumwa, Iowa, deploring the use of sugar in the making of alcohol to be placed near the Army and Navy camps of our boys in service; to the Committee on Military Affairs.

2830. Also, petition of sundry citizens of Mount Ayr, Iowa, in the interest of preventing the sale or gift of intoxicating liquors, including beer, to soldiers and sailors in uniform; to bring about the discontinuance of the sale of beer in Government commissaries; to create dry zones around military and naval establishments; to set up dry zones around industrial establishments in which airplanes, ships, tanks, arms, and equipment must be produced with the utmost precision and speed for the support of the armed forces; to the Committee on Military Affairs.

2831. By Mr. MARTIN of Iowa: Petition of Rev. Lester H. Bill, pastor of the Methodist Church, Crawfordsville, Iowa, and the people of the Methodist Church, urging the prohibiting of liquor and prostitution around our Army and Navy camps and cantonments; to the Committee on Military Affairs.

2832. By Mr. ROLPH: Resolution of the Motion Picture Projectionists of San Francisco, supporting postal employees bill (H. R. 6486); to the Committee on the Post Office and Post Roads.

2833. By Mr. WOLCOTT: Petition of 124 citizens of St. Clair, Mich., urging enactment of Senate bill 860; to the Committee on Military Affairs.

2834. Also, petition of 64 citizens of Harbor Beach, Mich., urging enactment of Senate bill 860; to the Committee on Military Affairs.

2835. Also, petition of 22 citizens of Bloomfield and vicinity, Huron County, Mich., expressing interest in Senate bill 860 and urging its enactment; to the Committee on Military Affairs.

2836. Also, petition of 34 residents of Sandusky, Mich., urging the enactment of Senate bill 860; to the Committee on Military Affairs.

2837 By the SPEAKER: Petition of W. G. Martin and J. Dale Curry, of Santa Ana, Calif., petitioning consideration of their resolution with reference to Senate bill 860, relative to the exploitation of the men in the United States Army and Navy; to the Committee on Military Affairs.

2838 Also, petition of the American Legion, Memphis Post, No. 1, of Tennessee, petitioning consideration of their resolution with reference to commissions in the armed forces; to the Committee on Military Affairs.

2839. Also, petition of the General Federation of Women's Clubs, Washington, D. C., petitioning consideration of their resolution with reference to appropriations for the Children's Bureau; to the Committee on Appropriations.

2840. Also, petition of the Pennsylvania Grocers Association, Philadelphia, Pa., petitioning consideration of their resolution with reference to price control; to the Committee on Banking and Currency.

SENATE

TUESDAY, MAY 19, 1942

(Legislative day of Friday, May 15, 1942)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Very Reverend A. J. Burggraff, C. S. P., Ph. D., superior of St. Paul's College, Catholic University of America, offered the following prayer:

Direct, O Lord, all our actions by Thy gracious inspiration and further them by Thy continual help, that every word and work of ours may from Thee begin and through Thee be brought to a perfect ending.

O God, to Thy almighty protection we commend our beloved country and particularly the Members of this legislative body who bear the grave responsibility of our Government in this universal crisis. At a time when pagan ideals prevail in other lands may this assembly become the instrument of Thy peace and love by adherence to Christian principles, that all men created to Thine own image and likeness may come to realize their divine dignity and true glory. Through Jesus Christ our Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, May 18, 1942, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Aiken	Chavez	Kilgore
Andrews	Clark, Idaho	La Follette
Austin	Clark, Mo.	Langer
Bailey	Connally	Lee
Ball	Danaher	Lucas
Bankhead	Doxey	McCarran
Barkley	Ellender	McFarland
Bilbo	George	McKellar
Bone	Gerry	McNary
Brewster	Gillette	Maloney
Brooks	Glass	Maybank
Brown	Green	Mead
Bulow	Gurney	Millikin
Bunker	Hatch	Murdock
Burton	Hayden	Norris
Butler	Hill	Nye
Byrd	Holman	O'Daniel
Capper	Hughes	O'Mahoney
Caraway	Johnson, Calif.	Overton
Pepper	Spencer	Vandenberg
Radcliffe	Stewart	Van Nuys
Reynolds	Taft	Wagner
Rosier	Thomas, Okla.	Walsh
Russell	Tobey	Wheeler
Schwartz	Truman	White
Smathers	Tunnell	Wiley
Smith	Tydings	Willis

Mr. HILL. I announce that the Senator from Kentucky [Mr. CHANDLER], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Iowa [Mr. HERRING], the Senator from Montana [Mr. MURRAY], the Senator from Utah [Mr. THOMAS], and the Senator from Washington [Mr. WALLGREN] are necessarily absent from the Senate.

The Senator from California [Mr. DOWNEY] is detained on official business in his State.

The Senator from Colorado [Mr. JOHNSON] has been called out of the city on important public business.

Mr. AUSTIN. The Senator from New Jersey [Mr. BARBOUR] is absent because of illness.

The Senator from New Hampshire [Mr. BRIDGES] is absent as a result of an injury and illness.

The Senator from Pennsylvania [Mr. DAVIS] is absent on official business.

The Senator from Massachusetts [Mr. LODGE], the Senator from Kansas [Mr. REED], the Senator from Idaho [Mr. THOMAS], and the Senator from Minnesota [Mr. SHIPSTEAD] are necessarily absent.

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

PETITIONS AND MEMORIALS

Petitions, etc., were presented and referred as indicated:

By Mr. AUSTIN:

The petition of Mark Sumner and sundry other citizens of Randolph, Vt., praying for the prompt enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

By Mr. CAPPER:

Petitions, numerously signed, of sundry citizens of Beloit and Bunker Hill, Kans., praying for the enactment of the bill (S. 860) to provide for the common defense in relation to the sale of alcoholic liquors to the members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments; ordered to lie on the table.

APPROPRIATION FOR HOUSING IN THE DISTRICT OF COLUMBIA—PETITION

Mr. BARKLEY. Mr. President, I ask consent to file with the Senate and have referred to the Committee on Appropriations a petition which has been handed to me today by a delegation of war workers in the District of Columbia, signed by 10,000 employees of the Government who are here engaged in war work in the various departments. They are petitioning Congress for the appropriation of the $50,000,000 recommended by the President and the Budget for housing in the District of Columbia for the benefit of war workers who have been brought here in this emergency.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

This petition was presented to me today by a group of very intelligent young people who are in the Government service. They could have gotten many more signatures to the petition if they had thought it necessary, but there are 10,000 names signed to the petition, all of them of war workers.

The VICE PRESIDENT. Without objection, the petition presented by the Senator from Kentucky will be received and referred to the Committee on Appropriations.

Mr. McKELLAR. Mr. President, I wish to say to the Senator from Kentucky that the Committee on Appropriations this morning recommended to the Senate an increase in the appropriation for housing for these workers to $25,500,000, which represents an increase of $13,500,000 over the appropriation of $12,000,000 made by the House.

In the second item relating to this matter, a $20,000,000 Budget estimate, the House allowed $17,500,000, and that amount was approved by the Senate committee. The report will be handed in this morning.

Mr. BARKLEY. I appreciate this action, and the increase over the House provision is gratifying. Yet that is about $8,000,000 short of what the President recommended.

Mr. McKELLAR. It is short by about that sum.

PROHIBITION OF LIQUOR SALES AROUND MILITARY CAMPS—MEMORIAL

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to present a memorial signed by 3,249 persons in the State of Wisconsin remonstrating against the enactment of Senate bill 860 and House bill 4000. I ask that the heading or body of the memorial be printed in the RECORD, and that the memorial be appropriately referred.

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

To the Congress of the United States:

Whereas certain bills (notably S. 860 and H. R. 4000) have been introduced into Congress "To provide for the common defense in relation to the sale of alcoholic liquors to members of the land and naval forces of the United States and to provide for the suppression of vice in the vicinity of military camps and naval establishments;" and

Whereas military authorities now possess all necessary power to control the sale of alcoholic beverages to members of the land and naval forces; and

Whereas certain sections of these bills are, we believe, unconstitutional; and

Whereas the control of alcoholic beverages and the control of prostitution are unrelated, and therefore ought not to be combined in one piece of legislation;

Whereas we believe the enactment of these bills into law would establish an unwise and dangerous precedent, and would be opposed to the general welfare of citizens of the several States and obstructive to the common defense of the United States:

We, the undersigned, citizens of Wisconsin, respectfully request that these bills be reported unfavorably.

PROHIBITION OF LIQUOR SALES AND SUPPRESSION OF VICE AROUND MILITARY CAMPS

Mr. REYNOLDS. Mr. President, I have received a letter from the pastors of three churches in Clarksville, Va., in reference to legislation dealing with the traffic in liquor and vice in the immediate vicinity of military camps. In accordance with their request, I ask unanimous consent that the letter be printed in the RECORD.

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

CLARKSVILLE, VA., *May 5, 1942.*

Hon. ROBERT R. REYNOLDS,
Chairman, Senate Military Affairs Committee,
Senate Building, Washington, D. C.

DEAR SENATOR REYNOLDS: We are writing you at the request of the congregation assembled at the Baptist Church, Clarksville, Va., on April 26, 1942. We are writing you not personally, but officially as the chairman of the Senate Military Affairs Committee.

The congregation assembled voted to request the Congress of the United States to pass Senate bill 860 (commonly known as the Sheppard bill), or similar protective legislation for our armed forces against the liquor and vice traffics similar to that enacted by Congress in 1917. The congregation also requested that you read this action on the floor of the Senate and have it incorporated in the CONGRESSIONAL RECORD.

Yours sincerely,

WM. J. CRAIN,
Pastor, Baptist Church,
FOREST H. MEAD,
Pastor, Methodist Church,
F. M. ALLEN,
Pastor, Presbyterian Church.
(All of Clarksville, Va.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BANKHEAD, from the Committee on Banking and Currency:

S. 2508. A bill to amend the Federal Farm Loan Act, as amended; to amend the Emergency Farm Mortgage Act of 1933, as amended; to amend the Federal Farm Mortgage Corporation Act as amended; and for other purposes; with amendments (Rept. No. 1353).

By Mr. McFARLAND, from the Committee on Indian Affairs:

S. 2369. A bill for the acquisition of Indian lands required in connection with the construction, operation, and maintenance of electric transmission lines and other works, Parker Dam power project, Arizona-California; without amendment (Rept. No. 1354).

By Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs:

H. R. 4533. An act to provide for the disposition of trust or restricted estates of Indians dying intestate without heirs; with amendments (Rept. No. 1355); and

H. R. 5484. An act for the relief of the Tlingit and Haida Indians of Alaska; without amendment (Rept. No. 1356).

By Mr. WALSH, from the Committee on Naval Affairs:

S. 2526. A bill to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (47 Stat. 322), as amended by the act approved June 20, 1939 (53 Stat. 849); without amendment (Rept No 1357)

By Mr McKELLAR, from the Committee on Appropriations:

H. J. Res. 308. Joint resolution making appropriations to provide war housing and war public works in and near the District of Columbia; with amendments (Rept. No. 1358).

AMENDMENT OF NATIONAL SERVICE LIFE INSURANCE ACT—CHANGE OF REFERENCE

Mr. GEORGE. Mr. President, yesterday the Vice President laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend subsection (3) of section 602 (d) of the National Service Life Insurance Act, as amended. By inadvertence the recommendation of the Veterans' Administration was referred to the Committee on Military Affairs. The National Service Life Insurance Act originated, respectively, in the Ways and Means Committee of the House of Representatives and the Finance Committee of the Senate, and the letter laid before the Senate yesterday relating to it should be referred to the Committee on Finance. I therefore ask unanimous consent that the Committee on Military Affairs be discharged from the further consideration of the letter, and that it be referred to the Committee on Finance.

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

BILLS INTRODUCED

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

By Mrs. CARAWAY:

S. 2541. A bill to incorporate the United States Army Mothers; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 2542. A bill for the relief of Samuel Jacobs, Bertha Jacobs, and Harry Jacobs; to the Committee on Claims.

By Mr. GEORGE:

S. 2543. A bill to amend subsection (3) of section 602 (d) of the National Service Life Insurance Act, as amended, and for other purposes; to the Committee on Finance.

PAY OF SOLDIERS

Mr. LEE. Mr. President, in today's Washington Post there appears a very good editorial on soldiers' pay, which seems appropriate at this time. It reads as follows:

SOLDIERS' PAY

We cannot possibly compensate the men in uniform for the type of service they are rendering. The simple fact is that few of the soldiers in our Army could be hired on a dollars-and-cents basis to shoulder a gun and go off to foreign lands to endure the terror of a blitzkrieg. They accept this responsibility for one reason only: their fighting strength is necessary to preserve the civilization of which they are a part. So, in large measure their compensation will be the blessings of peace and freedom which must be regained once more on the battlefield.

With this principle firmly established, however, rates of pay in the services ought to be adjusted to present-day realities. Prices have risen substantially since Congress last fixed the rates of pay for soldiers and sailors. Since the man in the ranks is provided with food, clothing, and shelter, he may in part escape the effect of rising prices. But a Government which has permitted substantial wage increases for workers who are not risking death for their country certainly cannot object to a reasonable increase in the pay of men at the front.

On the whole, the Senate bill providing a base pay of $42 for Army and Marine Corps privates and Navy and Coast Guard apprentice seamen seems to be preferable to the House bill raising this figure to $50. Congress would do well to remember that it must

still deal with the problem of aiding dependents of soldiers who have no other means of support. And the necessity of curbing inflation enters into every question of putting more dollars into the hands of consumers. Regarded from the viewpoint of the soldier, $50 a month is certainly not overgenerous. If Congress decides to go that far, however, it should resolve at the same time to reach a little deeper into the pockets of workers in civilian life to counteract the inflationary influence of so sharp an adjustment in service pay.

Mr. President, the Senate will soon be faced with the alternative of accepting the House action or sustaining our own, which provides for $42 a month, the House having voted $50 a month. It seems to me a good solution would be for the Senate to accept the House provision of $50 a month and make the additional pay of $8 a month payable to the soldier in the form of a war bond, which would certainly not add to the argument that it would increase inflation in the country. It would also provide an after-war soldier bonus which would absorb some of the after-war depression. It seems to me that would be a wise solution of the pay problem at this time.

MINUTE MEN OF FREEDOM—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Wisconsin and Upper Michigan Peninsula Youth Conference of the Salvation Army at Milwaukee, Wis., May 16, 1942, which appears in the Appendix.]

BUILDING FOR FREEDOM AND SECURITY—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an address delivered by him before the Upper Mississippi Valley Safety Conference on May 14, 1942, at Chippewa Falls, Wis., which appears in the Appendix.]

VICTORY THROUGH UNITY—STATEMENT BY SENATOR BURTON

[Mr. BURTON asked and obtained leave to have printed in the RECORD a statement made by him before the Council Against Intolerance in America at Cleveland, Ohio, May 16, 1942, which appears in the Appendix.]

APPRECIATION OF SENATOR BARKLEY—EDITORIAL FROM THE KENTUCKY POST

[Mr. SMATHERS asked and obtained leave to have printed in the RECORD an editorial from the Kentucky Post of Cincinnati, Ohio, in commendation of Senator BARKLEY, which appears in the Appendix.]

COMMENDATION OF CONGRESS BY FULTON LEWIS, JR.

[Mr. BILBO asked and obtained leave to have printed in the RECORD an excerpt from the broadcast of Fulton Lewis, Jr., on Friday, May 15, 1942, which appears in the Appendix.]

LIVING OFF THE FAT—EDITORIAL FROM CHICAGO TRIBUNE

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an editorial from the Chicago Tribune of May 11, 1942, entitled "Living Off the Fat," which appears in the Appendix.]

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 6709) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1943, and for other purposes.

The VICE PRESIDENT. The clerk will state the first committee amendment passed over.

The CHIEF CLERK. On page 80, line 15, after the word "the", it is proposed to strike out "provisions of this act" and insert "foregoing proviso."

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

Mr. RUSSELL. Mr. President, we now approach the amendment on page 80 of the bill, which relates to the disposition of the surplus commodities which are under the control or ownership of the Commodity Credit Corporation. All the amendments in this provision are necessary to effectuate the purpose which the committee has in mind. I do not think there could be any possible objection to combining the amendments and voting upon them all at one time, rather than having separate votes, because each of them will stand or fall by the action taken by the Senate on the others. I therefore ask unanimous consent that we may vote on the amendments en bloc.

The VICE PRESIDENT. Is there objection to the request of the Senator from Georgia? The Chair hears none, and it is so ordered.

Mr. RUSSELL. Mr. President, I move to amend the committee amendment commencing in line 23, page 80, by adding the following proviso: "*Provided further,* That no grain shall be sold for feed at a price less than 85 percent of the parity price of corn at the time such sale is made."

The VICE PRESIDENT. Does the Senator propose that as a committee amendment?

Mr. RUSSELL. I have conferred with all the members of the subcommittee, with one or two exceptions; I was unable to see them all. The committee report stated that what is proposed in the amendment to the amendment was to be the effect of the action of the committee, and the language I now propose merely expresses in the bill the understanding the committee had with the Commodity Credit Corporation as to the disposal of these commodities.

The VICE PRESIDENT. The Chair may understand, therefore, that the amendment is offered as a committee amendment?

Mr. RUSSELL. I do not like to offer it as a committee amendment when I have not consulted all the members of the committee, but I may say that it has been approved by a majority of the members of the committee. It is an amendment to a committee amendment, and I think it is therefore in order under the rules.

The VICE PRESIDENT. The committee amendment is open to amendment.

Mr. McNARY. Will the Senator yield?

Mr. RUSSELL. I yield.

Mr. McNARY. Is the word "grain" used in the amendment?

Mr. RUSSELL. The word "grain" is used in the amendment.

Mr. McNARY. That would include corn, wheat, oats, rye, and barley.

Mr. RUSSELL. The Senator is correct.

Mr. McNARY. At one time a question was raised in the committee, as I recall, that corn probably would not come under the term "grain"; but it is a term which is broad enough to include corn. That should satisfy those interested in the production of corn that this amendment places a floor under corn at 85 percent of parity.

Mr. RUSSELL. There could be no question as to that. Corn is defined as grain in the original Agricultural Adjustment Act.

The pending amendment and the proposed amendment thereto presented the most difficult question which the subcommittee was compelled to handle in dealing with this problem. It was particularly embarrassing to those of us who do not come from States which are in the commercial corn area, or States which do not produce considerable quantities of wheat for sale.

A number of conferences were had with practically all the Senators who represent States which are primarily agricultural States. A conference was called by the distinguished Senator from Alabama [Mr. BANKHEAD], who has been generally recognized as one of the great leaders in this body of those who are particularly interested in agriculture and the welfare of the farmer. Every effort has been made to work out an agreement or compromise which would be acceptable to all those whose constituencies are greatly affected by the action the Senate may take on this amendment. I regret very much that it has been impossible to come to a complete agreement or meeting of minds of all those who have a primary interest in this proposition, and it will therefore be necessary for the Senate to pass upon and decide the course to be pursued.

Mr. President, I shall now briefly outline some of the facts which were brought to the attention of the committee in its consideration of this question, as well as the effect which the language proposed by the committee will have. As pointed out by the Senator from Oregon [Mr. McNARY], the effect of the committee's amendment is to permit the sale of surplus corn and wheat for feeding purposes at a price not below 85 percent of the parity price of corn at the time the sale is made. It does not permit the sale of corn for any purpose other than feeding at below full 100 percent of corn parity. It may be said, however, that that pertains or relates only to the very small portion of the corn which is purchased in the United States. Approximately 90 percent of all the corn produced in this country is used for feed, and 75 percent of it is fed on the farm where the corn is grown. The amendment would not permit the sale of wheat for flour at a price below 100 percent of wheat parity, but would permit the sale of not exceeding 125,000,000 bushels of wheat at a price not below 85 percent of corn parity.

Mr. President, I will be frank and say that this proposal deviates in degree from the provisions of the bill which the Senate enacted some time ago, known as the Bankhead-Gillette-Thomas-Russell bill, which prohibited the sale of any of these farm products at below 100

percent of parity, but conditions have arisen and facts have been submitted since the consideration of that bill which have prompted me, and I am sure other members of the Senate, to view this matter in a slightly different light. We are confronted today with the greatest surplus of wheat that has ever been known in all our history. It is estimated that the carry-over of old wheat on June 30 will be over 630,000,000 bushels. In other words, the carry-over of wheat will amount almost to a full year's consumption of wheat within the United States. The crop of wheat now in prospect is unusually good, and, it is estimated, will yield approximately 800,000,000 bushels or more. That will give us in this country a total supply of wheat sufficient to meet all our domestic needs, as well as for the export of the same quantity of wheat that is exported in normal times, for more than 2 years. That wheat will be on hand. I hope Senators will bear that in mind, that there will be in this country a supply of wheat exceeding 2 years' normal requirements for domestic use and export, as the result of the crop which will be harvested this year.

Mr. President, the bald fact is that there is not any place in this country in which to store this amount of wheat. Production and carry-over are so great that all the elevators, the bins on the farm, all storage facilities available, are full today, and it will be necessary to leave a considerable amount of this wheat in the fields if some method cannot be found to dispose of it.

In normal times we may be able to preserve the principle of full 100-percent parity in the market place, and see millions of bushels of wheat go to waste in the fields, but in these abnormal times, in these times when we are proposing to be the granary of the world, when we are told that the country which has the surplus foodstuffs will be able to write the terms of the peace which will come after this awful war in which we are now engaged, it certainly seems to me that we cannot justify the economic loss and waste of perhaps 100,000,000 bushels of wheat if any possible way can be found to preserve it or to translate it into foodstuffs.

The Department of Agriculture has called upon the farmers for a tremendous increase in the production of pork and pork products, of dairy products, of poultry products, as well as of beef cattle. As I stated on the floor of the Senate the other day, in response to that call, and showing the patriotism of the farmers, there are 10,000,000 more hogs in this country today than there have ever been before. The average hog which is being marketed is larger and heavier than ever before. But even with the increase in pork production, with the increased production of vegetable oils which will result from acreage which will be devoted to peanuts and to soybeans, the country will face a very critical situation with respect to fats and oils if the war lasts for the next 2 years. Our source of supply of over 1,000,000,000 pounds of vegetable oil from the Orient has been cut off by the march of the Japanese Empire. The supply of oils, affecting not only the diet of the American people, but the production of soap and of many absolute essentials for waging war, is a matter which is causing very grave concern in Government circles today. Therefore, the Department of Agriculture is naturally interested in seeing that nothing is done which is likely to reduce the production of pork and squeezing out the hundreds of marginal pork producers who are able to produce pork at present-day prices of feed, and with the present price ceiling, but who would be eliminated if the price of feed were changed.

Mr. President, I wish to make another thing perfectly clear. While this amendment does present an abandonment of the parity concept in the market place as provided in the legislation enacted earlier this year, it does not represent an abandonment of the parity principle, because under the terms of this measure the corn farmer who sells his corn for 85 percent of parity will receive from the Federal Treasury a parity payment of 15 percent, and the corn farmer's income will not be diminished in any degree by virtue of the adoption of the amendment. It cannot result in any injury to him in the matter of income, because he will be paid from the Treasury a subsidy which will be sufficient to enable him to receive 100 percent of parity, and the only difference that is involved between the amendment and the principle which is represented by those who oppose it is as to where the corn farmer shall receive his income. If the amendment is defeated, he will receive his income in the market place for the sale of his product. That will result, we were told by the witnesses who came before us from the Department of Agriculture, in putting up feed prices to such a high level that it will have a very drastic effect on the program of increased production, and will not enable the Department to reach its goals. If the committee amendment is adopted, the prices of these grains for feed purposes only will be held at 85 percent of parity, and the corn farmer will receive a parity payment equivalent to 15 percent from the Federal Treasury.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. LA FOLLETTE. Is it also not a fact that the relationship, or the ratio, as it is sometimes called, between the various segments of the agricultural industry that are producing or purchasing corn for feed, is out of line? In other words, the ratio for feeding hogs, let us say, is about 12, as I understand.

Mr. RUSSELL. That is the normal. Today it is about 15. The Department is trying to keep it up as high as possible.

Mr. LA FOLLETTE. It is about 15 today, whereas for dairy products, for example, it is about 24, when it should be 30.

Mr. RUSSELL. The Senator from Wisconsin is correct. The same thing is true with respect to beef.

Mr. LA FOLLETTE. Yes. I certainly should not want to see any injustice done to the corn producers, but on the other hand, it seems to me that there should not be such an adamant adherence to a principle as to work an injury to certain portions of the food-for-victory program. It is partly this ratio, partly the lack of available labor, which is causing the dairy industry to fail to achieve the goal set out for it in the food-for-victory program. It has attained only about one-half of the increase which was set for it. I wish to repeat what I said before the committee, if the Senator from Georgia will bear with me, that that is not due to any lack of patriotism on the part of the dairy farmers. They are as anxious to reach these goals as are any other farmers. But if we disadvantage them by this ratio situation, and do not do something to relieve the labor problem, then we cannot blame the farmers for their inability to attain the goal they have been asked to reach.

Mr. RUSSELL. The Senator from Wisconsin has well stated one of the arguments which moved the committee to make this recommendation. Of course, if we permit the price of feed to increase and still further squeeze the farmers who produce beef or dairy products or pork, against the price ceilings which have been imposed, we will squeeze out many farmers, and thereby greatly reduce the production of these essential foodstuffs.

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

Mr. RUSSELL. I yield.

Mr. TAFT. On page 77 is the provision authorizing the Secretary to make full parity payments, which I understand applies to the 1942 crop. Can the Senator give us any estimate of what the additional appropriation for parity payments would be if the price of corn were held down, say, to 75 cents instead of 90 cents? Also, has any additional estimate been made for parity payments on wheat?

Mr. RUSSELL. Mr. President, as I stated yesterday, it would be a rank guess for anyone to undertake to predict the course of markets in such a time of economic upset. If corn should stay strictly at 85 percent of parity, and should not rise above it, my recollection is that the corn farmers would receive approximately $65,000,000 in parity payments to make up the difference between 85 percent of parity and 100 percent of parity. I do not have the figures before me, but I have them among my papers, and I shall be glad to get them during the course of my remarks. Despite the fact that wheat might sell for 85 percent of parity, the demand for corn might become so great that the market price of corn might be 95 percent of parity, and in that event the parity payments would be small.

Mr. TAFT. Will there also be a large parity payment for wheat? There is a much larger percentage of wheat sold, and I do not suppose it will be sold at anything like parity.

Mr. RUSSELL. I would not undertake to predict the course of the wheat market any more than I would that of the corn market; but present indications are that, without regard to the action taken on this amendment, with the present tremendous production of wheat this year, wheat will sell at considerably below parity. However, the Senator from Ohio must bear in mind that under the 85-percent loan any farmer who is pro-

ducing a basic commodity is entitled to take it to the Commodity Credit Corporation and obtain a loan of 85 percent of parity. So in no event could the parity payments amount to more than 15 percent of the parity price, whatever it might be, for the particular commodity. As everyone knows, the parity price of wheat is considerably more than the parity price of corn. The parity price of wheat is about $1.355 a bushel, whereas the parity price of corn is about 97 cents a bushel.

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

Mr. RUSSELL. I yield.

Mr. LUCAS. The observation which the Senator made with respect to the wheat farmer being able to obtain 85 percent of parity under the loan program suggests to my mind this consideration: As I understand, the warehouses and bins of the country are now full to overflowing. I wonder what the wheat farmer is to do with the crop which is coming on, so far as attempting to obtain a loan on it is concerned, if he cannot store it anywhere. That seems to be one of the great problems. I wonder if the Senator has anything to say about that.

Mr. RUSSELL. The Senator from Illinois submits a question which is a very persuasive argument in favor of the amendment. I stated earlier in my remarks that no public storage facilities are available today. Under the loan regulations of the Commodity Credit Corporation, I believe that the wheat farmer and the corn farmer are the only producers of basic commodities who are permitted to store on the farms. However, such a situation prevails that the wheat farmer cannot obtain priorities on material which would enable him to build storage bins. For that reason, the committee, in attempting to protect the interests of all concerned, has brought in a provision to dispose of 125,000,000 bushels of wheat, making room for the new crop, to enable the wheat farmers to obtain the benefit of the loan.

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

Mr. RUSSELL. I yield.

Mr. LUCAS. If I correctly understand the situation as it exists today with respect to the wheat which is in storage, if this amendment should become law, with the wheat crop which is now coming on, certainly there would be a surplus of wheat in corn communities, so far as feeding is concerned; and it seems to me that, as a result of the surplus wheat, corn would never have an opportunity to reach parity. I doubt if it would reach even 85 percent of parity.

We all know that the bins and warehouses of the country are full to overflowing with wheat which is now in storage. If this amendment should become law, it would mean that surplus wheat would be dumped into the corn districts.

Probably cattle and hogs constitute the greatest reservoir for feedstuffs. Hogs will eat wheat. I doubt if wheat is as good as corn for fattening hogs, but it is almost as good, and hogs will eat it. The wheat must go somewhere. It will be going into the Corn Belt, where there are many hogs and cattle. Considerable wheat is raised in my section of the country, but I cannot see any hope for corn if this amendment should become law. I do not think corn would reach even 85 percent of parity once the surplus wheat crop started pouring into the Corn Belt. I think we are penalizing the corn farmer for the benefit of the wheat farmer. I appreciate that it is a very difficult problem to work out. I want to see the wheat farmer obtain what he is entitled to, but I do not like to see the corn farmer penalized. He seems to be the only one who would be penalized if the amendment should become law.

I do not think there can be any argument against the proposition that the corn producer would suffer as a result of this amendment if we should permit the Commodity Credit Corporation to dump all the surplus wheat it could dump into the corn and hog area when no other market can be found for it. I make that observation in passing, because it seems to me to be pertinent.

Mr. RUSSELL. Mr. President, there are two ways of viewing this question. The corn farmer may suffer some reduction below 85 percent of parity, but it occurs to me that in an area where both wheat and corn are produced, this amendment would be a protection to the corn farmer. I say that because if the wheat farmer cannot dispose of his wheat in the loan because of lack of storage facilities, he will not stand by and see it rot on the ground. He will put it on the market, if necessary at 40 cents a bushel in order to realize something on it, and it will come into competition with other grains used for feed. Such a condition might have a much more disastrous effect on the corn market than disposing of it through the regular channels.

The Commodity Credit Corporation assures us that it is endeavoring to dispose of wheat for feed. Today wheat is being sold in areas where no considerable amount of grain for feed is produced. Up to the present time the wheat which has been sold for feeding has been shipped largely into the New England States, and it has been disposed of to the dairy industry.

I confess that it is impossible to put one grain in competition with another for feed without affecting both of them to a certain degree; but if it were done intelligently, and if the wheat were shipped into areas where there was no corn, the adverse effect on the corn market would certainly be less than would be the case if wheat were dumped wherever it happened to be produced.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK of Missouri. I appreciate the industry and devotion with which the Senator from Georgia has worked on this bill. Such industry and devotion always characterize his work on the agricultural appropriation bill. Let me ask the Senator from Georgia if it is not a fact that breaking the prices of agricultural commodities is the end in itself, rather than an incident in the disposal of surpluses? Is it not a fact that all the surplus grain now held or likely to be held by the Commodity Credit Corporation could be effectively utilized in the manufacture of alcohol, for example, to relieve the sugar shortage? Could it not be used in the manufacture of rubber? As I understand, the testimony before the subcommittee headed by the Senator from Iowa [Mr. GILLETTE], completely demonstrates the fact that all the surplus could be immediately used in the manufacture of synthetic rubber. We all know that it could be made into alcohol, which could be just as effectively used in the manufacture of munitions as alcohol made from sugar. Therefore I repeat the question. Does it not appear that the use of surpluses to overhang and depress the market at any time when that is deemed desirable in the opinion of some bureaucrat is the end and not the means in disposing of the surpluses?

Mr. RUSSELL. I cannot agree with that statement. As I have stated, I am trying to be as frank as possible, because I am representing the committee in presenting this amendment. I do not think that would necessarily be the effect. If the Senator from Missouri has any hope that any considerable part of the surplus of wheat can be utilized this year in the production of rubber, it is based on knowledge of facilities which the committee could not find.

Mr. CLARK of Missouri. It could be utilized instead of sugar in the manufacture of alcohol, could it not?

Mr. RUSSELL. It could be.

Mr. CLARK of Missouri. So far as I know, that statement has never been contradicted to this good day.

Mr. RUSSELL. It certainly has not; and I do not contradict it now. However, I say that the amount which might be used in the production of alcohol is not appreciable when we consider a surplus of 1,500,000,000 bushels of wheat. One hundred million bushels of wheat would make an enormous quantity of alcohol.

There are no factories today to transform wheat into rubber; and by the time we could get factories operating to make rubber out of wheat we should have suffered a tremendous economic loss in wheat which would go to waste in the fields. I do not know of any method of producing rubber which would enable us to use rotten wheat which has been in the field for a year. Today we are confronted by a real condition, and not a theory or a long-range program. The problem before us is to try to save 100,000,000 or 125,000,000 bushels of wheat which, according to the evidence presented to us, is likely to be a total economic loss to the country if some method of disposal cannot be found.

We cannot wait here until we can obtain priorities on steel for the building of factories in which this wheat or this corn may be used in the production of rubber. If we do, we shall lose this year's crop and this year's carry-over, both of which we are trying to conserve.

I may say that no Member of the Senate is stronger than is the Senator from Georgia in advocacy of the utilization for

the manufacture of alcohol as well as the manufacture of rubber of every bushel of corn and every bushel of wheat which can possibly be devoted to those purposes. I think that some persons have been derelict in their duty. I have not been able to study the situation with sufficient care to be able to put my finger on the weak point; but certainly there has been a weak point somewhere in this program, inasmuch as we have not already utilized our surplus grain in the production of alcohol. Apparently we are faced with a sugar shortage in this country, and a program of rationing sugar, which could have been averted if someone had devoted grain, rather than sugar, to the production of alcohol; but I do not think that argument is particularly conclusive on this amendment which, of course, would be in effect for only 1 year, and relates to only 125,000,000 bushels of wheat which cannot be utilized for the production of rubber or alcohol at the present time.

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

The PRESIDING OFFICER (Mr. SPENCER in the chair). Does the Senator from Georgia yield to the Senator from Mississippi?

Mr. RUSSELL. I yield.

Mr. BILBO. I was struck with the Senator's statement that with the close of this year's crop harvest we would have enough on hand in this country to meet the country's domestic requirements and the demands for export purposes for 2 years. Just what percentage of the normal crop of wheat will be absorbed by the lend-lease program? There will not be enough wheat to feed the whole world.

Mr. RUSSELL. Very little of this wheat will be absorbed by the lend-lease program. There is a very substantial reason for that. Our neighbor to the north, Canada, which is a part of the British Empire, averages a greater surplus than we have in this country; and, naturally, if a dominion of the British Empire can supply the wheat, we should not be likely to put it into the lend-lease program, nor would the British wish to receive it under the lend-lease program.

The only wheat which is being exported today is that which is being shipped to Russia, and that is very limited in amount. Some Russian ships have been loaded on the west coast and have taken their wheat directly to Vladivostok. Of course, we cannot ship there, because our ships would have to go through the Japanese-controlled waters; but Russia is still nominally at peace with Japan, and can ship directly from the west coast to the Siberian coast.

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

Mr. RUSSELL. I yield.

Mr. BANKHEAD. While we are on that subject, it may be well to remind the Senator that another possession of England—Australia—which is always one of the largest exporters of wheat, has surpluses comparable to our present surplus; and Argentina, the next largest exporter of wheat, is in a similar situation.

Mr. RUSSELL. Not only does Australia have a surplus, but in South America, as well, there are tremendous quantities of wheat. This war has, of course, stopped all the normal channels of transportation, and has prevented the shipment of wheat from the countries which ordinarily have a surplus, to those which ordinarily have a deficiency of wheat. Such a condition is not one which is limited to America alone. Canada has an enormous surplus—sufficient, as I understand, to feed the people of the British Isles for almost 2 years. Argentina has a great surplus. Argentina does not even have an 85-percent parity level; and any wheat available for purchase for export and shipment abroad could probably be bought today in Argentina at prices which would be ridiculously low even considering the 85-percent-of-parity level in the United States.

Mr. BILBO and Mr. BROOKS addressed the Chair.

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

Mr. RUSSELL. I yield first to the Senator from Mississippi.

Mr. BILBO. Let me ask the Senator where the 420,000,000 people of Europe and the Balkan States are getting their wheat?

Mr. RUSSELL. I regret that news from Germany and the occupied countries is very scarce; but I have been led to believe that the unfortunate people who have come under the unholy domination of the Fascist states are being denied almost the necessities of life, and have practically nothing whatever in the way of foodstuffs, or a mere pittance, scarcely sufficient to hold body and soul together.

I yield now to the Senator from Illinois.

Mr. BROOKS. Mr. President, I appreciate very sincerely the difficulty which has been presented by the surplus of wheat and the lack of further storage facilities; but I shall vote against the pending amendment, as I opposed this amendment in the committee, because I believe it marks the beginning of a definite penalty which will be imposed on the corn farmers of America. The chairman of the subcommittee has told the Senate that there are in the United States 10,000,000 hogs more than we have ever had before. Thus, with the prices of corn and wheat as they are now and with wheat and corn being sold at the present price for feed, there will be no retrogression at all in the production of hogs. There has been an increase in beef cattle, and this amendment, if agreed to, will in no way decrease the production of beef cattle. For the purpose of feeding dairy cattle and poultry, I believe the testimony will bear out the statement that pound for pound there is about the same value in wheat as there is in corn.

Mr. RUSSELL. That is correct.

Mr. BROOKS. If there is any urge for patriotic service on anyone's part, I think it should be a campaign on the part of the Government to say to the people of America that there has been a failure to utilize this great quantity of wheat, and urge its use in the development of poultry and dairy cattle, and not make it available to be sold in order to break down the structure of the corn farmer of America.

Certainly, the farmer is going to pay a great penalty as a result of this war, in view of the difficulty in getting farm machinery, the increased price of labor, the resistance on the part of the Government to have anything to do with the fixing of wages, the constant drain by industry pulling the young men off the farm, and the necessity the farmer faces of paying double the wages for less competent help.

I hate to see this process started, because under the blanket of war production and under the slogan "food for freedom" I fear the foundation will be torn from underneath the corn farmer of America.

I desire to emphasize, Mr. President, that if the pending amendment shall be agreed to, and we let this wheat be sold in competition with corn, knowing that the prices of both are going down, and knowing that the lack of facilities for shipping is the real bottleneck of America, I believe that the Senate should now inaugurate a special committee investigation to ascertain why we have not developed the machinery to utilize the farm products of America so as to make alcohol out of the grain of America, to produce synthetic rubber. The new uses of old products and new products of the farm would relieve the situation and would make this Nation self-sustaining, capable of spreading its benefits over all the world after this war shall have ended.

We shall be derelict, indeed, if we tear this foundation from under the corn farmer, and the wheat farmer, too, by continued operation without utilizing these commodities to help make the products with which to conduct this war.

Mr. RUSSELL. Mr. President, I cannot appreciate the argument of the Senator from Illinois about tearing any floor from under the prices received by the corn farmer or the wheat farmer, because I know of no law today that in any wise controls the prices at which the commodities in question may be sold by the Commodity Credit Corporation. As a matter of fact, the Commodity Credit Corporation is selling wheat today in the New England States and in the Northeast generally at a price which is equivalent to 85 percent of corn parity for feed; and we shall not be tearing out anything by agreeing to this amendment. On the contrary, we shall be establishing a floor for the benefit of the corn farmer at 85 percent of parity. The corn farmer does not have that protection today. Under existing law, he has absolutely no floor. The Commodity Credit Corporation, if that agency should so desire, could market corn tomorrow at 40 cents a bushel. There is not a word of law to the contrary; and I challenge the Senator from Illinois to point to a statute which in any wise controls the Commodity Credit Corporation in the disposal of these surpluses. There is no such law today; but if this amendment shall be agreed to there will be a prohibition against the sale at below 85 percent of parity, and to that extent protection will be afforded the corn producers.

I may say to the Senator from Illinois that I have never regarded any part of this amendment as being very effective, and that I thought this whole matter should be treated by means of general legislation. However, insofar as protection is concerned, the creation of a floor of 85 percent of corn parity will be the first time the Congress has made any expression whatever in a law passed by it which would limit the activities of the Commodity Credit Corporation with respect to the sale of these commodities.

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

Mr. RUSSELL. I yield.

Mr. BROOKS. I think the Senator from Georgia misunderstood me. I said that this is the beginning of the process of tearing the floor from underneath the corn farmer and the wheat farmer, because there is a policy of the Congress which has at least provided a theoretical floor or a theoretical goal which has resulted in pulling prices toward parity; but with the increased wages which are going to come and the increased cost of living which is going to come because of the scarcity of materials and the bidding for them in the country, and with the increase of other prices, I will state now that within 1 year we shall hear objections on this floor to paying parity prices to farmers. The farmer does not want the Government to pay parity prices to him. The farmer wants fair prices for his goods; he wants equal prices for his labor.

If the pending amendment be agreed to, it will start the process of lowering farm prices, and I say that within a short time we shall hear arguments on this floor to prevent Government parity payments to the farmers which will be necessary to keep the prices they receive within proper relationship to the income of the rest of the people of the country.

Mr. RUSSELL. I desire to say to the Senator from Illinois that if it becomes apparent that the necessary amount of money will not be available to pay the corn farmers the difference between 85 percent of parity and 100 percent of parity, I shall certainly be happy to join him in upsetting any plan or program which would permit the sale of these commodities for less than parity; but I do not anticipate that in the future the opposition to parity payments, particularly when they are made in connection with such a program as this, will be any more bitter than it has been in the past.

Mr. McNARY rose.

Mr. RUSSELL. I yield to the distinguished Senator from Oregon.

Mr. McNARY. Mr. President, I am pleased at the statement of the able Senator from Georgia. I think, perhaps, he overlooked the wisdom of placing emphasis on the categories in which these crops fall. Any farmer may obtain a loan of 85 percent of parity; or he is free to sell his corn or wheat at any price he chooses.

I may add further that we are not today dealing with free corn; we are dealing with corn that is owned by the Commodity Credit Corporation, of which there were but 66,000,000 bushels on the 1st day of May 1942, amounting to 5 percent only of the corn on hand in America on that date. In other words, on May 1, 1942, there were in corncribs and bins 1,400,000,000 bushels of corn, all of it free corn, that may be sold at any time the farmer desires at the price of the Government loan, or 85 percent of parity.

Of that amount of corn, 66,000,000 bushels only are controlled by the Federal Government, and the 66,000,000 bushels are less than 5 percent of the corn in the country in stock or invoices on the 1st day of May 1942. So we are dealing now with 5 percent of the corn, and that is all owned by the Government.

I did not favor the amendment proposed by the committee until today, when the able Senator placed a floor under corn and under wheat, which is about 85 percent of corn parity, or 84 cents a bushel.

The Commodity Credit Corporation has sold 72,000,000 bushels of corn owned by it since January 1 at 84 cents, which is exactly 85 percent of parity. They have now 66,000,000 bushels left. The floor now proposed will prevent that grain, corn or wheat, from being sold at less than 85 percent of the parity of corn.

I do not see now where the corn grower has very much to complain about. If this amendment shall be adopted, I think he will receive something he has not heretofore possessed by statutory law. The Commodity Credit Corporation may today sell corn for a nickel a bushel if it wishes to, but if this amendment shall be adopted it cannot sell corn at less than 85 percent of parity. It could today sell its own wheat at a nickel a bushel. After this amendment shall have been adopted, it cannot sell wheat for feed for poultry or for livestock or to the dairy interests at less than the parity on corn, which is 84 cents a bushel.

That is a new protection which the growers of corn and wheat will receive if this amendment shall be adopted. They would not have had that assurance had the amendment first reported been adopted. Since the able Senator has proposed this amendment I firmly believe that the growers and producers of corn will, under it, receive a new protection that has heretofore been denied them.

I have not much sympathy for those who would cling to the idea that the structure we have placed around the price of corn is going to be demolished. I think that structure has been fortified with a foundation of cement, and if those interested will quiet themselves and take this amendment as modified, I feel they will have greater assurance than they have ever had heretofore and that there can be no dumping of wheat at less than the parity price of corn at 84 cents a bushel, and there can be no dumping of corn at less than the parity price, which is a protection which does not exist today. After all we are dealing with only 5 percent of all the corn in existence in this country.

Mr. RUSSELL. Mr. President, I am very grateful to the distinguished and able Senator from Oregon for his observations. We all know that in his approach to any problem affecting any of the farmers of this Nation anywhere the Senator from Oregon is not only fair but he is recognized as an outstanding authority on all farm questions.

I had a notation here as to the amount of corn owned by the Government today; it slipped my mind to call it to the attention of the Senate, but had I done so I would not have expressed myself nearly so well as the Senator from Oregon has done. As he has well said, the Government today has control of only 66,000,000 bushels of corn, which is the entire amount it could sell at any price. Under existing law the Government could sell it for 10 cents a bushel. If the committee amendment should be adopted it would place a floor under the price of that corn which would prevent the Government from selling it below approximately 83 cents a bushel, which is 85 percent of corn parity. I appreciate the Senator from Oregon calling that matter to the attention of the Senate.

Mr. McNARY. Mr. President, I hesitate to encroach further upon the time of the able Senator from Georgia, although he is always generous; but I may say that the 125,000,000 bushels of wheat permitted to be sold for feed will go to the dairy, cattle, and poultry industries of the country, and the amount is infinitestimal compared with the 1,300,000,000 surplus which will be on hand on August 1 this year.

Let me remind the Senator from Georgia and other Senators that those three industries, the cattle industry, the poultry industry, and the dairy industry are the three industries in America that bring the largest gross income of all agricultural activities and commodities.

Mr. RUSSELL. The statement of the Senator from Oregon is absolutely correct.

As I have stated, the consideration of this amendment in the committee has been an unpleasant task. This compromise is not absolutely agreeable to anybody, so far as I know, and for that reason I infer that it is a reasonable and fair compromise. It is not altogether pleasing to the administration. The administration wished to have an absolutely free hand in dealing with these surplus commodities. The amendment places a limitation of 85 percent of parity price at which the corporation may sell grain for feed. It also limits the amount of wheat that may be disposed of to 125,000,000 bushels. While it is not altogether pleasant to them, this proposal will be accepted by the administration, and the Department of Agriculture believe that it will enable them to relieve the pressure for storage of wheat in the Nation without too adverse an effect upon the market value of corn.

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

Mr. RUSSELL. I yield.

Mr. LUCAS. I inquire, if I may, what did the evidence disclose and what did the Agricultural Department say as to what they would do with this corn and wheat when they sell it for feed purposes?

Mr. RUSSELL. The sales are of two types. One is a class of sale to those who

grind and prepare feed for animals and poultry. In such cases the sales are made under license, and the mill where the mixing or preparing is done is supervised or policed by a representative of the Department of Agriculture in order to make sure that the grain actually goes into feed.

Mr. LUCAS. If the Senator will yield further, how long has that been going on? I refer to the practice of having the processing supervised or policed.

Mr. RUSSELL. I think it has been going on ever since the sale of some 20,000,000 bushels of corn to someone who made a profit of 5 cents a bushel out of it. The Senator from Illinois is familiar with that instance.

Mr. LUCAS. That is the point I wanted to bring out in order to ascertain whether the Agricultural Department was still selling corn or wheat to processors who in turn were selling it back to the market, without actually feeding it or actually processing it, and making a profit on it. That has been done in the past, as I understand. I wanted to ascertain from the able Senator just what safeguards the Agricultural Department itself will set up in order that there may be no repetition of such an occurrence.

Mr. RUSSELL. The Senator from Illinois mentioned to me the incident referred to involving the sale of twenty-odd million bushels of corn. I, therefore, sent for officials of the Commodity Credit Corporation after the hearing had closed and examined them to ascertain what steps were taken to prevent the repetition of such an occurrence.

I was advised that in connection with sales to the feed manufacturers they were policing to see that the grain sold for feed was actually devoted to that purpose.

The other sales are made to the farmers on the farms. There are many cases of a hog farmer having some wheat on storage. He can go to his county agricultural committee and request the sale of some of this wheat for feed purposes, and if the local committee approves his application and his showing that he does not have corn available in sufficient amount to feed the livestock on his own farm, the committee might permit him to purchase a sufficient amount of wheat with which to feed. If he does not have the wheat on his own farm and does not have sufficient for feed, the county committee will permit him to purchase from his neighbors' bins, or will approve his application for a certain amount of wheat, after a showing that it will be fed to livestock on the farmer's place. I was impressed that if the Department was doing what it said it was doing, it was examining and policing this matter about as well as it could be done.

As I have said, while the pending proposal is not what the administration ask, they do say it will enable them to take the pressure off wheat, and I am advised that it would be accepted.

The proposal is not altogether pleasing to the wheat interests. Some of our friends from the wheat-producing areas were very much opposed to the limitation of 85 percent of corn parity. Some of them were very much opposed to placing any limitation on the amount of wheat which could be sold by the Commodity Credit Corporation. In an effort to deal fairly with the corn producers, and place a limitation of 125,000,000 bushels as the total which could be sold, we also provide by the amendment pending that it could not be sold below a price equal to 85 percent of corn parity.

The representatives from the States which are primarily devoted to the production of corn have indicated that they do not approve this amendment, and other statements to the same effect will be made by some of those who have not as yet expressed themselves on the floor of the Senate. But I wish to point out to the Senate that, while they are interested in preserving this principle of 100 percent parity in the market place on the feed corn and wheat now being discussed, as well as on all corn and wheat used for other purposes, they cannot fairly complain that the action of the Senate in adopting this amendment would reduce the actual income of the farmers below 100 percent of parity, for under the terms of the bill, parity payments will be made in an amount sufficient to supplement the price, and to enable the corn farmer to have 100 percent parity of income.

The committee has done the best it could with this question, and I have endeavored to give the facts, as well as I could remember them, as they were presented to the committee.

Some question arose as to the amount of parity payments necessary to be made to bring the corn farmer to full 100 percent of parity. According to the table which I have here, if the agricultural conservation program payments are included as provided in the bill, and the worst comes to the worst, and the corn is all sold for as low as 85 percent of parity, it will require $97,000,000 to bring the corn farmers' income to full 100 percent of parity. As I stated earlier, no man can say today what the market trend of commodities will be within the next few weeks or months, or, indeed, in the next few days, because we are living in a very abnormal period.

I think the amendment is fair, that it will enable the wheat farmer to find a place in which to store his grain, and to take advantage of the 85-percent loan, and that it will save for the Nation a great income loss which is bound to result if there is no place of storage for the wheat.

It may cause the corn farmer to get less than 100 percent of parity in the market place, as our friends apprehend, but it assures to him full parity income from parity payments, and, more than that, the amendment will put a floor of 85 percent of parity under corn, whereas there is absolutely no protection whatever to the corn producer today, and no limitation upon the powers of the Commodity Credit Corporation. The committee has done its best, and I hope that the amendment as amended will be agreed to by the Senate.

Mr. GILLETTE. Mr. President, I desire to discuss a few phases of the pending question, but before speaking of particular elements I wish to discuss I preface my remarks by the statement that, contrary to the hopes expressed by some of the newspapers in Washington and elsewhere, there is not a fight going on in the so-called farm bloc. I have been in this body for several years, and was a member of the House for several years, and in the time I have been in Congress, if there has been a farm bloc, I have not been invited to join it. I am one of the dirt farmers, as I have stated here time and time again. I represent in part the greatest agricultural State in the United States. That statement is not made with any invidious purpose, but is based on the record. If there were a farm bloc here and a bloc system of legislation in vogue, a proper one, I should like to be a member of it.

I have sat on the Committee on Agriculture and Forestry year after year with Members of this body from the cotton-growing sections, from the wheat-growing sections, from the vegetable-growing sections, from the fruit-growing sections, from the corn and the wheat and the livestock-growing sections, and I have never found a time when the Senators from those constituencies were not ready to make every reasonable concession, and give their support to the enactment of legislation for the welfare of the country, and in many instances they have made concessions which they would not have made if they had been selfish in their attitude for their particular constituencies. So I wish to say to the Washington newspapers and to any of the other newspapers which are making similar statements that there is no fight in the agricultural bloc, if one exists, and there is no greedy agricultural group.

If there is anyone any more patriotic, more willing to make concessions, than the men representing these constituencies, I do not know who they are. If there are any people in the United States who are any more patriotic, any more ready to make concession and to give help to the war program than those living in the agricultural sections, I do not know who they are. If the proposal in the pending appropriation bill which we are now discussing, placed there by the House, were left as it came over from the House, I should not be on the floor of the Senate today saying a word. I should then feel as I feel now, that the provision placed in the bill is an ineffectual, useless thing; but I should like to have the Members of the Senate keep in mind that it was an expression of opinion.

What is the provision as it came from the other House? It provides:

> That none of the fund made available by this paragraph shall be used for administrative expenses connected with the sale of Government-owned or Government-controlled stocks.

To what agency does the appropriation make these funds available? To the Commodity Credit Corporation. What is the Commodity Credit Corporation? It is a private corporation set up under the laws of the State of Delaware, under governmental authority. It is a legal child, born in lawful wedlock, under a statute enacted by the legislative body and signed by the Executive. The pres-

ent administration is a child born out of wedlock, with Executive parentage, under Executive order. The powers of the Commodity Credit Corporation were turned over to the Department of Agriculture, again by the President's Executive order, issued under authority we conferred on him under the act for the reorganization of Government departments. By Executive order he turned the authority over to the Agricultural Marketing Administration. That can be changed tomorrow by Executive order and the power placed elsewhere. The powers do not exist in this group by authority of law except as the law has been exercised on authority delegated by the Congress to the executive department.

I am not criticizing the exercise of the authority we gave to the President, and he has probably reposed the authority in the proper place, but I am calling attention to the fact that the language as drafted merely prohibits the use of the funds in the payment of administrative expenses in connection with the sale of these Government-owned or Government-controlled stocks of farm commodities.

How is a check to be made to determine whether the Agricultural Marketing Administration is abiding by the instruction? Is a check to be made by the General Accounting Office? All in the world they need to do is to step to the telephone and call. An entry may be made by a bookkeeper, a letter may be written by a stenographer, but the payments are made out of the general administrative appropriation.

It is not necessary to use a nickel of this amount; so as a matter of fact the proposal is absolutely ineffective; but, it is an expression of legislative attitude.

Some time ago, as the Senator from Georgia [Mr. RUSSELL] said that he, the eminent Senator from Alabama [Mr. BANKHEAD], the Senator from Oklahoma [Mr. THOMAS] and the present speaker joined in presenting a substantive proposal in the Senate prohibiting the control of these stocks of farm commodities so as to utilize them in driving down the farmer's price below parity, possibly, and I shall allude to that in a moment. We did not try to come in by the back door and place in an appropriation bill a limitation on departmental expenditures, but we provided for an out-and-out prohibition against certain action being taken. The proposal to which I referred passed the Senate by more than a 2-to-1 vote. There we find the expression of the Senate's viewpoint. The measure went to the House. The House has not as yet acted on it. The only time the House acted on anything approaching this proposal was by placing a provision in this appropriation bill in the ineffective way to which I have alluded.

Why was it done? Because when our proposal was adopted by the Senate by more than a two-thirds majority certain executive powers in the Government served notice that if the measure were passed it would be vetoed. That is a constitutional and a proper exercise of power on the part of the Executive department. In the place of such a proposal as that submitted by the four Senators to whom I referred, which was adopted by the Senate, we find this abortive thing which has been placed in this appropriation bill in the hope that the President will not veto it, because at the same time he would be vetoing a departmental appropriation bill. That is what is before us. I will say to the able Senator from Georgia that, even if the measure had been reported in that way, ineffective, useless, improper as I think the proposal is, I should have made no objection to it, because it would be, so far as the record shows, a 100-percent expression of the opinion of the associate branch of the Congress that it did not want to see an agency of this Government which had taken surpluses off the market to support prices drive down the prices of the farm commodities in question and prevent them from reaching a parity position. It was a 100-percent expression of opinion on the other side of the Capitol, and a better than 2-to-1 expression of opinion by the Senate.

Mr. President, I say this in all kindness to the Senator from Georgia. I love him. He cooperated with us. While he did not express himself, my esteemed brother Senator from Alabama [Mr. BANKHEAD] did, and fought here manfully hour after hour to maintain the principle for which we have fought here for 10 years in trying to put agriculture in a parity position with other industry.

Mr. President, in the face of that better than 2-to-1 expression of opinion in the Senate, in the face of a 100-percent expression of opinion, so far as the record shows, on the House side, as embodied in the bill, the Senate committee now comes forward and abandons that for which we fought, the structure which it took 10 years to build. The committee proposes to undermine that structure and to destroy it.

Senators, do not think it is simply to provide for an exigency now existing in the wheat situation; what is proposed to be done would result in destroying a principle. Perhaps my judgment is wrong; perhaps the principles for which I stand are wrong; but I never traded them off to meet an emergency situation. Representing, as I do, a corn constituency, I will say that the corn farmers will make any concession which it is proper to make, but we shall take a firm position against any proposal which involves the destruction of a principle in which we believe.

I do not know whether all Senators favor the crop-control method of handling the farm problem, but that is the policy of this Government, and has been its policy ever since 1933. That is why the Senate and the House rose up and said, "When you take off the market farm surpluses to enable the farmers to reach a parity position with industry we will not permit you to use the same surpluses to drive down the market."

When surpluses are taken off the market for the purpose of keeping them out of the market in order to maintain prices, the surpluses, if they are allowed to be a threat, hang like a sword of Damocles over the market and drive it down. Let me say to the Senate that whenever there is a mention in the press that Congress is about to reverse itself on the maintenance of the parity principle, the market for wheat and corn breaks in Chicago from one and a half to three cents. Every time John Jones takes a load of corn to the elevator in a little town in Iowa or in a little town in some other State, or Bill Smith in Oklahoma takes a load of wheat to town, or a farmer in Montana or in Oregon takes a load of grain to town, he suffers that loss, because the price is made for him—where? It is not made by him, but by the grain exchange.

Mr. LUCAS. Mr. President——

The PRESIDING OFFICER (Mr. DOXEY in the chair). Does the Senator from Iowa yield to the Senator from Illinois?

Mr. GILLETTE. I yield.

Mr. LUCAS. The Senator from Iowa is making a very able argument for the maintenance of parity, for which the Congress of the United States has worked for a period of from 10 to 15 years. Everyone in Congress has been in agreement with respect to that principle. A moment ago the able Senator from Oregon [Mr. MCNARY], in speaking of the amendment now pending providing that only 125,000,000 bushels of wheat shall be permitted to be sold, said that is simply an infinitesimal amount compared with the half billion bushels of wheat which are in the bins at the present time in reserve, along with the 1,000,000,000 bushels expected to be produced this year. I, however, in this premise must assume that the war will last for a long time, though I hope it will not.

Mr. GILLETTE. God forbid, but it may last for a long time.

Mr. LUCAS. The only way we can plan successfully to win the war is to look at it on the basis of a long period of time. If the amendment is agreed to, and the Department of Agriculture is permitted to sell 125,000,000 bushels of wheat anywhere and everywhere, including the corn area, which in the final analysis is going to need more of it than any other place, that will be just the beginning. If we have another year of war, and another bumper crop of wheat, which we will probably have next year, it may mean 250,000,000, or 300,000,000, or 400,000,000 bushels which the Department will want to sell under this program. Under such legislation I visualize the possibility of a distinct injury to the corn farmer of America. I do not care how much he raises or how much he feeds, if the proposed legislation is enacted into law it seems to me it will be the beginning of a threat which will hang over the corn farmer, so far as the corn farmer being able to obtain a near parity or parity price for his corn is concerned.

Mr. President, if there ever was a time in the history of the country when the American farmer should receive parity price for his grain, it is now. There is more money in the country now than there ever was before in its history. More people are working now than ever before. People are more able to pay parity price in this country than they ever were before in its history. I have stood on the Senate floor time and time again and said that the American farmer

did not want a dole, that he did not want a hand-out, and if the time ever came when, through the law of supply and demand, the American farmer could obtain parity price for his corn, his wheat, and his cotton, I for one would be the first individual to urge the repeal of legislation existing on the statute books which is not in harmony with the law of supply and demand, and urge that we forego the legislative machinery which exists in the Department of Agriculture and throughout the country, and permit the law of supply and demand once again to rule. This, Mr. President, is not an inflationary amendment. This will in no way disturb or dislocate a fundamental economy now existing.

Mr. President, let it be understood that I am not against soil conservation and all the other beneficial laws affecting agriculture which have been enacted under President Roosevelt's administration. I think what this administration has done for the American farmer has been the greatest boon to the agricultural community in the history of our country. Many times the Senator from Iowa [Mr. GILLETTE], the Senator from Georgia [Mr. RUSSELL], and I, along with other Senators, have stood on the floor of the Senate and fought for this very thing which it seems to me we are now beginning somewhat to abandon through what seems to be a sort of an innocent amendment, the purpose of which is to bring the wheat out and permit it to be sold and fed throughout the country.

Mr. President, I simply wanted to make this statement at this point in the argument, for whatever it is worth, because I believe that once we permit the nose of the camel to come under the tent, through this amendment, we may rue the day, and that is especially true if we have a long, sustained war.

Let me make a further observation. There was a basic reason, and always has been, for mandatory corn laws in this country, because of the fact that we feed 85 percent of the corn we raise in the Corn Belt section to the cattle and the hogs. But if we bring in wheat to compete with corn for feeding we shall begin to see a larger surplus of corn. The 85 percent we feed will be substantially decreased because wheat will be in competition with corn. The basic soundness of mandatory corn loans is seriously challenged. The entire loan program may fail through its own excessive weight. Heretofore surplus wheat has gone abroad, and Liverpool has furnished the market for wheat; but Liverpool never furnished a market for corn.

A mandatory corn loan is economically sound and socially desirable, but I have always doubted the economic soundness of the mandatory loans on cotton and wheat, because the surplus had to be sold abroad. The foreign market controlled the market here.

Let me say in conclusion that after all the thing in which we are all interested more than anything else is the war effort. No one in the Senate has been more insistent in attempting to eliminate the differences which exist among Members of the Senate on all these questions in order to promote harmony, thereby promoting the war effort. However, in justice and fairness, I believe that the corn farmer has a right to make this protest at this particular time.

The able Senator from Georgia is an expert on cotton. If the cotton farmers of the South were in the same position as are the Corn Belt farmers in the North, there would be a pretty hot fight on the floor of the Senate. I do not blame Senators representing the cotton farmers. I like them. They certainly protect their constituents every time a measure is before Congress which might be adverse to the cotton farmers. They fight against it. That is what they should do. The other day a distinguished Senator from the South said to a friend of mine from Illinois, "You have nobody in the Corn Belt who will fight for his rights." My record for fighting for the American farmer in the 7 years I have been a Member of the Congress speaks for itself.

Mr. President, I conscientiously believe that what little contribution I am making, if any, or what vote I may make here is in no way crippling the war effort.

I am not attempting to promote any argument on the floor of the Senate. I merely wish to state our position as I see it. I am willing to abide by the decision of the Senate, and let it go at that. We will get along as best we can. I realize that we all have to give and take. In my State we have one and a half million acres of wheat. I have wheat on my farms in Illinois. I do not know what we are going to do with it. Nevertheless, we have it. However, corn is the chief product, and it is one of the basic products of America. I dislike to see legislation which may injure the future price of corn. And may I say that in this assumption I hope that I am wrong?

Mr. GILLETTE. Mr. President, I thank the Senator from Illinois for his correct and very helpful presentation.

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

Mr. GILLETTE. I yield.

Mr. RUSSELL. I appreciate the statement which the Senator from Illinois has made about the fight which Senators and Representatives from cotton-producing States make to protect the interests of their constituents. My only regret is that the Senator from Illinois did not make that statement down in Georgia or in the Cotton Belt. I can assure him that we have been subjected to the most serious criticism by our constituents because of the fact that the payment per acre for land which is taken out of corn cultivation, and the payment per acre for land which is taken out of wheat cultivation under the conservation program are more than the amount of the payment for land taken out of cotton production.

I appreciate the remarks of the Senator, and I only wish they were true. I wish we had been able to protect and promote our interests. However, I do not think that discussion serves any useful purpose. Farmers producing each commodity naturally feel that they are discriminated against in certain cases. I think that, by and large, those of us who have been interested in giving the farmers of the Nation an opportunity to exist and to have an income even remotely comparable to that of those engaged in other lines of endeavor have been rather unselfish, on the whole, in our approach to the problem. I am certainly not striking at the corn farmers in any way in promoting this amendment.

I was interested in hearing the Senator from Illinois say that the effect of the amendment would be to get the camel's nose under the tent with respect to selling certain commodities at less than parity. The whole camel is now under the tent. There is no limitation or restriction anywhere which would prevent the Commodity Credit Corporation from selling surplus stock at any price it might deem proper. The effect of the amendment would be to get the camel out from under the tent and put a floor of 85 percent of parity under the sale of grains for feed.

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

Mr. GILLETTE. I yield.

Mr. LUCAS. I merely wish to make a brief reply to my able and distinguished friend from Georgia, for whom I have the utmost respect.

Mr. RUSSELL. I can assure the Senator that the feeling is reciprocated.

Mr. GILLETTE. Let me assure both Senators that each of them has good reason for his respect for the other, if that will be of any help to them.

Mr. LUCAS. No one is more capable or more interested in agricultural problems than is the Senator from Georgia. I merely wish to say to him that if his constituency in Georgia is giving him any trouble in connection with the cotton problem, I know a couple of corn-fed Senators who would be glad to go there sometime and help him out in a campaign.

Mr. RUSSELL. I am deeply grateful to the Senator from Illinois.

Mr. GILLETTE. Nothing would give me greater pleasure than to endorse everything the Senator from Illinois has said concerning the Senator from Georgia, if he needed any such endorsement. His labors have been ceaseless and valuable in all phases of the farm problem.

The fact remains that cotton may not be sold below a parity position; rice may not be sold below a parity position; tobacco may not be sold below a parity position; but, under the terms of the proposal now before the Senate, the other two commodities, wheat and corn, may be sold below parity. The proposal before us would do away with the position of 85 percent of parity for wheat. Parity for wheat is $1.33 plus. Eighty-five percent of parity is $1.13 plus. The price of wheat on the farm today is 99.6 cents; and under the terms of the amendment sound wheat could be sold for feed at 83.2 cents, or 85 percent of parity for corn. It is called a floor. There is no floor under the Commodity Credit Corporation today in selling such products.

In that connection I should like to quote from an editorial writer in yesterday morning's Washington Post. When I read the editorial pages of Washington

newspapers I often think of the lines from Oliver Goldsmith's Deserted Village:

And still they gazed, and still the wonder grew.
That one small head could carry all he knew.

I have been astounded at the wisdom which is concentrated in the minds of the editorial writers of some of the Washington newspapers. They are omniscient. Yesterday morning one of them delivered himself of this valuable nugget of wisdom:

The utter outrageousness of the proposal to bar sales of corn and wheat below parity is easily demonstrated. For instance, the Government now owns about 320,000,000 bushels of wheat. Recently it offered wheat for sale as livestock feed at prices equivalent to about 85 percent of parity. It managed to dispose of only 1,560,000 bushels. What chance, then, for disposing of wheat at parity levels? And what excuse can the farm bloc offer for trying to boost feedstuff prices to levels that would squeeze the farmers themselves as well as other consumers?

If the Commodity Credit Corporation was able to sell only 1,560,000 bushels of wheat at 85 percent of parity, why did it not lower the price? It has full authority to do so. It sold corn and shipped it to an alcohol-distilling company in Philadelphia, paid 41 cents a hundred freight on it from the Mississippi River, and 33 cents to the distiller for processing it, netting less than 5 cents a bushel to the marketing corporation.

Why does it not lower the price? Because it does not want to fly in the face of an expression by the Congress in support of a principle for which we have fought for 10 years to put agriculture in a parity position. Two-thirds of the Senate said, "You cannot do it." One hundred percent of the House said, "You cannot do it." The Corporation does not have the "guts" to do it without coming to Congress, and it wants us to give it legislative authority. Then when it breaks the market its officers will say, "You directed us to do it. You receded from your position to break the market. You took away the prohibition and told us to go ahead. We are proceeding under your authority."

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

Mr. GILLETTE. I yield.

Mr. RUSSELL. The trouble with my good friend from Iowa is that he has fallen into the error which so many others have committed, of believing what he reads in the editorial columns of the Washington Post.

Mr. GILLETTE. Oh, no. Accuse me of anything but that.

Mr. RUSSELL. The Senator stated that the Corporation had not sold any considerable quantity of wheat for feed. As a matter of fact, before the hearings on this bill were concluded it had sold 22,000,000 bushels of wheat for feed, at a price 4 cents below 85 percent of corn parity. Under the terms of this amendment it could not sell it below 85 percent of corn parity. Today it is proceeding to sell all the wheat it can for feed. It was stated before the committee that it had already sold 22,000,000 bushels of wheat for feed, and was proposing to sell as much of it as possible for feed.

So the things to which the Senator refers as having a deterring effect on the Department have absolutely proved to be no restraint whatever. They have not restrained the Department. It is selling wheat for feed today.

Mr. GILLETTE. Very well. Let me say to the Senator that it is perfectly all right with me. Whether the committee amendment is agreed to or whether it is voted down, I shall move to strike out that provision, which is an attempted sanction by the legislative branch of Government of the destruction of the Nation's agricultural economy. Then if the Department wants to take the onus, and fly in the face of the expression of the Senate and of the other House, and sell 1,560,000 bushels, let them go ahead. I desire to refer to that in a moment; but before doing so I see that my good friend the senior Senator from Montana is present. He will do some yeoman work. I want him to come to my support, because I become frightened when I am on my feet, and I need his support.

In that connection, speaking of the parity provision, let me read the report of the Agricultural Adjustment Administrator, written the first of this year. I refer to Mr. Evans, who is now the farm member of the Federal Reserve Board. He said:

Parity remains the goal, and the abundant production of American farmers is the best possible assurance to consumers and others that food is going to continue to be forthcoming at prices fair to both consumers and farmers. To the extent that increases in food prices represent parity prices to farmers, these increases are justified, and prices which consumers in fairness should be willing to pay.

However, the price paid to the farmer represents only a portion of the price paid by the consumer. The rest of the consumer's dollar goes to middlemen, such as processors, handlers, and distributors. Actually, the middlemen collectively get a larger portion of the consumer's food dollar than does the farmer. Thus, the farmer properly is as much concerned with the margin going to the middlemen as is the consumer.

During the first half of 1941 farmers received only a little over a cent from the sale of a loaf of white bread retailing at almost 8 cents on the average. The producer's share of a 7-cent package of cornflakes averaged less than a cent and a half. Cotton growers got about 8 cents for producing the material in a dollar cotton shirt.

The average workingman paid $415 for food in 1929, but at the prices prevailing in the first half of 1941 the same food cost only $327, or about a fifth less. Thus, in spite of some rises in food prices, the city consumer's food-buying power in 1940–41 was the highest since the World War.

To digress for a moment, let me call the attention of Senators who come from wheat-producing States to Mr. Evans' statement as to the position of the administration on wheat surpluses:

Three measures are designed to keep excess wheat off the market:

(1) The farmer is encouraged to store the production in excess of his quota on his farm or in a public warehouse. To guarantee that he will keep this wheat in storage, he is asked to deposit a bond or cash with the county Agricultural Adjustment Administration committee. As an inducement for storing his excess, he is offered a loan on the excess at 60 percent of the regular rate, provided it is stored in a granary approved for loans. * * *

(2) The farmer may turn his marketing excess over to the Government to be taken out of trade channels and used for relief purposes or other noncommercial uses.

(3) The farmer may pay the marketing penalty, which in 1941 was 49 cents a bushel, 50 percent of the national basic loan rate of 98 cents.

If the farmer wanted to go ahead and market it and pay the penalty for the amount over the quota, he had the right to do so.

Before I leave the question of relative income, let me say that yesterday the junior Senator from Virginia [Mr. BYRD]—I wish he were present here—quoted from a letter from Henry Morgenthau, Secretary of the Treasury, in which he referred to the 20-percent increase in farm income and suggested that the farmers should be satisfied with such an increase.

In that connection, let me say that I draw a salary of $10,000 a year, perhaps under false pretenses, but nevertheless I draw a salary of $10,000 a year as a Senator from the State of Iowa. If, out of that $10,000, I were to give Mrs. Gillette $1 for household expenses, and then were to decide, in generosity, to increase it 20 percent, and give her a dollar and twenty cents, what good would that do her?

When we are talking about a 20-percent increase, the question arises, What is the relative position? Let me cite figures stated by an esteemed Representative of the State of Missouri, Hon. CLARENCE CANNON, as his remarks appear in the CONGRESSIONAL RECORD of recent date.

In Mr. Morgenthau's letter which was quoted yesterday a comparison was made between farm income in 1932 and the increased farm income in 1941. Listen to this:

The total national income in 1932 was $48,355,000,000. The national income in 1941 was $80,350,000,000—almost double, representing an increase of approximately 170 percent.

In 1932 the nonfarm income was $46,000,000,000, out of $48,000,000,000. In 1941 it was $75,000,000,000 out of $80,000,000,000.

The farmers represent approximately 33 percent of the population; but in 1932 the farmers' share of the national income was 3.7 percent; and in 1941, the figures for which the Secretary of the Treasury pointed as a wonderful factual presentation of the improved position of the farmer, the farmers, representing substantially one-third of the population of the Nation, received 5.8 percent of the national income.

Oh, we are told that the cost of living is going up, and that to meet the increased costs of living, wages must be increased. Wages have been increased, and I am not raising any objection to that. Wages have been increased to meet the increased cost of living. Today there is a bill before Congress which proposes, in order to meet the increased cost of living and to provide increased purchasing power, that the salary of every one of the Federal employees shall be increased so much a year. That bill,

designed to enable the Federal workers to meet the increased cost of living, will be before the Senate in a very short time.

The farmers constitute one-third of the population of the country. They are consumers as well as producers. They are originators of every nickel's worth of new wealth which is produced; yet, instead of putting them in a comparable relative position with other consumers Senators sponsoring the amendment come before the Senate under cover of an exigency—and I say that in all kindness; they do not do it purposely—and say, "We will take the props out from under your purchasing power as a consumer. We will not let you have the parity position for which you fought for years."

Mr. RUSSELL rose.

Mr. GILLETTE. I see that the Senator from Georgia is on his feet. I shall yield to him in a few moments. In the meantime I ask him, please, to wait.

Mr. RUSSELL. I can well understand why the Senator does not want to yield to me at this juncture.

Mr. GILLETTE. If the Senator will be patient with me, I shall yield to him in a moment.

Mr. RUSSELL. I can understand why the Senator does not want to yield to me at this time.

Mr. GILLETTE. If the Senator will be patient with me I shall give him every chance to reply. Perhaps the Senator may consider that I am being unkind to him.

Mr. RUSSELL. I think the Senator has made a statement which is not justified by the facts; and it was for the purpose of calling attention to that matter that I rose.

Mr. GILLETTE. Very well; I now yield to the Senator from Georgia.

Mr. RUSSELL. The Senator said that this amendment, if agreed to, would impair the purchasing power of the farmer. I pointed out that the 15-percent difference between the 85 percent of parity and the 100 percent of parity would be paid to the farmer out of the Federal Treasury.

Mr. GILLETTE. Yes.

Mr. RUSSELL. Therefore, as a result of feeding grain at a lower price, the farmer would be able to buy more commodities. The corn farmer would have a 15-percent additional parity payment.

So certainly the figures which the Senator quoted in regard to the corn farmers' parity position income are not correct. I have voted year after year to increase the farmers' income; but the pending amendment does not involve any question of increasing the farmers' income. If the sale of wheat at 15 percent below the parity price of corn should beat down the corn farmer's income to 85 percent of parity, under this bill provision is made for the payment of 15 percent of parity to the farmer from the Federal Treasury.

So, in supporting the amendment proposed by the committee, I am not opposing the farmers.

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

Mr. GILLETTE. I shall yield in a moment, but I ask the Senator to wait until I reply to the Senator from Georgia.

The Senator from Georgia is correct in the statement that it is intended to supplement the farmer's income by parity payments from the United States Treasury, if and when made.

In an adjunct to the table which was put into the CONGRESSIONAL RECORD by Representative CANNON, it was shown that the farmer's share of the national income, when parity payments and soil-conservation payments were added, was 6.6 percent of the entire national income. In addition, let me say to the Senator from Georgia that the agricultural communities do not want to be on a dole. All they want is an opportunity to work as the rest of the Nation works and to receive a fair return. They do not want to depend on a position based on "if and when" parity payments are made available.

I say to the Senator that in this bill authority is provided to reappropriate unexpended balances of sums previously made available for parity payments, and such other sums as may be necessary to give the farmers full parity; but that depends on future action, if and when such sums are made available by the Congress. The farmers do not want any "if and when" position. All they want is an opportunity to work and to receive a fair return.

Before I yield to the Senator from Montana let me point out that the Secretary of Agriculture was quoted many times as saying that if corn and wheat prices were allowed to go to parity the result would be to add $1,000,000,000 to the cost of living of the consumers of the country. I do not have before me a copy of the letter which I addressed to the Secretary asking him on what basis his assertion was made that allowing grain and foodstuffs to go to parity would mean an increase of a billion dollars in the consumer's cost of living. I read this excerpt from his reply, which was dated March 4, 1942:

> In answer to your request of February 27, I am enclosing a copy of the statements upon which the estimates of certain possible increases in the cost of food to consumers were based.

I skip to this point in the letter:

> I should also call your attention to the fact that these estimates make some allowance—

Mark this—

> these estimates make some allowance for an accompanying advance in the margins or charges of processors, wholesalers, and retailers based upon typical behavior in the past. But I believe, and I think you will agree, that any substantial increase in raw product prices will certainly be used as a basis for pyramiding or increasing middlemen's costs, at least as soon as current inventories are worked off.

There is the answer to the assertion that an increase in farm prices will result in an increased cost of a billion dollars to the consumers. The Secretary of Agriculture, who made that statement, says that he envisioned distribution costs, processing costs, the middlemen's costs, the handlers' costs, the profiteers' costs, and the racketeers' costs, which would be piled on to take their toll of the consumers' dollar. All that is envisioned in the assertion of a billion-dollar increase in living costs.

Mr. President, the livestock industry has been referred to as being placed in an unfortunate position. I have before me a letter from the United States Livestock Association, from which I read the following excerpt:

> Farmers do not want subsidies; they merely want fair prices for the sale of their products. Farmers want to conserve financial resources to win the war, believing it unnecessary to burden the Treasury. This is the first time in many years the farmers can obtain equitable prices for their products.

I also have a letter of the president of the American Farm Bureau Federation, and, Mr. President, at the conclusion of my remarks I ask unanimous consent that it and the tables accompanying it be printed in the RECORD.

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

(See exhibit A.)

Mr. GILLETTE. Mr. President, I wish to refer to the April 15 position of hogs, cattle, and feed. On April 15 the United States parity price for hogs was $10.98; the average farm price was $13.48. For cattle on the 15th of April the United States parity price was $8.18; the average farm price was $10.71. For beef steers at Chicago, choice and prime, the parity equivalent was $13.33; the average price $15.56. For cattle rated as good the parity equivalent was $12.02; the average price $13.70. The point is that the livestock interests have no objection whatever to this proposal; they are now in a price position where they are supporting the proposal, and have so advised me, so that the grain farmers may receive a fair return.

Mr. President, I do not want to speak unduly long on this question. I desire to go back to the basic question which is at issue, but before doing that let me say that, for one, I was opposed to the production control method of meeting the farm problem. I believed then, and I believe now, that the ultimate solution is in the development of new uses. I should have been glad if the Senator from Montana had remained in the Chamber while I discussed this matter, but I do not blame him for leaving.

By the direction of the Senate, under orders to the chairman of the Committee on Agriculture and Forestry, there was set up a subcommittee to study the uses for farm products. During the last 3 or 4 weeks we have developed astounding information, and I desire to take advantage of this opportunity to ask Senators for help. We are not coming here, as some subcommittees have done, to ask for more money to carry on our very excellent work. The committee was given $5,000; we have spent less than $500, and I believe we will not spend any more than another hundred or two hundred dollars. It has been developed before the subcommittee that the war needs of this country in the way of rubber are so acute as to be almost desperate. The estimates of the needs have been raised by the rubber board from 100,000 tons in December to 800,000 tons now, with the probability of 1,200,000 tons in 1943. We have demonstrated by a procession of scientists, without exception and without

dispute, that there can be produced synthetic rubber from petroleum sources and from agricultural sources on a competitive basis. It has been shown to our committee that plants could be established for the utilization of farm products.

Mr. WHEELER entered the Chamber.

Mr. GILLETTE. I am glad the Senator from Montana has returned. Let me say to him that I was referring to the very excellent work that he, the Senator from Nebraska [Mr. NORRIS], the Senator from Oregon [Mr. MCNARY], the Senator from Oklahoma [Mr. THOMAS], and my own humble self have been trying to do in connection with the utilization of farm surpluses. We have had demonstrated to us that plants for the utilization of farm products can be established at one-tenth the cost of the critical materials, in one-third the time, and that synthetic rubber and alcohol can be produced from that source on a competitive basis with any other type or process. Let me say to my colleagues, in the face of that, that our rubber defense agency has asked the R. F. C. to allocate $650,000,000 for the establishment of plants to develop the production of synthetic rubber or to produce butadiene from which it is made. Where do you think, Mr. President, the allocation was made? Every dollar of the $650,000,000 was allocated to the petroleum industry, not one nickel of it to the agricultural industry. Group after group have come to Washington from Nebraska,, from Missouri, from Oklahoma, from South Dakota, from Illinois, and other States and asked for means to establish plants in their territories. One group from Nebraska came here and said they were ready to put in five 10,000-gallon plants. They were told here that they could not have the money. They returned home and raised the money—every dollar of it. They came back to Washington and said, "We have the money." They were told, "Well, we have not the critical materials; you cannot have it." They went back home. optioned old plants, got 90 percent of the material, and returned to Washington, and said, "We own 90 percent of the materials. We want 10 percent; in fact, we do not care if it is only 2 percent. Yet they were told, "You cannot have it."

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

Mr. GILLETTE. I am glad to yield.

Mr. WHEELER. I am glad the Senator has brought up the subject. I was going to say that if the Government wanted to get rubber badly and cheaply, they could take the surplus wheat that they now hold and use it for the making of alcohol and butadiene, and they could then get a very large quantity of rubber in a short time, and by doing so they would use all the surpluses of wheat so that they would not constitute any problem at all for the wheat farmers of the country. The Government could take all the surplus of wheat now on hand and make it into alcohol. The Government has it on hand and owns it. If it is kept, it will deteriorate in value. Furthermore, there is another large crop of wheat coming on.

With the Government already owning the wheat, they could use it and convert it into alcohol. They could build the plants for less money than it would cost to build the plants to manufacture alcohol out of oil or gasoline, and by reason of the fact that they own the wheat and that it is deteriorating, and they wish to sell it at a low price, they could by using it in this manner get rid of the whole surplus of wheat they have, could they not?

Mr. GILLETTE. That is absolutely true.

Mr. WHEELER. But instead of that, they are granting money to the oil companies and to others to enable them to manufacture alcohol out of gasoline, shipping the gasoline in many instances from the West, and using it in various plants, thereby tying up transportation, whereas if they built the plants where the wheat is stored, they could eliminate the long hauls, and the bottleneck we are sure to have in railroad transportation. Yet, as the Senator has said, we have not been able to get anyone in the departments in Washington to do a thing about it. They have turned a deaf ear to people from Nebraska and the other States who wish to use these surplus grains for the manufacture of alcohol, and are turning all the money over to the oil companies and the others who are going to use gasoline.

The only reason we can imagine for this is the powerful influence the oil companies have in the O. P. M. and various other departments of the Government.

If grain were used, and the farmers were permitted to produce all the wheat and corn they desired to produce, we would be keeping the farmers on the farms, and in times of depression we would be giving more work to a great many people on the farms, and would be helping the farmers. But instead of that, the money is being turned over to one of the greatest monopolies that ever existed in the history of the United States.

Mr. GILLETTE. I thank the Senator. While we are speaking of the $650,000,000 provided for the construction of these plants by the petroleum industry under the existing contracts—and the testimony is that the amount will eventually be eight or nine hundred million—I might add that at the conclusion of the war the plants are to be in adjusted ownership for the petroleum companies which have them, whereas if plants were built in the agricultural sections they would be there for the utilization of recurring surpluses.

The Senator from Georgia said, "I am in favor of that, but it is a question of time." We have the testimony of the greatest producer of grain alcohol in the world today that existing facilities, without the construction of new plants, can produce 200,000 tons of the needed rubber, and utilize 24,000,000 bushels of wheat. We do not desire to shut off the petroleum industry. We shall need every pound of rubber the petroleum industry can make and every pound of rubber any other industry can make, we shall need every pound of natural rubber we can get, but those who would use the grain are shut out of the picture.

Mr. RUSSELL rose.

Mr. GILLETTE. Let me call the attention of the Senator from Georgia to the fact that in the committee amendment there is no limitation on the amount of grain which may be sold for the production of alcohol. Even with the amendment it could all be sold to industries for the production of alcohol if that is desired.

Mr. O'MAHONEY. Mr. President——

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

Mr. GILLETTE. I yield.

Mr. O'MAHONEY. In my opinion, the Senator from Iowa and the Senator from Montana have been telling an amazing story, one which should be carried to every corner of the country. If I understand the Senator correctly, he is telling us that the R. F. C. and the W. P. B. are not cooperating in the efforts of citizens of the Corn Belt to establish plants which can use the surplus grain. Am I correct?

Mr. GILLETTE. The Senator is correct. They have not been cooperating. I shall explain that in a moment.

Mr. O'MAHONEY. Let me ask the Senator whether these individuals of whom he spoke as having come to Washington came with an organization capable of furnishing the management for the corporations which could use the grain out of which to make rubber.

Mr. GILLETTE. In most instances they came with a complete prospectus and an organization with which to carry on.

Mr. O'MAHONEY. Did any one such organization present itself here?

Mr. GILLETTE. To the Senate?

Mr. O'MAHONEY. To the committee.

Mr. GILLETTE. They have done so, and it will appear in the record of the hearings.

Mr. O'MAHONEY. I wish to get it into this RECORD, because, as I have said, the Senator is telling an amazing story.

Mr. GILLETTE. I refer particularly to a group, a cooperative organization, from the State of Nebraska, which was prepared to put in five plants. They were thoroughly organized and the money was available.

Mr. O'MAHONEY. That is the interesting point, if I may interrupt the Senator. The Senator says the money was available. Did they have the capital?

Mr. GILLETTE. They raised it.

Mr. O'MAHONEY. How much did they raise?

Mr. GILLETTE. I could not tell the amount from memory.

Mr. O'MAHONEY. Can the Senator say approximately?

Mr. GILLETTE. No; I cannot. When they were advised that they could not be financed from this end, they went home, and raised all that was necessary.

Mr. O'MAHONEY. All they were told was necessary?

Mr. GILLETTE. Yes; all their engineers estimated to be necessary.

Mr. O'MAHONEY. I understand from the Senator from Mississippi [Mr. BILBO] that they have retained an engineer.

Mr. GILLETTE. Oh, yes.

Mr. O'MAHONEY. So the picture we have taken here is that of individual citizens of the State of Nebraska who had formed an organization capable of conducting a plant and were applying for a

Government loan through the R. F. C. in order to produce a very necessary commodity by a process which every scientific witness before the committee testified was feasible, and the loan was rejected?

Mr. GILLETTE. That is correct.

Mr. WHEELER. Not only was the loan rejected, but they were turned down by the W. P. B. when they applied for strategic materials. Is not that correct?

Mr. GILLETTE. I would not say that the loan was turned down by the R. F. C. They were advised—and I will use the name—by Mr. Fraser Moffat, Chief of the Chemical Division of the War Production Board—that money would not be forthcoming from any governmental agency for the establishment of their plants. They went home and raised the money, returned to Washington, and said, "We have our funds, and we do not ask for Government financing." They were told, "You cannot have materials. We need them in the war effort." They went back home and found old plants, which they optioned or bought, and again returned and said, "We have 90 percent of our materials. All we have to have is 10 percent." The reply was, "I don't give a damn if you need only 2 percent." The testimony shows that. That is not language I ordinarily use on the Senate floor——

Mr. O'MAHONEY. The Senator is under emotional stress, and we will excuse him. [Laughter.]

Mr. GILLETTE. They said, "You cannot have even 2 percent."

Mr. WHEELER. That is not the Senator's language; that is the language that was used by the W. P. B.; is it not?

Mr. GILLETTE. That is the language they were quoted as using.

Mr. O'MAHONEY. Let me interrupt the Senator long enough to make an additional comment. The story which he tells with respect to the failure of O. P. M. and W. P. B. to cooperate in the development of new sources for producing materials which are needed is a story as old as the establishment of O. P. M. itself. More than a year ago the experts of O. P. M. said we had enough aluminum with which to fight the war. They were wrong. They told us that we could get enough rubber for the war. They were wrong. They told us that we had enough steel to last to provide the needs of the Nation in the midst of war. They were wrong.

Members of the Senate and Members of the House of Representatives for more than a year have been endeavoring to bring about the development of raw materials. There is a story with respect to iron at this very moment which is about to be told. There is pending before the subcommittee of the Committee on Appropriations handling the Interior Department appropriation bill a proposal to make it possible to utilize the so-called sponge-iron process for the manufacture of iron which is necessary, not only to build warships and tanks and other munitions but to provide the strategic materials for such a plant as that the Senator has in mind, as well as to build a pipe line to carry petroleum and gasoline from where it is being wasted—in the West—to the eastern seaboard States, where it is needed, and to furnish the Army and the Navy with the gasoline which they need in order to win the war. But at this very moment the effort to secure a test of the sponge-iron process is being resisted by those who have investments in a different process.

Those who are interested in the coke-oven process of producing pig iron do not want to see another process even tested. I have a feeling that before the Interior Department bill shall be passed the Senate will approve the estimate. It is now pending in the Bureau of the Budget, and I am confident that the Bureau of the Budget will see the importance, indeed, the absolute necessity, of making certain that these processes shall be completely tested.

I am happy to have the Senator make this reference, because if the country fails to realize the basic truth of what he says, the tremendous importance of using agricultural products for the production of materials which we need, and for which agricultural products can readily be used through the advances in chemistry, when the war shall have ended this country will find itself more firmly in the grip of monopoly than ever before, and every vestige of the free democratic system for which we are fighting this war will have been destroyed by reason of the short-sighted, if not selfish, attitude of men in the W. P. B. who are more interested in preserving the opportunity for large aggregations of capital to exploit the people than they are in winning the war. I am told that $100,000,000,000 has already been given out in contracts in this war effort to 300 corporations, and little businesses are being allowed to die in every State of the Union, because the men who are at the head of this effort have not been willing to listen to suggestions such as the Senator's committee has made for the utilization of these materials.

I hope the Senator from Iowa will not weaken in the fight. I know him well enough to know he will not do so.

Mr. GILLETTE. Mr. President, I am very appreciative of the contribution made by the Senator from Wyoming. He has painted the picture of what faces this country infinitely more clearly than I could have done. When I answered the Senator's question as to whether the W. P. B. had refused to cooperate in bringing agriculture into the picture, I qualified my statement, and I will tell why. After some effort, we had a representative of rubber from the War Production Board come before the committee last Friday, and he very frankly stated that he was ready and anxious to see agriculture brought into the picture, and read a statement to that effect. I asked him, "When did you prepare that statement?" He said, "Yesterday." That man had begged off from coming before the committee for 2 weeks, but on the day before he came before the committee he made a statement of willingness to bring agriculture into the picture and to utilize wheat and corn in the production of synthetic rubber, and he prepared his statement, as he said, yesterday for the purpose of making it before the committee. That deathbed repentance is agreeable to me if they only will bring agriculture into the picture. The surplus will then disappear within a few months' time. Not only do we have a surplus at present but it is a recurring surplus year after year.

We have a need, and failure to supply it will jeopardize the entire war effort. We have a most dire need. Today the United States has the only rubber stock pile, not only for our own use but for the use of our Allies. We cannot get natural rubber in time to be of use in the war effort. It takes time to develop production of natural rubber. We have possibilities for production of synthetic rubber, and there is agreement concerning those possibilities. There is no difference of opinion with respect to them. There is some difference of opinion as to the matter of chemical processes but no difference with respect to the net result.

Mr. President, if I had known when I rose to speak that I would go off on this tangent I would have brought with me some samples of synthetic rubber to show the Senate the article which has been produced from corn and wheat. There are scattered around in Germany on farms some 36,000 small plants which utilize potatoes and rye for the production of synthetic rubber and the production of alcohol to be used for power. There were 1,600 such small plants existing in Poland up to the time of the invasion of Poland by Germany. The committee attempted to have appear before it the Polish scientist who perfected the process for producing synthetic rubber from potatoes and rye. When we attempted to reach him we learned that he was at the Government experimental laboratory in Peoria. We called up to learn if he was there, and we received a reply that he had received a telegram from Washington advising him to leave there and keep his mouth shut. We found that those who told him to leave and keep his mouth shut were the honest people who wanted to get agriculture into this picture, but were handicapped by agencies here which were preventing agriculture from being given consideration. They had to keep him under cover. They had to pull him out by subterfuge. They had to hide him in Philadelphia so that the upper classmen, the officers of some of these agencies, would not know where he was hidden. They brought him into this country by way of Rio de Janeiro. They sneaked him in. It is a romance, but it is a sordid romance.

There is much talk about agricultural surpluses, and much talk about our present need. Mr. President, I want help for the committee to which I have referred. It does not need monetary help. I have already said that it has more money than it needs, but I want every Senator to get behind this program. We have reached such a point in this country that the need could not be more acute or more dire. We find $650,000,000 allocated to the petroleum industry, but not one nickel allocated to agriculture. We find an absolute refusal to give a nickel to agriculture. Agriculture is ready to produce for our greatest need, and asks the Government to release only one-tenth of the critical

materials necessary to build the plants. Agriculture, with existing facilities, is ready to produce 200,000 tons of rubber; yet we find that up until last Thursday those in control absolutely refused to let agriculture take any part.

Mr. President, we have had the misfortune in the last few weeks of seeing the President of the United States being circumvented and bypassed in the move which he attempted to make in the war effort, by some of those who have set themselves in position of authority and dominance, and who put forward their special interests, in violation of the express wishes of the President of the United States. I do not accuse these men of lack of patriotism; they are just as patriotic in the main as you or I; but when a man in one of the departments is drawing $10,000 a year from the United States Government, and at the same time drawing $45,000 a year from a private interest, when the Government's interests and the private interests clash head on, who will he represent?

I care not how honest and honorable he may be. I care not how sincerely he wishes to be fair; as between the Government and the private institutions he cannot in such circumstances be fair. There is not a judge on the bench anywhere who would not disqualify himself from hearing a case involving interests in which he was specifically and personally interested. Yet these men ask for the privilege of deciding whether agriculture shall have a chance.

Mr. President, I wish the President of the United States would create a coordinator to handle the situation, and do away with advisory boards. I think that is one of the most essential things to be done at this time. God knows it is essential. I wish Senators could realize how essential it is. I wish the President of the United States would tomorrow set up a coordinator, and get away from advisory boards, advisory boards, if you please, of the type of a 23-member board which advised the Government to consent to settle a one-and-a-half-billion-dollar damage suit against its members. Twenty-two of the 23 members were defendants in the suit. They advised the Government to settle the suit, and the Government settled it. What has been done in that connection is past and gone. That is water which has gone under the bridge. That case was ended by a consent decree. It is a matter of court record. How could any board, 22 of whose 23 members were defendants in a suit to recover one and one-half billion dollars, act in an impartial way in recommending what the Government ought to do. I hope the President does not allow such a situation to continue.

I hope the President will set up this program for agriculture immediately, and, Senators, I bespeak support on behalf of my committee so that action may be brought about, not merely for the benefit of agriculture alone, though I am convinced the institution of the program we propose for agriculture would solve our difficulty for all time. The program will be of benefit not alone to agriculture, but to the United States of America, to her institutions, her philosophies, her people, and her future. The things which are so dear to every one of us are being jeopardized by selfish interests, though not intentionally.

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

Mr. GILLETTE. I yield.

Mr. WHEELER. The Senator from Iowa is more familiar than I am with the whole situation, and remembers the figures which have been brought out in connection with the hearings. It was stated at first that a certain amount of alcohol was needed for the war effort, and that that amount would be all the alcohol needed. Then witnesses appeared before the committee who said that at least one-third more alcohol was needed. Now the statement is made that much more alcohol is needed. I wish to say that every word the Senator from Iowa has uttered on the floor of the Senate is absolutely correct, and is in accordance with the testimony which has come before our committee.

Mr. President, I do not wish to question the patriotism of some men, but we find that the adviser to the R. F. C. is a man who has been and is now connected with the Mellon Institute. I do not question his patriotism, but Senators must remember that the Mellon Institute is supported to a large extent by the oil interests, and he is one of those who have been advising what should be done about rubber.

When we tried to pin it down to a particular department or board, each one gave us the "run-around" and said that some other board was responsible. It was impossible to tie it down to any responsible person in the Government, because each one "passed the buck" to the other.

When we asked this man to come and testify before the committee he did not give us any information which the world could not have known; and yet it was insisted that his testimony should be given behind closed doors, in executive session, because otherwise some military secret might be revealed. If he gave any testimony which was not already known to every expert in the country I do not know what it was. He is one of the men who has been advising with reference to the rubber situation. If we are to get anything done in carrying on a successful production of many of these materials we cannot have a dozen different boards overlapping one another, each one "passing the buck" to the other.

A few moments ago I referred to the wheat situation. We have been discussing the sale of surplus wheat. The Government now has a great amount of surplus wheat on hand. If it needs rubber badly it can use the wheat which it owns, and on which it is going to take a loss. It can build plants to make industrial alcohol and butadiene much more quickly and cheaply than by giving the money to the oil companies. Such plants can be spotted around the country so as to be of permanent benefit to the farmers, not only during the war but after the war.

One of the leading chemists of this country, a man of vast experience, testified before the committee this morning. He said that if the chemists were given some help they would be able to produce rubber in the United States more cheaply than natural rubber could be obtained from foreign countries.

That is the reason I stated the other day that the Department of Agriculture had been "asleep at the switch." We have been appropriating hundreds of millions of dollars every year—sometimes as much as $1,000,000,000—for the Department of Agriculture.

The only thing with which it has come forward to help the farmer has been a plan to say to the farmer, "We will pay you to cut down the acreage of your product so as to raise the price." That statement applies not only to this administration, but to every administration during the past 50 years.

We look upon some of the other countries as being backward. What do we find? As the Senator pointed out, we find that Poland had set up industrial alcohol plants so as to use the grains produced by the farmers. Germany and Russia are doing the same thing. Because of the hold which some of the monopolies have had upon the political and economic life of this country such industries have not been encouraged in the United States. That is the reason we find ourselves today without the necessary materials successfully to carry on the production of war materials. We boast of our intelligence, when the people in many of the so-called backward countries have gone much further toward solving their problems than we have.

Mr. GILLETTE. Mr. President, I am very grateful to the Senator from Montana. He made one reference which stimulates an associated train of thought.

When representatives came from the agricultural sections and got in contact with the Chemicals Division of the War Production Board they were told that grain could not come into the picture, because there were available ample supplies of blackstrap molasses, the residue from the refining of sugar. When that product disappeared from the market the Reconstruction Finance Corporation went into the Cuban market and bought 1,200,000 long tons of cane sugar to prevent its being refined, thus bringing about a sugar shortage on the east coast.

We were faced with rationing of sugar when we had supplies of grain which could have been used for the production of alcohol. Later a portion of that sugar was released; but the fact remains that after the farmers were told that grain was not needed, and that we had all the alcohol we needed, the R. F. C. optioned or took possession of 1,200,000 long tons of Cuban cane which could and should have been utilized in the production of sugar. Some of the grain should have been utilized in the production of alcohol.

A little while ago I referred to a certain gentleman by name. I am not accusing him of lack of patriotism; but the fact remains that he made the statements to which I have referred. If my memory correctly serves me, he had been vice president of the United States Distillers Corporation, which was owned and controlled by the Air Reduction Corporation, which in turn was owned and controlled

by the Standard Oil Co. of New Jersey. He was in a position to make the decisions with reference to this matter, and did make them.

This country has been shut off from 450,000 tons of cassava-type starches which we formerly obtained from the Dutch Indies, and which we desperately need. In western Kansas, western Nebraska, Wyoming, and Oklahoma, we have a type of sorghum from which it is said 25 percent of our starch requirements can be supplied. In the same plants alcohol can be produced for 10 cents a gallon from the residue. There is not a nickle available for the assistance of such plants.

The farmers in my State and in several of the other Midwestern States have been asked to expand their production of soybeans in order that we may take up the slack caused by lack of copra and other sources of oils referred to by the Senator from Georgia a moment ago. The farmers have responded. The seed is in the ground. The expanded production is now growing; but not a nickel has been allocated to processing plants. The suggestion has been made that possibly the soybeans will be moved from Nebraska, Illinois, Iowa, Missouri, Michigan, and Ohio to processing plants in California, and the finished product will then be brought back, using hundreds upon hundreds of freight cars, at a cost of $475,000 in freight charges for one of such plants.

That is the picture; and it is not a pretty one. It is not a pleasant one. I am glad that I digressed long enough to present the picture. In the face of the situation which confronts us in this war effort, I plead with Senators to join with those who have been doing this very wonderful work. The members of my committee are not alone. The Truman committee has done superb work. The work of my committee was specifically connected with the utilization of farm products.

I plead with Senators to come to the support of agriculture and bring it into the picture so that it may take part in the war effort. In that event the farm surpluses of wheat and corn will disappear overnight. As I suggested a little while ago to the Senator from Georgia, if this amendment should be adopted there would be no limitation whatever on the amount of grains which could be sold for alcohol.

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

Mr. GILLETTE. I yield.

Mr. RUSSELL. I am heartily in accord with what the Senator says about alcohol; and after the committee amendment shall have been disposed of I propose to offer an amendment which would clarify the word "alcohol" by adding "ethyl alcohol, butyl alcohol, acetone, or rubber" so that there may be no question as to the use of surpluses for the manufacture of alcohol and rubber.

Mr. GILLETTE. I thank the Senator. If the Senate should so far forget itself as to adopt the committee amendment, I think the amendment which he has suggested would be very helpful.

Mr. President before I take my seat I should like to say a word by way of résumé of what I have said.

Today there is an expression of opinion by more than two-thirds of the Senate prohibiting the Commodity Credit Corporation from destroying the farm structure built on a parity relationship. There has been a vote of 100 percent on the House side to the same effect. In the face of such an expression of opinion, if the Commodity Credit Corporation wants to sell wheat or corn to dairy farmers in the northeast section, it has a perfect right to do so. It has done so, at a return of 4 cents a bushel.

The Commodity Credit Corporation wants Congress to go on record as reversing itself in its 10-year position in the effort to bring the agricultural industry into a parity relationship with other industries. It wants to be able to say, "You told us to use the surpluses and destroy the price structure. You told us to use them for the purpose of undermining and sapping the structure of protection which was built up for agriculture."

I will never give my permission to destroy what we have done over a 10-year period. As I previously stated, whether or not the amendment is adopted, I intend to move to strike out the provision. It is window dressing. Its only purpose is to ask the Congress to reverse itself, so that the Commodity Credit Corporation may point to such action as its authority for destroying the farmers' position.

Let me say, in amplification of what the Senator from Illinois [Mr. LUCAS] said in speaking of those who have worked together for the whole farm industry, that it is a long lane that has no turning.

The situation which will face wheat today if such influences are left in the control of some of the executive agencies, will face cotton, peanuts, rice, and tobacco, and Senators will point to the record which has been made in abandoning the principles which they have established and supported—abandoning them in the face of a very real exigency, it is true, but an exigency in which under the law such agencies have full and complete authority to dispose of the commodity wherever they want to, on any basis on which they want to, without action of the United States Senate.

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

Mr. GILLETTE. Yes; I am glad to yield.

Mr. O'MAHONEY. Let me ask the Senator to explain more fully exactly what he proposes to do. A moment ago he said he was not concerned with respect to the action which may be taken upon the committee amendment, and that if the committee amendment should be agreed to he would later move to strike out the whole provision. What does he propose to move to strike out, if that is his purpose?

Mr. GILLETTE. I am glad to explain. My motion, which is on the desk, will be in line 9, on page 80, after the word "amended," to change the colon to a period, and to strike out all the remainder, to the bottom of the page, including line 25.

Mr. O'MAHONEY. Then is it the purpose of the Senator's proposed amendment to close the door to any sale below parity by a Government authority?

Mr. GILLETTE. No.

Mr. O'MAHONEY. What is the Senator's purpose?

Mr. GILLETTE. The authority to make such sales would be left wide open, as it is today.

Mr. O'MAHONEY. Oh, yes.

Mr. GILLETTE. There is no limitation to it. The Senate has gone on record in a substantive proposal which was presented here by my former "compatriots," who deserted me unintentionally and against their wishes. Four of us joined in presenting to the Senate a substantive proposal prohibiting the agencies from selling the commodities at below the parity price, and thus depressing the market. That measure was passed by the Senate by more than a two-thirds vote; but the House has not acted upon it. The House put in this appropriation bill a prohibition against sales being made below parity price, in the hope that the President would not veto it, if he had any intention of opposing anything of the kind. That, however, is a mere expression of opinion. The House has put in an appropriation bill a provision prohibiting such sales at below the parity price.

The committee has brought in a modified version of the proposal. Its version provides that sales can be made below the parity price, provided wheat is not sold below the parity price of corn.

If all the provision is stricken out, as I shall move to do, the Commodity Credit Corporation, and the Agricultural Marketing Administration, which today exercises the functions of the Commodity Credit Corporation, will have exactly the authority which they have now.

Mr. O'MAHONEY. Let me interrupt the Senator in order to ask if it is his theory that, in the event the Senate should strike out this provision for which he first urged Senate support, the Commodity Credit Corporation and the Surplus Marketing Administration would not exercise that power.

Mr. GILLETTE. I do not know whether they would exercise it or whether they would not exercise it.

Mr. O'MAHONEY. But the Senator says they will have the power which they now have.

Mr. GILLETTE. Yes.

Mr. O'MAHONEY. The Senator says they still will have the power to sell at any price at which they choose to sell.

Mr. GILLETTE. The Senate has said, "You should not exercise the power which you now have."

Mr. O'MAHONEY. That is correct.

Mr. GILLETTE. We have said it by a substantial vote. While I did not contribute much to it, I fought for it, along with those who at the present time are deserters. I fought with them for that provision; and the House has gone on record regarding it. But today there is no legislation which prohibits the exer-

cise of such power and there will not be any if this amendment be agreed to.

If the provision is stricken out, the agency will be in the same position as that in which they were before, but they will be faced with the expression of opinion by both bodies of the Congress, an expression to the effect that they should not exercise that privilege. It would amount to the expression of an opinion.

Mr. O'MAHONEY. But, Mr. President, since the House Appropriations Committee suggested, and the House apparently without dissent or serious division directed, that no sales should be made below parity, if the Senator now induces the Senate to follow him and to destroy the prohibition which has been sent over to us by the House, will he not then be fighting against the very principle for which he has so eloquently and ably argued here today?

Mr. GILLETTE. I hope the Senator from Iowa is not inconsistent in the position he has taken. If the Senator from Wyoming had done me the honor to listen to me when I first started to speak, perhaps he would better understand the position I take.

Mr. O'MAHONEY. Let me say that I came to the floor of the Senate as soon as I heard the accents of the Senator's eloquent voice.

Mr. GILLETTE. I assure the Senator that he lost nothing. I simply wanted to call attention to the fact that I stated that had this measure come here with the House provision in it, a provision which I thought was ineffectual except as an expression of opinion inasmuch as it simply prohibits the administrative use of the funds in connection with the disposal of these surpluses——

Mr. O'MAHONEY. Of course, that is the only way the Appropriations Committee of the House could act, without suspending the rule.

Mr. GILLETTE. Yes; and I said, that however ineffectual I might have thought it to be, I would have made no objection to it, because it was an expression of opinion and would have value only as an expression of opinion. All the House did was agree to an expression of opinion, instead of taking action on the substantive measure which we sent to the other body.

I would have had no objection; but our friends have brought in a proposal for a very substantial change, abandoning the very principle for which we have fought. If that proposal is agreed to—and I expect it will be agreed to—I shall immediately move—

Mr. O'MAHONEY. Mr. President, the Senator should not be a defeatist. The Senator should not concede the battle while he is making it so ably.

Mr. GILLETTE. Of course, I have no intention of being a defeatist; but several times in my life—in my family affairs, in courts, and in parliamentary bodies—I have had the misfortune to contend for certain measures, and I found that I was defeated by my wife, by the judge, and by my colleagues in the legislative bodies.

Mr. O'MAHONEY. I am sure that in every such case in which the Senator suffered defeat he went into the battle believing that he should be defeated. I do not think he believes that now.

Mr. GILLETTE. I am sure the Senator does not.

Mr. O'MAHONEY. Then, Mr. President, let me ask the Senator whether his argument is directed against the immediate amendment in lines 23 to 25, at the bottom of page 80, the proviso permitting the sale of 125,000,000 bushels of wheat.

Mr. GILLETTE. Of course, I am definitely opposed to that amendment; because that would destroy the thing for which we have contended. First of all, it would permit the sale of corn at below a parity price; and the Senator from Alabama [Mr. BANKHEAD], the Senator from Oklahoma [Mr. THOMAS], and others of us contended and fought for the parity price, and had the endorsement of the Senate by a vote of 50 to 23 for maintaining the position at parity rather than at 85 percent. The amendment would not only permit the sale of corn at 85 percent of parity, using Government surpluses to drive down the price, but it would permit the sale of wheat at below a parity price for wheat, which is $1.13 a bushel; it would permit the driving down of the price of wheat to 82.3 cents, which is the parity price of corn. Not only that, let me say to the Senator, but our position as corn farmers would be an adjustment position. I want the Senator to listen to what I am about to say, because I shall repeat the one thing I have said which may be worth listening to.

Mr. O'MAHONEY. I do not agree with that.

Mr. GILLETTE. I want the Senator to listen. The position of the corn farmer, the adjustment of his production, and the estimated needs of our whole farm program, are based on the assumption that he has a feeding market. By agreeing to the amendment, the Senate would not only be allowing the agencies to destroy the market by selling Government-controlled surpluses which were taken off the market in order to support it, but it would be allowing them to bring in a competitive grain to be sold at 40 cents below the parity price for such grain, 30 cents below its own 85-percent parity position, and they would be allowed to take over the market on the basis on which our production and consumption were adjusted. It is absolutely impossible to do such a thing unless it is desired to destroy the whole farm program.

Mr. O'MAHONEY. Mr. President, let me ask another question, if the Senator will yield to me. Am I to understand that the Senator feels that the producers of corn would not agree to the proviso which the chairman of the agricultural subcommittee intends to offer to the committee amendment, reading as follows:

Provided further, That no grain shall be sold for feed at a price less than 85 percent of the parity price of corn at the time such sale is made.

Does the Senator wish to convey to the Senate the impression that the producers of corn are opposed to that provision, too?

Mr. GILLETTE. They are opposed to any provision which would allow an agency of the United States Government—a government which is assisting them in a program to support their market and to take surpluses out of the market—to use the same surpluses to undersell the market and to drive it down. Let me go further and say that they are opposed to bringing in a commodity which was not envisioned when their production was adjusted to the consumptive needs. The programs for cotton, wheat, and everything else are based on that adjustment. They are opposed to allowing the bringing in of a competitive commodity to destroy their market and to have sales made at below the parity position for corn.

They are opposed to that—selfishly, it is true. I am speaking as a representative of the corn-producing community, but the issue is far broader than that. I can say with considerable truth that the taking of such a step would result in destroying 10 years of effort of this Nation and of the Democratic Party.

Mr. O'MAHONEY. Mr. President, let me ask one other question. The argument in support of the authority of the Government to sell the surplus stocks is that it is necessary for the production of foodstuffs which we need in order to win the war, and that it is the patriotic duty of agricultural producers to submit to such sales. What does the Senator say about that?

Mr. GILLETTE. Mr. President, there is no sacrifice the farmers of Iowa and all the other States would not make for the war effort; but, as I have said over and over again, we are reversing ourselves on an advantage they now have, giving legislative sanction to the reversal and abandoning our position, which it is not necessary for us to do.

The Department can go ahead and sell the grain for alcohol at any price they want; they can now sell it for 2 cents a bushel, if they want to do so, but when they do it, when they utilize the surpluses to destroy a parity position, I do not want them to say, "Congress abandoned its previous attitude in the question and told us to do as we have done."

Mr. O'MAHONEY. I thank the Senator.

EXHIBIT A

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., May 15, 1942.

UNITED STATES SENATE,
Washington, D. C.

MY DEAR SENATOR: We are keenly disappointed that the agricultural appropriation bill as reported to the Senate has been modified so as to permit the unlimited release of corn for feed and the release of 125,000,000 bushels of wheat for feeding purposes, without any price limitation.

This proposal violates the action taken by the Senate by more than two-thirds vote in the passage of S. 2255 and the action taken later by the House by more than 2-to-1 vote in adopting a provision in the agricultural appropriation bill which had a similar objective.

The objective of organized agriculture and—we had reason to believe—the objective of Congress and the administration has been to encourage the stabilization of price levels of basic farm commodities at parity levels. We regard this action as a great step

backward, in that it will undoubtedly have a depressing and demoralizing effect upon the price level of feed grains. Any policy of Government which has for its purpose the deliberate attempt to hold down the price of feed grain substantially below parity will in the early future have a similar influence upon the price level of all livestock and livestock products. It will also have the effect of destroying justified confidence in the parity-price objective of the Federal Government for farm commodities. It will tend to result in sectionalism and disunity of agriculture because of the failure to provide comparable protection for all commodities.

The American Farm Bureau Federation, after conferring with farm leaders from Wheat and Corn Belts, recommended an amendment to this bill that would limit the release of Government-owned or controlled wheat at a price not less than the parity price for corn and then only in such amounts as would not have the effect of depressing the basic corn market below parity levels.

We, therefore, urge that this bill be amended on page 80 by striking out the word "or" in line 19 and inserting the word and", and by inserting a comma after the word "purposes" in line 25 and adding the following: "but at not less than the parity price for corn."

We respectfully urge your support of this amendment. We are counting on Congress to keep faith with farmers in protecting the parity-price principle.

Sincerely yours,

EDW. A. O'NEAL, *President.*

April 15, 1942, price situation—Corn and wheat

	Cents per bushel
Wheat:	
United States parity price	133.5
85 percent of parity	113.5
Average farm price	99.7
Corn:	
United States parity price	96.9
85 percent of parity	82.3
Average farm price	79.7

Source: Midmonth Local Market Price Report, Bureau of Agricultural Economics, U. S. Department of Agriculture, April 29, 1942.

April 15, 1942, price situation—Hogs and cattle

	Per hundredweight
Hogs:	
United States parity price	$10.98
Average farm price	13.48
Cattle:	
United States parity price	8.18
Average farm price	10.71
Beef steers at Chicago:	
Choice and Prime:	
Parity equivalent	13.33
Reported average price	15.56
Good:	
Parity equivalent	12.02
Reported average price	13.70
Medium:	
Parity equivalent	10.72
Reported average price	11.96
Common:	
Parity equivalent	9.41
Reported average price	10.27

Hog-corn ratio now extremely favorable to hog growers; unfavorable to corn growers

The 1909–14, or parity hog-corn ratio (number of bushels of corn which can be purchased with the price of 100 pounds of live hogs) was	11:5
The 1940 hog-corn ratio was	9:4
The 1941 hog-corn ratio was	14:2
The April 1942 hog-corn ratio was	16:9
The April 1942 average farm price of hogs was (per hundredweight)	$13.48
If corn had been selling at parity, the April 1942 hog-corn ratio would have been	13:9

Hog producers would have still enjoyed an extremely favorable feeding ratio if corn prices had been at parity in April.

Mr. WILLIS. Mr. President, I am glad to express my appreciation of the enlightened and patriotic contribution of the Senator from Iowa. Personally, I believe that his committee has done a great work, and it should be given our wholehearted support.

Mr. President, I am moved at this point to participate, as justly as I know how, in what the President described to Congress nearly 3 weeks ago as "our effort to be fair in all phases of price control."

Surely, there is not one of us who was not in agreement with the President when he declared to us on April 27 that "safeguarding our economy at home is the very least that our soldiers, sailors, and marines have a right to expect of us civilians in government, in industry, on the farms, and in other walks of life."

I should be derelict in my responsibility if I were to encourage any group in our society to follow the course of special advantage.

I should betray the confidence of the people of my State if I were to sanction unequal sacrifice.

We are all in agreement, then, in holding to a common major premise: That there is a compelling necessity today for sacrifice of personal and group ambitions which are not in tune with the military and economic imperatives for the common welfare of all of our people, and that such sacrifice must be made in equal share by all groups, with special advantage to none.

But government itself, being by nature composed of men, must also be considered as a group with ambitions—as much so as labor, or farm, or management. If it is our binding duty to guarantee equitable postponement of the special ambitions of all groups in our society, as indeed it is, then it behooves the group known as government not to determine the degree of sacrifice by other groups in accord with its own special ambitions of a more normal day, but, indeed, it behooves the group known as government to sacrifice its own ambitions in the common fire.

Unfortunately, however, none but the government group can determine the amount of sacrifice to be made, or not to be made, by the government group itself. Yet it is also to the government group that remains the power of deciding what sacrifices must be made by the labor group, the management group, and the other groups, including the farm group. It is to be hoped that the government group will not seek largely to serve its own long-term desires in its determination of what sacrifices shall not be made by some groups and what sacrifices shall be made by the farm group, which, after all, has no voice but the Congress of the United States.

Farmers are not happy about receiving parity-payment checks from the Government. They will welcome the day when parity is attained through the operation of economic laws rather than by subsidy. I have received scores of pledge cards signed by farmers in my own State declaring that patriotism forbids them accepting Government checks for farm benefits of any kind during the war.

We are not here concerned with what gains it would be nice for the farmer to make. There has been too little concern with the elements which would make for real farm stability, but this is not the time for their discussion. We should be concerned here, however, with whether the farmer is being asked to make more than his share of sacrifice.

For nearly 9 years—

The President reminded us on April 27—

it has been the policy of the Government to seek an objective known as parity—farm prices that give the farmer an assurance of equality in individual purchasing power with his fellow Americans who work in industry.

And he added the recommendation that farm prices be permitted to rise to parity, but not in excess thereof.

If it were not for a confusion of two distinct senses in which the term "parity" is here used, there could be no basis of argument. No fair-minded American can insist that farm prices should be permitted to rise above parity, if parity means equality in individual purchasing power. But when those who wish to keep farm prices at parity use the term, they are not speaking of equality in individual purchasing power. Rather, they are speaking of an arbitrary ratio between farm and industrial prices of 1909–14.

But prices the farmer must pay for his purchases today are in reality higher than in the period from 1909 to 1914. They were 47 percent higher on February 15; 50 percent higher on March 15; and 51 percent higher on April 15.

Mr. President, it will be argued that the artificial parity concept is flexible; that parity prices are now adjusted so as to remove that discrepancy; that for every dollar the farmer got for his crops between 1909 and 1914, he now gets $1.51. But, even at best, this only means that the farmer is still enabled theoretically to buy the necessities comparable today to those he needed 30 years ago. It does not mean that his ability to buy War Bonds, or drive to town for his sugar ration, or to meet his enormously increased wartime taxes is thus placed on a parity with the comparable ability of the other segments of society. The artificial parity arbitrarily determined by conditions 30 years ago keeps pace, then, with only some, not all, of the aspects of the farmer's subsistence life today.

Suppose for a moment that a Roman farmer of 251 B. C. was better able to buy his plow and seed than a Roman farmer of 271 B. C. or 231 B. C. Does it follow that Mussolini's multiplication of the farm prices of 251 B. C. by the commodity index of 1942 would give the Italian farmer parity today under the definition of "equality in purchasing power"?

Making due allowance for the adjustable sliding scale, it remains true that when the farmer asks, in some instances, for as high as 110 percent of yesterday's parity, he asks no more than the President says he should receive when the

President defines parity as "equality in purchasing power" today. Parity under the 1909–14 definition is decidedly subparity under the President's definition.

It is precisely because I agreed, and still agree, with the President's recent definition of parity, that I was opposed in 1933, and am still opposed today, to gearing American agriculture to a wholly artificial parity determined by conditions of 30 years ago.

The expressed objective of the administration's farm policy was to raise and hold agricultural prices above world levels. Its means to that objective have been production controls, commodity loans, surplus commodity purchases, export subsidies, and marketing quotas.

In a nation confronted with conditions which could not always wait for perfect theories, some of these mechanisms undoubtedly have served valid short-time purposes; but even their sincerest defenders must admit that they have been price techniques suited only to an underlying philosophy of scarcity. Because scarcity is artificial and plenty is natural, these techniques led to increased, rather than decreased, surpluses—while at the same time discouraging natural development of new outlets for the surpluses with which the farmer was thus saddled.

Nor were these techniques attaining the goal even of an out-of-date concept of parity. For, just prior to the outbreak of war, the prices of veal, lamb, chicken, beef, and wool, which were unrestricted by Government, averaged 94.5 percent of parity, while the prices of corn, cotton, hogs, and wheat, restricted by Government, averaged only less than 56 percent of parity.

It was argued by those who said they favored parity prices for the farmer that farm curtailment would serve to maintain farm prices, just as curtailment in industry served to maintain industrial prices. But it was overlooked that industry could make up for curtailment by dismissing labor, or reducing labor's wages, whereas the farmer, for the most part, was his own labor, and could hardly find salvation by cutting himself off his own pay roll.

There was, and is, only one answer, of course, for both farmer and labor, and that is increased, rather than decreased, production. In arguing that crop curtailment would maintain farm prices as industrial curtailment maintained industrial prices, defenders of that farm program were offering the final proof that theirs was a philosophy of scarcity. For loss of industrial labor means less market for farm crops, and less farm production means still less industrial production. On the other hand, increased farm production and the use of farm surpluses as the raw materials of industry, made possible by the genius of plant genetics and organic chemistry, mean more labor in industry and still more farm production for food as well as for industrial use.

It has not yet been officially recognized that neither agriculture nor labor presents an isolated problem in itself which can be solved by isolated solutions. So long as we persist in this sort of domestic isolationism, 20,000,000 Americans can be expected to remain in the tragic position of having no more than 15 cents a day to spend on food, as was the case in 1939, and the farmers, who constitute one-fourth of our population, can be expected to remain in their tragic position of possessing only one-eighth of the national income, as was the case in 1940 and 1941, because their fellow Americans who work in industry cannot afford what they want to eat.

It is to be hoped that when the war is past we shall move on toward such a common-sense philosophy of plenty, and ignore forever the old, discordant melodies of scarcity which have fooled us because they poured forth from new juke boxes.

Just now we are engaged in a war which bids us forget for the present our self-interested determinations for the future. We are fighting to preserve the opportunity to repair past mistakes and to inaugurate future improvements in our own way. These hopes will not matter if we do not win the opportunity to realize them.

So we must sacrifice now—all of us—management, labor and farm.

Management is asked to forget business as usual.

Labor is asked to confine its demands to the restricted economy in which it now operates, and to postpone its demands for the new system of plenty which promises so much.

The farmer is asked to postpone realization of the new society in which farm and labor alike stand to gain so much by the increased use of farm crops to expand industry.

Those are the sacrifices—and they are real sacrifices—which we must make. They are made willingly by all. But, as well as sacrificing our desires for the justice of plenty, we must also be certain that our sacrifices under present conditions are also made equally by all groups.

Fortunately, most groups can at least be certain that their sacrifices have been comparable. Fortunately for the Nation, labor has not been deterred, amid rising costs of living, from seeking a parity subsistence determined in 1942, not in 1909 or 1914. Unfortunately for the Nation, however, it is now urged by some that the farmer be prevented from operating on the basis of a 1942 parity—under which he would still forego willingly an equitable share of the nonwar income—and be harnessed instead to the irrelevant parity of 30 years ago.

Farm prices have often dropped in direct ratio with pay-roll drops. Should they not also rise in direct ratio with pay-roll increases—not as a matter of selfishness, but as a matter of preserving the balance of equitable sacrifice among groups in an already strained economy?

Mr. President, we are toying with potential tragedy. The American decade from 1930 to 1940 was the first since 1790 which did not produce more real wealth than the preceding decade; and it is the farmers, one-fourth of our population, who constitute the largest group engaged in a single productive activity in this Nation.

Already, 3,000,000 of the 6,000,000 farm units in the United States produce only 11 percent of our total agricultural output, and more than one-half of them produce too little to be classed as stable economic units.

The finger of science points to these farms as possibly the most important social and industrial factors of the post-war world. Dare we load them with a still more unjust share of the sacrifices which must be made today? Or would we thereby pack a still greater long-run burden on all groups together?

From 1920 to 1921, the national income dropped 16 percent, while the farm income dropped 37 percent.

From 1925 to 1929, the national income increased $10,000,000,000, while the farm income dropped from 12.4 percent to 9.1 percent of the total national income, even while farm prices were comparing favorably with those of the 1909–14 "golden era," whence "parity" is derived.

From 1929 to 1932 the national income dropped 38 percent, while the farm income dropped 47 percent.

In 1940 the national income was $77,000,000,000. The 25 percent of our population which was on the farms got only $9,000,000,000, or less than 12 percent of the national income, about one-half their share.

In 1941 the national income increased 17.4 billion dollars, but the farm income still was only slightly more than 12 percent of the total.

An involved complex of reasons can be cited for these facts, not excluding overexpansion in wartime, return to price criteria in post-war periods of scarcity theories, minimum use of agricultural products in industry, and other causes, but it is universally recognized that the farmers have traditionally received a shockingly low share of the Nation's income, and it is not readily apparent how the farmer's post-war stability can be in any measure jeopardized by guaranteeing him only the bare parity level now which other groups already enjoy. Indeed, it is possible that the farmers' instability will not be so long in coming unless he is relieved now of all but his just share of the burden. After the war, only an unjustifiable return to the restrictions of scarcity can contribute to his collapse, for the compelling truth of science, which will be hard to ignore, is already urging industry to clamor for those farm products so often incorrectly known as surpluses. Already the cry for use of grains for industrial alcohol and synthetic rubber is beginning to rise above the din of battle.

At this very moment, however, we are confronted with a proposal that Government-owned surpluses be permitted to sell on the market for less than parity, and for no higher. Obviously, the effect of flooding the market with commodities at subparity prices would be inevitably to drive the prices of all privately owned commodities also beneath parity. The Government then would flood the mails once again with hand-out checks to the farmer to make up the difference. So far as the total amount of money is concerned, what difference does it make whether the farm income is derived from Government hand-outs or whether it

comes about as the result of the operation of the few remaining vestiges of natural economic intercourse?

Apparently the main difference is that such a successful operation of free enterprise would rob the Government of its golden opportunity to maintain political control of the farmer and to keep on using him as a political football. Is it possible that there is fear in some Government quarters—fear that if a greater part of the farmer's income should come from natural sources rather than from Government hand-outs, a valuable political weapon might be dulled? It will be hoped that such is not the case. Our people are showing a spirit of sacrifice worthy of the Nation's greatest tradition. In return they ask only that all groups make equal sacrifice. For them it is unthinkable that the group known as Government should not also sacrifice its own special desires—its desires to maintain political control over other groups.

The farmer asks no special privilege at the cost of the common welfare. He asks only the patriotic privilege of being part of a society whose members recognize a just parity of sacrifice even where they do not recognize a just parity of enjoyment. I therefore support the proposal for full parity prices for commodities of first-grade condition sold by the Government, and shall oppose the amendment to the bill.

If parity is determined in 1942 for all but the farmer, then the farmer should be permitted to trade in his wobbling 1909–14 concept for a new model.

Mr. THOMAS of Oklahoma. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. I will ask the Chair to state the amendment now pending before the Senate.

The PRESIDING OFFICER. The pending question is on the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee on page 80, proposing, in line 25, after the word "purposes", to add the following proviso: "*Provided further*, That no grain shall be sold for feed at a price less than 85 percent of the parity price of corn at the time such sale is made."

Mr. BANKHEAD. Mr. President, will the Senator from Oklahoma yield.

Mr. THOMAS of Oklahoma. I yield.

Mr. BANKHEAD. There are so few Senators present that 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:

Aiken	Capper	Hill
Andrews	Caraway	Holman
Austin	Chavez	Hughes
Bailey	Clark, Idaho	Johnson, Calif.
Ball	Clark, Mo.	Kilgore
Bankhead	Connally	La Follette
Barkley	Danaher	Langer
Bilbo	Doxey	Lee
Bone	Ellender	Lucas
Brewster	George	McCarran
Brooks	Gerry	McFarland
Brown	Gillette	McKellar
Bulow	Glass	McNary
Bunker	Green	Maloney
Burton	Gurney	Maybank
Butler	Hatch	Mead
Byrd	Hayden	Millikin
Murdock	Russell	Tunnell
Norris	Schwartz	Tydings
Nye	Smathers	Vandenberg
O'Daniel	Smith	Van Nuys
O'Mahoney	Spencer	Wagner
Overton	Stewart	Walsh
Pepper	Taft	Wheeler
Radcliffe	Thomas, Okla.	White
Reynolds	Tobey	Wiley
Rosier	Truman	Willis

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

Mr. THOMAS of Oklahoma. Mr. President, I have just been advised that the question before the Senate is an amendment submitted by the chairman of the subcommittee of the Appropriations Committee having charge of the bill. The amendment which is now pending was not passed upon either by the subcommittee or by the main committee. Therefore I feel free to discuss the amendment and to oppose it, and to offer something in its place. I shall try to clarify the issue, if I may, and I do so for the best of reasons.

This is a rather practical proposition. In my State we grow cotton, corn, and wheat. We can produce 10 percent of the cotton that is grown in America. We can produce a very large percentage of the corn that is grown in America, and a very large percentage of the wheat grown in the country. As I view the situation now, the amendment does not affect cotton, but it does affect corn and wheat. The amendment as it is now before the Senate is a rope with two nooses on the end, one noose designed to strangle the corn farmer and the other noose to strangle the wheat farmer. Coming from a cotton-producing State I am not willing to be a party to strangling the corn section, because if I did I would strangle some of my own people in my own State, and I am not willing to undertake to strangle the wheat farmer, because if I did I would strangle some wheat farmers in my own State.

The amendment proposes to drive the price of wheat down and to use the falling price of wheat to drive the corn price down. I am not willing to be a party to either proposal.

Mr. President, we have striven for 10 years to establish in the law and in the minds of the people the parity concept with regard to agricultural prices, and we have made a fair success in that effort. The people understand, I think, in the main what parity prices are. They are now incorporated in the law of 1938, and reincorporated in the recent price-fixing measure, and the bill now before the Senate proposes to carry the full parity concept, save in some particulars, which I shall state. Under the bill the Commodity Credit Corporation, acting under the Department of Agriculture, can sell and dispose of wheat, under certain conditions, below parity prices.

The parity price for wheat is about $1.33. Under the terms of this bill the administration could sell wheat for relief purposes. That is all right. I do not object to that. I favor it. Under this bill the administration could sell wheat which is deteriorated and is not worth its full value. That is all right. I favor that provision. Under this bill the administration could sell wheat for the manufacture of alcohol. I support that proposition. There is no division on that question. It could sell wheat for seed. Of course, no one can complain about that.

The provision in this bill to which I object is that which would permit the administration to sell 125,000,000 bushels of wheat at 85 percent of the parity price for corn. The parity price for corn is 97 cents a bushel. Taking 85 percent of 97 cents, that brings the price of wheat down to 82 or 83 cents a bushel.

Mr. President, that is 51 cents below the full parity price for wheat. If the bill should be passed with the amendment offered by the distinguished Senator from Georgia, the administration would be authorized to sell an unlimited amount of wheat at about 82 cents a bushel, or 51 cents below parity.

Mr. RUSSELL. No. The amount would not be unlimited, because my amendment is an amendment to an amendment which limits the total sales which may be made for those purposes to 125,000,000 bushels.

Mr. THOMAS of Oklahoma. That is for relief purposes; but there is no limitation on sales for relief purposes. It may all be sold for relief. There is no limitation on the sale for the manufacture of alcohol. There is no limitation on the sale of wheat which is not up to standard. So my statement stands, that under the terms of the amendment the administration could sell any amount of wheat it chose to sell at 85 percent of the parity price for corn.

Mr. RUSSELL. I understood the Senator from Oklahoma to say that he has no objection to the sale of wheat for making alcohol, or for seed, or to the sale of grain which has deteriorated in quality. I, therefore, assume that he would not object to the sale of any amount for that purpose.

Mr. THOMAS of Oklahoma. I am objecting to using wheat to drive down the price of wheat, and using wheat to drive down the price of corn, because if this amendment should become law the price of wheat would fall. It has already fallen. The price of corn would fall. It has already fallen. When the prices of those two commodities fall, the price of cotton will follow, because the moment the administration desired to bring the price of cotton down it would have the machinery to do so.

Mr. RUSSELL. Then, the Senator is opposed to the sale of any wheat at less than parity.

Mr. THOMAS of Oklahoma. Really I am not; but, as a matter of compromise, I must be, as a matter of compromise, it seems that we have more wheat than we can really use efficiently.

Less than 18 months ago we had a 3-year supply of cotton on hand. We were not using much cotton a year and a half or two years ago, before the war started. We were using 5,000,000 or 6,000,000 bales a year. We had nearly 18,000,000 bales of cotton on hand; and the wheat producing States and the corn producing States came to the rescue of cotton and enabled those who represented the Cotton States directly to get the price of cotton up, to keep cotton off the market, and get a fair price for it.

What has happened to cotton in only a few months time? Instead of having a 3-year supply, as we had less than 2 years ago, the demand for cotton has been such that cotton has disappeared. We are now using 1,000,000 bales of cotton a month in our mills, and that is not sufficient. There is now a demand for more cotton than the mills of America can weave. As a result of the demand for 1,000,000 bales of cotton a month the 3-year supply has dwindled until now there is not a 1-year supply of cotton on hand. At the end of the recent cotton marketing season we had 15,000,000 bales. We are using approximately 1,000,000 bales a month. At the present time we have scarcely 10,000,000 bales of cotton on hand. If we use 1,000,000 bales in May, 1,000,000 bales in June, 1,000,000 bales in July, 1,000,000 bales in August, and 1,000,000 bales in September, when the new crop comes on the market 5,000,000 bales more will have been taken from the 10,000,000 bales we have on hand. So on the first of September we shall have scarcely 5,000,000 bales of cotton on hand.

However, we have a rather large supply of wheat. We have on hand probably 650,000,000 bushels of wheat. That is perhaps a little more than 1 year's supply. If we have a large crop this year, we shall raise probably another 700,000,000 or 800,000,000 bushels of wheat. That will be only a year's supply.

We do not know what kind of a crop of wheat we shall raise this year. In my State the green bugs are present. In the southern part of Oklahoma and the northern part of Texas there is scarcely anything green in the way of oats, wheat, or barley The green bugs have killed the crops. If that condition should prevail throughout the country, or if the rust should come, or if droughts should occur in some sections and floods in others, we might not have a great oversupply of wheat produced this year. If we do have a large supply of wheat, I shall not complain.

What will face America when this war is over? We shall have 130,000,000 people to feed in America. What about Canada? Canada now has a rather liberal supply of wheat. Canadian young men have gone to war. If something should happen to Canada, her supply might be depleted this year. It is true that I am only dealing in speculation, but the Canadian supply of wheat might disappear, as did the supply of cotton in the United States.

When the war is over there will be a great demand on the United States for wheat. France is not raising much wheat. She must have wheat. Russia is not raising an oversupply of wheat. Russia must have wheat. I understand that the Russian wheat growers are busy right now trying to defend themselves, and I do not look for a large oversupply of wheat in Russia.

It is now fall in Australia. The farmers of Australia are sowing wheat, if there is anyone to sow wheat in Australia at this time. I understand the Australians are also busy right now. I doubt if they can sow a large crop of wheat this fall. If they do sow a large crop of wheat, what will happen when spring comes? They may be too busy to harvest it. Certainly they will need wheat when the war is over. France will need wheat. Our friends—such of them as are still our friends—in Europe will need wheat. Russia will need wheat. Canada will need wheat. Australia will need wheat; and our friends in India and China will need wheat.

Is there any justification for anyone saying that we must throw our wheat away, burn it, destroy it, or give it away, when we have only a year's supply on hand, and when there may be a great demand for wheat in less than 12 months?

I am glad we have a surplus of wheat on hand. I am glad we have the prospect of raising a fair crop of wheat in America this year. Even so, we should not now provide for using wheat against wheat. By that I mean using wheat to drive down the price of wheat, and then using wheat in competition with corn to drive down the price of corn.

If I were to support this amendment, I should be supporting an amendment for lowering the price of wheat in Oklahoma. I should be supporting a provision to drive down the price of corn in Oklahoma. We have worked for 10 years to get the parity concept into law and established throughout the country; and now, when we are up on that high pedestal, I am not in favor of legislation to drive down the price of wheat to a point 51 cents below parity, and drive down the price of corn to at least 15 percent below parity.

Mr. President, I desire to read from the CONGRESSIONAL RECORD two or three paragraphs, which I should make my text if I were delivering an extended address, which I have no intention of doing. These paragraphs were placed in the RECORD by the chairman of the House Committee on Appropriations, Hon. CLARENCE CANNON, of Missouri. I think I have not seen a clearer statement of the objective of the farm group in the Senate and in the House than is found in these two or three paragraphs from the CONGRESSIONAL RECORD of May 13, 1942, page 4138.

I read:

> The principle of parity has been barely established and now it is proposed to betray it in the house of its friends. We cannot yield parity on one commodity and preserve it on another commodity. A chain is only as strong as its weakest link. We must maintain parity for all or resign ourselves to parity for none.
>
> "Divide and conquer" is a familiar slogan and a time-honored ruse of the enemies of agriculture. Agriculture will play into their hands if for the sake of a temporary advantage to one group the attempt is made to throw another group to the wolves. The only tenable policy is "One for all and all for one."
>
> Parity is a principle and a principle compromised is lost.

Mr. President, when we come to vote on the pending amendment this afternoon, if it shall be voted on today, we shall vote upon the principle stated in this quotation. The statement I have just read, that if a man can divide his opposition he has a better chance of winning, is about the first thing a man in public life learns when he starts to run for office. If a candidate believes that the opposition is numerically stronger than he is, what is the first thing he does? He gets three or four or five or six or a dozen candidates to declare they will run, and thus divides the opposition. Then, relying on the votes which he knows he has—and if he does not know he has them he is on thin ice—he proceeds to divide the opposition; and when the election returns are in, the man of whom I speak will find that he has more votes than any one of his opposition, although the opposition in toto may have 8 or 10 times the vote which he has received. Such a situation is the occasion for the so-called run-off primaries in some of the States.

In this issue, Mr. President, an effort is being made to divide the three groups interested in agriculture. The cotton farmers are now in fairly good shape. They are sitting back in the high seat behind the driver; and the cotton farmers, as I see the picture, are permitting the man in the front seat to use wheat to drive down the price of corn; and in using wheat to drive down the price of corn the price of wheat itself is being driven down.

I am not in favor of that, and, coming from a cotton-producing State, I fear that if we, the elected representatives of the farm section, become divided, and if now the corn farmers are injured and damaged, they will not feel very cooperative, at least, when some cotton issue arises; and if the wheat farmers are injured and damaged, I doubt if the wheat group will feel very cooperative when some problem with respect to cotton comes before the Congress. In view of the fact that all Members of the Senate who are interested in corn, wheat, or cotton have fought for and have succeeded in obtaining a law setting forth the parity concept, I am in favor of standing by that concept.

I agree that perhaps there is some reason at this time why we should make a temporary dislocation in the parity concept in the public interest. That is suggested in the bill as it passed the House. Wheat can be sold for relief purposes, and no one would deny the administration the right and the opportunity to sell wheat for relief purposes. Deteriorated wheat should be sold for what it will bring. That is good business. We need alcohol, and wheat can be sold for use in the production of alcohol. That is good business. We must have alcohol; and to the extent to which we can manufacture alcohol from wheat a future demand for wheat may be developed. We can also sell wheat for seed, and we must have wheat for seed. So I am perfectly willing to make some temporary dislocations because of the fact that we have a large supply of wheat, and with a fairly good prospect for another good supply, a situation with which I am delighted. But I am not willing to say in the law that the Government can sell as much wheat as it may want to sell at 51 cents below parity and at a price of 85 percent of the parity price for corn.

Mr. President, if such a provision goes into the law, we shall have wheat competing with corn—wheat that will be sold at a price 15 percent below the parity

price for corn. I do not know what the effect of such a procedure will be. I cannot support such a proposal.

In a few moments I shall offer an amendment proposing to change in only two particulars the amendment which is now before us. The pending amendment provides that the surplus wheat may be sold for certain purposes, and it changes the word "and" to "or." I am opposed to the change of the word "and" to "or"; and I shall call the Senate's attention to the language in the bill.

On page 80, in line 19, we find the point at which the change is proposed to be made. I shall read one or two lines, so that the Senate may understand what I mean. Provision is made that the administration may sell "grain which has substantially deteriorated in quality," at which point the House used the word "and"; but the Senate committee struck out the word "and" and inserted "or." I shall read the provision as the House put it in the bill:

> Grain which has substantially deteriorated in quality and is sold for the purpose of feeding or the manufacture of alcohol.

I approve of that. The Senate committee has changed that to read as follows:

> Grain which has substantially deteriorated in quality or is sold for the purpose of feeding or the manufacture of alcohol.

The slight change of the word "and" to "or" makes a substantial change in the provision. I am opposed to striking out the word "and" and in the insertion of the word "or".

The second provision to which I have referred, the amendment submitted by the chairman of the subcommittee on agricultural appropriations, the Senator in charge of the bill, provides that the surplus wheat may be sold at a price of 85 percent of the parity price for corn, or about 82 cents a bushel.

Mr. NORRIS. Mr. President, before the Senator leaves the discussion of the change of the word "and" to "or," I should like to interrupt him, if he will yield to me.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Does the Senator from Oklahoma yield to the Senator from Nebraska?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. NORRIS. I have not given this particular matter the thought I should perhaps have given it, but it appears to me that, as the Senator has read it, the proposal of the Senator from Georgia is better, that "or" makes the provision better than it would be with "and." If the word "and" is left in the bill, then, in order to have the wheat sold, both conditions would have to be complied with. If the word "or" were substituted, only one condition would have to be complied with, but both might be complied with; that would not be interfered with.

Mr. THOMAS of Oklahoma. Any Senator who desired to have the largest possible number of bushels of wheat sold would be in favor of having the word "or" in the bill. I am not in favor of selling at the depreciated price all the wheat which can be sold.

Mr. NORRIS. If it is to be sold, let us say, for the production of alcohol, if the word "or" is placed in the bill it will not be necessary to comply with the other condition which is attached; compliance with one of the conditions will be sufficient. It strikes me that if wheat has deteriorated, the fact that it has deteriorated should be sufficient reason to allow its sale, because otherwise it will steadily become worse, and eventually become worthless. Why should we provide that it shall not only be deteriorated, but that some other condition shall attach before it may be sold. I think that illustrates the difference between the use of the two words, "and" and "or."

Mr. THOMAS of Oklahoma. The Senator understands the purpose of the language. It is simply a question of intent. If any Member of the Senate or any other person desires to have the largest possible number of bushels of wheat sold, then he will be in favor of removing as many restrictions as possible. I am in favor of restricting such sales, for fear that we ourselves may need the wheat later on.

Mr. NORRIS. I understand the Senator's point, and perhaps he is correct about it. Would the Senator put any limitation on the sale of wheat if it were found to be deteriorating, so that it would soon become worthless?

Mr. THOMAS of Oklahoma. The Government can sell all they want to sell at the full parity price of corn. They can sell it for the production of alcohol, or they can sell it for relief purposes, or for any other purpose; but it must be for a specific purpose.

Mr. NORRIS. If wheat is deteriorating, for instance, the Senator would not require that it would have to be deteriorating and be sold for relief purposes, would he? If the word "or" were in the law, the wheat could be sold for either one of the purposes mentioned or both.

Mr. THOMAS of Oklahoma. The Senator correctly interprets the provision. If it is desired to throw this matter wide open, we should repeal many laws which we have on the statute books.

Mr. NORRIS. That may be.

Mr. THOMAS of Oklahoma. And we should give the authorities all the control they may desire to have in order to be able to drive down the price of wheat to any point to which they see fit to drive it.

Mr. NORRIS. I would not agree to that.

Mr. THOMAS of Oklahoma. That would be the result. Not long ago announcement came from high authorities that they are going to keep the prices of farm commodities at around parity prices, and in a New York newspaper I notice a heading reading as follows:

> Staples drop with United States threat to hold prices near parity.

Just a threat to do it caused the price of wheat, the price of corn, the price of cotton, and the price of rye to fall.

Mr. NORRIS. All that may be, but I do not think that demonstrates that we should have the word "and" in the bill instead of the word "or." For example, let us say that it was discovered that a large portion of the wheat held in storage was deteriorating—for any reason. Would the Senator be in favor of putting any restriction on the sale of such wheat for feeding people as a matter of charity?

Mr. THOMAS of Oklahoma. No; not for feeding purposes.

Mr. NORRIS. Would the wheat have to be used for charity, and would it also have to be deteriorated?

Mr. THOMAS of Oklahoma. No, Mr. President; that question answers itself. No one would want to feed deteriorated wheat to persons on charity, or to anyone else.

Mr. NORRIS. No; I should not think so, but it would be necessary to use the word "and" in the bill instead of the word "or."

Mr. THOMAS of Oklahoma. I do not think so. Deteriorated wheat could be used only for feeding, and I think it should be processed and the bad taken out. That is ordinarily done as to wheat. When wheat comes in during the threshing season it ordinarily contains more or less foreign matter.

Mr. NORRIS. I think it is apparent—at least it seems to be so to me—that we shall have a very large amount of wheat on hand, and if the crop now growing shall be of the average size, there will be, as I understand, no place within the United States in which to store it. So I think no one can deny that we will have on hand a large amount of deteriorated wheat. It would be wrong, it seems to me, not to utilize it for whatever we can get out of it rather than to lose it entirely.

Mr. THOMAS of Oklahoma. We can still make provision for that; we can dispose of the deteriorated wheat for what we can get out of it. If it is beyond reclaiming, it would not bring very much, of course; if it contains a certain percentage of good wheat, the bad wheat can be separated from the good wheat and the good wheat can be utilized. So if it is the desire of the country and the administration to drive the price of wheat down, then, of course, the provisions of this amendment I think will do the job; but I am not willing, Mr. President, in times such as we find throughout the world, to try to drive the price of wheat down.

It may be true that we have 600,000,000 bushels of wheat on hand, but we use more than that in continental United States; we use about 650,000,000 bushels, or approximately that amount. If we raise a large crop this year, we will find some place to put it. During the last war I saw piles of wheat in my State for which there were no storage facilities; no graneries or elevators were available; but that condition has been largely remedied in the last 25 years. If we had to put wheat on the ground in 1917 and 1918 in order to take care of it, which we did, we may have to do that again this year, but, if so, there will be no substantial injury done, because the wheat can be taken from the ground, loaded on cars, and shipped, and what little dirt there may be in the wheat can easily be removed by running it through the proper machinery.

So, Mr. President, it resolves itself into this question: If we want to drive the price of wheat down, this amendment

can be used to do it; if we want to use wheat to drive the price of corn down, this amendment obviously will do it. I am not in favor of doing either one. For 10 years we have been trying to get the price of corn, wheat, and cotton to parity and now, when we have just about attained that goal, those who have always been against the parity concept are trying to divide those who are trying to help the agricultural interests, by using one group against the other, using wheat against corn. Cotton is out of this picture for the time being, but Senators from the cotton-growing section, it seems to me, are favoring the use of wheat to drive the price of corn down, and the use of corn to drive the price of wheat down. As a practical proposition, coming from a State that grows all three crops, I cannot subscribe to either of those proposals.

Mr. President, I desire to offer a substitute. First, I desire to submit a parliamentary inquiry. I believe there is a unanimous-consent agreement to consider all amendments to the five or six or seven lines on the bottom of page 80, and then vote on all the amendments en bloc. Is that correct?

The PRESIDING OFFICER. The Chair is advised that unanimous consent was granted to vote on all the amendments to the Commodity Credit Corporation section as one amendment.

Mr. THOMAS of Oklahoma. Then, Mr. President, before I could ask for a vote on my amendment, the proponents of the amendment pending would have the right to perfect those lines and the proponents of the committee amendment and of the amendment submitted by the chairman of the subcommittee would have an equal right before I could offer my substitute, as I understand. Then I think I am right in saying that I would have the right to offer as a substitute an amendment to strike out the lines, as amended, before they are finally voted upon en bloc. Am I correct?

Mr. RUSSELL. Mr. President, I do not want to interfere with the parliamentary inquiry, but my own idea of the rules is that if the amendments pending were adopted, a substitute would not be in order. I do not know, of course, what the Chair is going to rule, but I should have no objection to the Senator from Oklahoma offering a substitute after the amendment is perfected, if he desires to do so.

The PRESIDING OFFICER. The substitute would be in order when individual amendments are reached.

Mr. CLARK of Missouri. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. Of course, the method under which we are proceeding is a departure from the ordinary parliamentary procedure. In other words, at the request of the Senator from Georgia, we are considering these amendments to the committee amendment en bloc. It seems to me, that being true, that a substitute for those amendments ought to be considered as one amendment, just as, by unanimous consent, the committee amendments themselves are considered as one amendment. If the Senate chooses to grant consent to consider various amendments en bloc then the ordinary parliamentary rules ought also to apply to considering a substitute for the various amendments en bloc.

Mr. THOMAS of Oklahoma. Mr. President, perhaps I can submit an inquiry that will enable me to proceed a little more in order. On page 80, line 14, the committee inserts the words "Provided further." I inquire if that amendment has been agreed to?

The PRESIDING OFFICER. The Chair is advised that those words are a part of the House text.

Mr. THOMAS of Oklahoma. Very well. In line 15, the words "provisions of this act" are stricken out and the words "foregoing proviso" inserted. Has that amendment been agreed to?

The PRESIDING OFFICER. The Chair is advised that that is one of the amendments included with the one at the bottom of the page.

Mr. THOMAS of Oklahoma. Very well; in line 19 the word "and" is stricken out and the word "or" inserted. I understand, then, that that is an amendment that is pending. Then in lines 23, 24, and 25 there is a new provision inserted by the committee, reading as follows:

Provided further, That not more than 125,000,000 bushels of wheat may be sold for feeding purposes.

I understand that that amendment is likewise pending.

The PRESIDING OFFICER. It is.

Mr. THOMAS of Oklahoma. Then, the last amendment is the one submitted by the chairman of the committee, providing that the wheat shall not be sold below 85 percent of the parity price for corn. That is the amendment now pending before the Senate?

The PRESIDING OFFICER. That is the amendment offered by the Senator from Georgia to the committee amendment.

Mr. THOMAS of Oklahoma. Mr. President, I desire to offer a substitute for the language following the colon in line 14, page 80, to strike out the remainder of line 14 and all of lines 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, and insert a substitute; and, for the RECORD, I ask now to submit the proposed substitute. Let me say that the only two changes in the language proposed to be stricken out are that I have restored the word "and" in place of "or" and I provide that the wheat shall not be sold below the full parity price for corn, which is 97 cents a bushel, in lieu of the pending provision for 85 percent of parity, which amounts to about 82 or 83 cents a bushel. I ask that the amendment be stated.

The PRESIDING OFFICER. The clerk will read the amendment for the information of the Senate.

The LEGISLATIVE CLERK. On page 80, line 14, after the colon, it is proposed to strike out the remainder of line 14 and all of lines 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25, and insert the following: "*Provided further,* That the foregoing proviso shall not apply to the sale or other disposition of any agricultural commodity to or by the Agricultural Marketing Administration for distribution exclusively for relief purposes, nor to grain which has substantially deteriorated in quality and is sold for the purpose of feeding or the manufacture of alcohol, or commodities sold to farmers for seed, and sales of cotton required in connection with the present new uses program being carried on by the Department of Agriculture: *Provided further,* That not more than 125,000,000 bushels of wheat may be sold for feeding purposes, but at not less than the parity price for corn."

Mr. THOMAS of Oklahoma. Mr. President, in support of the amendment which has just been read, I submit a letter of date May 15, signed by Edward A. O'Neal, president of the American Farm Bureau Federation, and addressed to the United States Senate. The letter justifies the text of the amendment just read. I submit it for the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, the letter will be printed in the RECORD.

The letter is as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., May 15, 1942.

UNITED STATES SENATE,
Washington, D. C.

MY DEAR SENATOR: We are keenly disappointed that the agricultural appropriation bill, as reported to the Senate, has been modified so as to permit the unlimited release of corn for feed and the release of 125,000,000 bushels of wheat for feeding purposes, without any price limitation.

This proposal violates the action taken by the Senate by more than two-thirds vote in the passage of S. 2255 and the action taken later by the House by more than 2-to-1 vote in adopting a provision in the agricultural appropriation bill which had a similar objective.

The objective of organized agriculture and—we had reason to believe—the objective of Congress and the administration, has been to encourage the stabilization of price levels of basic farm commodities at parity levels. We regard this action as a great step backward in that it will undoubtedly have a depressing and demoralizing effect upon the price level of feed grains. Any policy of government which has for its purpose the deliberate attempt to hold down the price of feed grain substantially below parity will in the early future have a similar influence upon the price level of all livestock and livestock products. It will also have the effect of destroying justified confidence in the parity price objective of the Federal Government for farm commodities. It will tend to result in sectionalism and disunity of agriculture, because of the failure to provide comparable protection for all commodities.

The American Farm Bureau Federation, after conferring with farm leaders from Wheat and Corn Belts, recommended an amendment to this bill that would limit the release of Government owned or controlled wheat at a price not less than the parity price for corn and then only in such amounts as would not have the effect of depressing the basic corn market below parity levels.

We, therefore, urge that this bill be amended on page 80 by striking out the word "or" in line 19 and inserting the word "and", and by inserting a comma after the word "purposes" in line 25, and adding the following: "but at not less than the parity price for corn."

We respectfully urge your support of this amendment. We are counting on Congress to keep faith with farmers in protecting the parity-price principle.

Sincerely yours,

EDW. A. O'NEAL,
President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL] to the amendment of the committee.

Mr. RUSSELL. This is merely a perfecting amendment, Mr. President, and, as I understand, the substitute offered by the Senator from Oklahoma will be a substitute for the committee proposal as amended, if the amendment I have offered shall be agreed to.

The PRESIDING OFFICER. The Senator is correct.

Mr. O'MAHONEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Am I to understand that the amendment which has just been offered by the Senator from Oklahoma is a substitute for the entire provision on page 80, beginning with line 14?

The PRESIDING OFFICER. The Chair so understands.

Mr. O'MAHONEY. And that if the perfecting amendment which the Senator from Georgia has offered shall now be adopted, the question will then arise on the substitute offered by the Senator from Oklahoma?

The PRESIDING OFFICER. The Chair is advised that the amendment offered by the Senator from Oklahoma will not be in order until all committee amendments have been disposed of.

Mr. RUSSELL. I think this is the last committee amendment.

The PRESIDING OFFICER. If it is the last, then the Chair understands that the amendment offered by the Senator from Oklahoma will be the question before the Senate after action on the committee amendment now pending.

Mr. RUSSELL. There is one difficulty which might arise. I desired to propose an amendment which would clarify the authority of the Commodity Credit Corporation to sell these grains at less than parity for the purpose of making ethyl alcohol, butyl alcohol, acetone, or rubber, and I should not like to be precluded from offering that amendment by the pendency of the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. A perfecting amendment would take precedence over the substitute offered by the Senator from Oklahoma.

Mr. RUSSELL. Very well.

Mr. O'MAHONEY. Mr. President, I inquire of the Senator from Oklahoma whether he believes that it is a matter of little importance, in connection with the principle for which he has been arguing, whether these perfecting amendments shall be adopted?

Mr. THOMAS of Oklahoma. Mr. President, I should have no objection to the amendment just submitted by the Senator from Georgia, and if it shall be agreed to, I shall be very glad to have it transferred to my substitute, because my substitute and the committee amendment are identical, save in two particulars.

Mr. RUSSELL. And only two particulars.

Mr. THOMAS of Oklahoma. That is all.

Mr. O'MAHONEY. It is my understanding now that the issue which was presented here first this afternoon by the Senator from Iowa, and again by the Senator from Oklahoma, will arise upon the substitute offered by the Senator from Oklahoma.

Mr. BANKHEAD. Mr. President, I assume we are about to vote and before we do so I wish to make a brief statement. I think there are some phases of the situation the facts in relation to which are not properly understood, and I think that is possibly due to some statements made by the Senator from Oklahoma about Senators representing cotton-producing States, or any other Senators, driving down the price of wheat. The Senator used the expression time and again as to both wheat and corn, but he did refer particularly to wheat; did he not?

Mr. THOMAS of Oklahoma. To both.

Mr. BANKHEAD. He referred to driving down the price of wheat and, in addition to that, driving down the price of corn.

What is the real situation about that? I hope to speak without any thought of feeling, because this is a practical proposition, and I regret to find myself in disagreement, even in the slightest degree, with my associates here with whom I have cooperated for some years in all measures relating to the welfare of the farmers of our country. Whatever may be said on this subject here, whatever may be said outside this body by farm leaders or farm representatives, I do not propose to bear any of those things in my heart, and hereafter when proposals for legislation shall come before us which involve the welfare of any group of farmers, whether in the North or East, the South or the West, and I feel that they are for the welfare of the farmers, I shall work shoulder to shoulder with my fellow Senators for the advancement of any such proposals, or for the defeat of any proposed legislation which may appear to be injurious to any body of farmers throughout the country.

So far as I am concerned, when the vote shall be taken upon this measure, the matter will all be past history with me. I hope my colleagues will understand that I am serious and earnest about that. It is my judgment that what I have said reflects the feeling in the hearts of Senators who have disagreed with me.

I do not believe any of the Members of the Senate, because of any difference of opinion, have any purpose to retaliate or to undertake penalizing legislation against any group of farmers. Some newspapers have carried reports that that is the situation. I was called over the long distance telephone today by a friend in Alabama who said the report had gone out over the wires today that the farm bloc had broken up, was divided up into factions, and that hereafter it would lose some of its effectiveness, to the injury of all farmers; and he said that as a result of the report there was some recession in farm prices. If anyone is making use of an argument of that sort, it is not supported by the facts, in my judgment. We have some honest differences of opinion, but such differences do not involve what some Senators seem to think they do.

It is admitted—the Senator from Oregon pointed it out with clearness, the Senator from Georgia has also developed the same proposition with force—that at present there is nothing in the law to prevent the Commodity Credit Corporation from selling any of the Government-owned crops at any price it sees fit to ask. Does the pending amendment, then, give it any more power? Does it tend to drive down the prices of any commodities? Does it give the Corporation any instructions of any sort to sell at prices lower than those at which they are now selling?

On the contrary, the amendment establishes a floor which does not now exist. So, instead of abandoning the farmers in either of the groups, instead of abandoning the parity concept, we are proposing by this amendment, I believe, to afford some additional protection for all the groups. We are putting wheat on a basis with cotton. The only protection cotton has had since 1938 has been a limitation on the quantity of cotton which could be sold each calendar year. There has been no floor. By this measure it is put on the same basis with wheat, and in addition to the quantity provision, we are including a floor for wheat, which has never been on the cotton program.

What is the situation? The House inserted this provision, and we had to deal with it. As we all know, and as has been referred to here several times today, the Senate passed a bill to prevent the sale of the commodities covered by the bill at prices less than parity. For some reason, the House never considered the bill. It was never reported by the Committee on Agriculture of the House. Many have suggested today that that was probably because of a statement or a threat of some kind that the President would veto the bill if it were passed. I do not know why it was not considered. It contains the same principle that is involved in the measure before us, and if anyone thinks the President would have vetoed that bill why does he think he would not veto the pending bill, when we have 6 weeks longer in which to pass another agricultural appropriation bill before the fiscal year shall expire?

There is another thing which I do not recall having been discussed. The bill merely authorizes the sale of 125,000,000 bushels of wheat. The evidence shows that 25,000,000 of that amount is deteriorated wheat, and only 100,000,000 bushels of sound wheat are included in the authorization. The new crop is coming on pretty soon. If there are those who listen to the arguments made and the prediction that the administration is going to drive the price of wheat down, I refer them to the bills passed by the Congress putting a floor under all agricultural commodities, through loans from the Commodity Credit Corporation up to 85 percent of the parity price.

The committee amendment provides that not more than 125,000,000 bushels

of wheat may be sold for feeding purposes. In the meantime, with a new crop coming in, what farmer will sell his wheat at 85 percent of the parity price of corn when he can walk up to the Commodity Credit Corporation and obtain 85 percent of the price of wheat itself? Instead of getting 82 or 83 cents a bushel, the price at which the Commodity Credit Corporation will sell wheat for feeding purposes, the farmer can get 113½ cents a bushel for every bushel of wheat he produces in this year's crop.

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

Mr. BANKHEAD. I yield.

Mr. LUCAS. I wonder how the Senator expects the wheat farmer to handle his wheat if the bins and the warehouses of the country are now full of grain, as several Senators have disclosed in their statements?

Mr. BANKHEAD. The Senator knows that that is the Government's problem, and one reason why the Government is interested in the removal of some of this wheat, is so that storage space may be found for the producers who are entitled under the law to the loan of 85 percent of parity price.

Mr. LUCAS. I appreciate that it is a problem for the Government to solve, but it is apparently a problem for the Senate to solve also, or we would not be discussing it here now.

Mr. BANKHEAD. We all admit that it is a problem.

Mr. LUCAS. The only point I wish to make is that it seems to me the wheat farmer would have a rather difficult time in getting 85 percent of parity through a loan unless he complies with conditions as they exist today. Certainly the Government is not going to give him 85 percent of the price of wheat if there are no storage facilities for it.

Mr. BANKHEAD. Would the defeat of the amendment provide any more storage space for wheat? Would not the adoption of the amendment and diverting a great amount of wheat into feed create more storage space for the wheat farmers?

Mr. LUCAS. I think we will find that the wheat will be sold for feeding purposes just as freely under the amendment offered by the Senator from Oklahoma [Mr. THOMAS] as it will under the amendment proposed by the committee. If the farmer needs the wheat for feeding purposes, I think there can be no question that he is in a position, as a result of what he is getting for hogs and cattle and poultry at this very moment, to pay the price suggested in this amendment and still make a profit. That is my opinion. In other words the hog farmer today is getting above parity for his pork, the cattle farmer is getting above parity for his cattle, and they have been getting above parity for some time.

Mr. BANKHEAD. I hope the Senator from Illinois will not take my time to make an argument.

Mr. LUCAS. If I may conclude my remarks briefly, let me say that it is my opinion that so long as the hog farmer gets parity for his hogs and the cattle farmer gets parity for his cattle, they can pay parity price for feed and still make a profit. From the beginning that has been the basic theory of all farm legislation.

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

Mr. BANKHEAD. I yield.

Mr. BARKLEY. The Senator mentioned the problem of storage for wheat. The Senator is no doubt aware of the fact that practically all storage facilities are now crowded with wheat, which leaves practically no storage facilities for the incoming crop, and as a result some of the wheat now in storage must be disposed of, or the incoming crop must be sold, or forced on the market for lack of storage facilities, or it must be left exposed to the elements where it may likewise become damaged as well as that which is now on hand.

Mr. BANKHEAD. Those facts were presented to the committee by the Secretary of Agriculture and by Mr. Hutson, the President of the Commodity Credit Corporation. Very frankly, those facts had considerable bearing upon the decision which I reached in respect to this matter.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. CLARK of Missouri. The Senator from Alabama and also the Senator from Kentucky have been talking very much about the matter of storage facilities for the surplus wheat, which, of course, is a matter of concern to all of us. Does not the Senator, though, agree with me that if the Government could shake itself loose from the influence of certain sugar representatives in the W. P. B., and would be willing to convert this surplus grain into alcohol for munitions purposes, it would be entirely possible both to relieve the sugar shortage in the country and to provide the Government with a great deal of industrial alcohol for munitions purposes? I should like to get at the bottom of the reluctance on the part of the Federal Government to use this surplus grain for useful purposes, and insisting on it overhanging the market for the purpose of keeping the price from going up at any time.

Mr. BANKHEAD. I am thoroughly in accord with the views of the Senator from Missouri on that point, and agree with him in his hopes and ambitions. I also think the Senator from Iowa is entitled to very great credit for the developments he has made and presented to the Senate. I have no doubt that all Members of this body are willing to do anything they can do to promote the use of wheat and corn and other grains in the production of alcohol and synthetic rubber. But, Senators, it is impossible to work out all the problems involved and bring about satisfactory production before we conclude action upon the pending bill. We do not know, with certainty, whether such proposals will develop satisfactorily. We do not know how long it will take to develop the use of grain to the purposes suggested. As soon as satisfactory processes are developed, of course, the sale of grain by the Commodity Credit Corporation for feeding will stop, and I have no doubt the grain will then be diverted to the purposes for which it is most needed.

Mr. CLARK of Missouri. Does the Senator think the W. P. B., or anyone, will ever start to develop the use of grain for the purposes in question unless the Congress takes some action?

Mr. BANKHEAD. Action cannot be taken by Congress in the pending bill at this time.

Mr. CLARK of Missouri. We are trying to take action.

Mr. BANKHEAD. We cannot legislate on an appropriation bill.

Mr. CLARK of Missouri. Of course, what the Senator says is true, but the House provision itself is legislation on an appropriation bill. The Senate has as much right to legislate on an appropriation bill as the House has. The only way this is going to be handled is by legislation by the Congress.

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

Mr. BANKHEAD. I yield.

Mr. NORRIS. I do not believe any Senator is more anxious than am I to have the surplus agricultural products, particularly wheat, used for the production of alcohol. Unfortunately, the prospect of having that done does not seem to be very bright, and, as the Senator has said, we could not do anything to bring it about in this bill. The Secretary of Agriculture has testified—and I am relying on his statement—that estimating the production of the crop now growing, there will be on hand, when it reaches the market, one and one-half billion bushels of wheat. We have no place on earth in which to store that quantity of wheat or keep it. I wonder what we are going to do about it? I should like the Congress to enact legislation, if it can be done, providing that alcohol shall be produced from wheat, but no one can give us any assurance that we shall be able to do so. We are now confronted with the situation that we shall have such a large surplus of wheat as to make it physically impossible to take care of it, and under such circumstances what would an ordinary businessman do with the wheat he has now on hand? It seems to me it is necessary to dispose of some of this wheat.

Mr. BANKHEAD. That is the position I take, and I am glad to hear the Senator from Nebraska confirm what I have said.

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

Mr. BANKHEAD. I yield.

Mr. GILLETTE. I think the Senator unfortunately made a statement which was not quite in accordance with the law.

Mr. BANKHEAD. I shall be glad to be corrected if I made a misstatement.

Mr. GILLETTE. I know the Senator made the statement unintentionally when he said that any producer of wheat could negotiate a loan for 85 percent of the parity price. That, of course, is not true with respect to the noncooperatives.

Mr. BANKHEAD. There are but few of those. I agree with the Senator's statement, but that is not the group we are trying to protect primarily and it is not a very large group. A noncooperative can obtain a loan, but not of 85 percent. The Senator from Iowa is correct

in his statement. I did not have the noncooperatives in mind. I am glad the Senator corrected the record in that respect.

Mr. President, some assertions have been made in the Senate about the committee amendment, including some things not contained in it. I mean by that purposes for which wheat, corn, and other grains may be disposed of by the Commodity Credit Corporation in addition to grain for feeding. I have before me the Bankhead-Gillette-Thomas-Russell bill, and hurriedly during the debate have tried to compare it with the amendment, and find that the only substantial difference, if there is any difference, is in the use of the word "or" instead of "and." Disposition of any commodity for relief purposes, which has been criticized here as throwing the gates wide open, was included in the bill which we passed by such a large vote.

The language in the original bill was:

Substantially deteriorated in quality and is sold for the purpose of feeding or manufacturing alcohol.

That amendment was offered by the Senator from Vermont, and I accepted it. It was not the intention to limit the sale of deteriorated wheat to feeding, but it was the intention to provide for the sale of deteriorated wheat, and also the sale of wheat for feeding. That is the only practical construction. No one would want to feed rotten wheat to stock. It has been my view that that language in the original bill was intended to cover what we have covered by the provision in this bill which has raised such a storm.

Whether that is the proper construction or not, the only step forward is to make it clear that grains may be sold for feeding. The bill originally had no limit as to quantity. The committee proceeded to set a limit of 125,000,000 bushels of wheat which might be sold for feeding. So it seems to me that the amendment is protective of the farm groups.

What will happen when the 125,000,000 bushels of wheat have been sold? Is this a permanent dislocation of the parity price situation? Is it an abandonment of the program which we undertook to install through the bill which was never considered in the House? On the contrary, Mr. President, instead of being an abandonment of that plan it is a long step toward its realization. We concede only the sale of 125,000,000 bushels of wheat below parity, and the bill provides that no further sales may be made at a price less than parity.

Is that an unreasonable dislocation to make in order to obtain what we have been so anxious to establish? Is it unreasonable when the administration tells us that it needs wheat and corn at present prices, without increasing them, but without reducing them?

In the committee we were assured that prices would not be reduced below present prices. To make that certain we inserted a provision preventing the reduction of prices below present prices. The bill provides for 85 percent of the parity price of corn, which is the price at which both corn and wheat are now selling. The Commodity Credit Corporation agreed not to reduce the price. We said, "Let us put it in writing," and the Senator from Georgia offered the amendment. So if this bill is passed the price may not be reduced. The price will not be driven down, because under the terms of the bill it cannot be driven down. The floor of 85 percent is slightly above the present selling price, instead of being below it. The Department stated that it needs this provision not only because of lack of storage space, but in order to prevent serious increases in the prices of both wheat and corn.

The Department is interested not only in relieving the storage situation, but also in holding down the cost of living. It is anxious to keep the cost of living as low as possible. I think the administration has made a wonderful concession. It has agreed to the program for the sale of 100,000,000 bushels of good wheat.

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

Mr. BANKHEAD. I yield.

Mr. TUNNELL. I should like to ask the Senator a question for my own information. As I remember, when the question of the prohibition of sales of certain farm commodities below parity came up some time ago, the Senator from Alabama took a very decided stand. The measure was passed by a very large majority. As I remember, the three commodities affected were wheat, corn, and cotton. What has happened to cotton in the present discussion? Why is it not involved?

Mr. BANKHEAD. If the Senator thinks he has a good sectional question, I shall be very glad to let him raise it.

Mr. TUNNELL. I am asking a plain question, and I think I am entitled to an answer. I do not think I need to be told that I am insinuating anything sectional.

Mr. BANKHEAD. I leave it to the Senator as to whether he is.

Mr. TUNNELL. I notice that nothing is being said about cotton.

Mr. BANKHEAD. I shall be very glad to discuss that question. I am glad the Senator raised it, because there may be some misinformation about it.

In 1938, when the Agricultural Adjustment Act was passed, a large surplus of cotton was held by the Commodity Credit Corporation. No other agricultural commodity was held by the Commodity Credit Corporation. So a section was put in the act in 1938 limiting the amount of cotton which might be sold each calendar year to one and a half million bales, and limiting the amount which might be sold each month to 300,000 bales. The purpose was to bring about an orderly disposition of the cotton, and to avoid dumping too much of it on the market at one time. My good friend the Senator from South Carolina [Mr. SMITH] and I helped to put that provision in the law. Probably he was the chief author. I am glad to credit him with it, because it has been a splendid protective provision, and the result has been that the Government has made a profit instead of a loss on cotton.

This year the Commodity Credit Corporation, without any floor on the sale of cotton—it could sell cotton at 5 cents a pound if it saw fit to do so—has proceeded to sell all the cotton it could—one and a half million bales—on the open market.

That is what has happened with respect to cotton. It was not necessary to put anything in this bill with respect to cotton. The Commodity Credit Corporation had already sold what the law allowed. This is an appropriation bill. No further legislation was necessary with respect to cotton because in due course the cotton held by the Commodity Credit Corporation is being placed in competition with new crops everywhere.

Does that satisfy the Senator?

Mr. TUNNELL. I think that shows why cotton is not being discussed.

Mr. BANKHEAD. Yes; because the question is settled. It was settled in the same way in which we are now trying to settle the wheat question.

Mr. TUNNELL. As I understand the argument advanced by the Senator from Oklahoma [Mr. THOMAS]—and I have not heard it answered—this amendment would drive down the prices of both wheat and corn.

Mr. BANKHEAD. Has the Senator been present since I first took the floor?

Mr. TUNNELL. Yes.

Mr. BANKHEAD. Did the Senator hear me discuss that subject?

Mr. TUNNELL. I did not hear any real answer to that argument.

Mr. BANKHEAD. I pointed to the provisions of this amendment, which would put a definite floor of 85 percent of the parity price of corn on the sale price of both wheat and corn. I further pointed out that corn and wheat are both selling a little under that price, and that there is no way of driving down the price of either by the adoption of this amendment.

If we should not adopt the amendment the Commodity Credit Corporation would have authority, if it should desire to do so—I do not think it would do so, but we are talking about authority—to drive the prices of wheat and cotton down as low as they could be driven through the sale of the stocks of those commodities held by the Commodity Credit Corporation.

Mr. TUNNELL. Some time ago I noticed a statement by the Secretary of Agriculture to the effect that he favored parity. I understood that the Senator and his associates in the debate favored 110 percent of parity when a certain measure was under consideration sometime ago. Now, as I understand, they would reduce the price to 85 percent of parity.

Mr. BANKHEAD. Mr. President, I regret that the Senator is not better informed before he criticizes his brother Senators.

Mr. TUNNELL. If the Senator does not want to answer the question, I will wait and discuss it in my own time.

Mr. BANKHEAD. I have in my hand a copy of the measure to which the Senator refers. If he can find 110 percent of parity in it, he will find something which I have never found in it.

Mr. TUNNELL. If the Senator does not wish to answer my question, I will discuss it in my own time.

Mr. BANKHEAD. I will answer any question the Senator asks; but he is criticizing.

Mr. TUNNELL. I am not criticizing, and have not criticized. I asked a respectful question.

Mr. BANKHEAD. I am sorry, if that was the Senator's motive.

Mr. TUNNELL. I do not seem to get a respectful answer.

Mr. BANKHEAD. I am sorry, and I express my regret to the Senator if that was his motive.

Mr. TUNNELL. I certainly did have that motive.

Mr. BANKHEAD. Is it satisfactory for me to express my regret after being informed that the Senator's motive was not critical?

Mr. TUNNELL. I shall be very glad to answer in my own time.

Mr. BANKHEAD. Mr. President, I do not care to take up any more time. I do not see the necessity for such a serious storm. There is very little involved in adopting this amendment, and much benefit to be derived after the quantity of wheat which is permitted to be sold is sold. In the meantime, 1,400,000,000 bushels of wheat are in prospect, and 600,000,000 bushels have been carried over, with an annual commercial use or consumption of only about 500,000,000 bushels, and about a million and a half bushels being consumed for feed on the farms. With 650,000,000 bushels of wheat to be consumed, and with 1,400,000,000 bushels in prospect, how does anybody expect the law of supply and demand to make the price of wheat substantially higher than it is now?

How does anyone expect the law of supply and demand to put the price of wheat substantially higher than it is now, when we have more than 2 years of supply for the usual consumption? I am submitting that as a reasonable question to reasonable men.

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

Mr. BANKHEAD. I yield.

Mr. HATCH. Does the Senator expect that wheat would be sold below the loan value or above it?

Mr. BANKHEAD. It might be sold at prices below the loan value, or it might be put under loan and later abandoned. This bill could not hold the returns below the loan value; but I have seen prices stay considerably below the loan value because farmers are reluctant to put their commodities under loans. They prefer to sell them and get the cash, rather than put them under loans; that is their feeling about the matter.

Mr. HATCH. The Senator is discussing the law of supply and demand. The only reason I interrupted him——

Mr. BANKHEAD. I am always glad to have the Senator interrupt me.

Mr. HATCH. My only reason for interrupting the Senator was to raise a question as to the loan value. Frankly, I think that if it had not been for the loan value of wheat, in the past 12 months the price of wheat would have been down to the level of 1932.

Mr. BANKHEAD. I agree with the Senator.

Mr. HATCH. I think the loan value is what has held up the price of wheat and will hold it up this year.

Mr. BANKHEAD. I agree with the Senator; and I agree with the corn, wheat, and cotton producers. I think this amendment ultimately will result in advantage to all of them. It will not result in prices lower than the prices for corn or wheat would be if they were not affected and if the Department were left free to sell wheat without limitation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL] to the committee amendment on page 80, beginning with line 23.

Mr. TUNNELL. Mr. President, I rose some time ago with the idea of obtaining some information which I have not been able to obtain during the debate. The Senator from Alabama has apparently been engaged in a heated discussion with someone else—certainly not with me—and he had the idea that I was attempting to criticize him or his ideas.

I still do not understand why it is that a short time ago the Senator from Alabama and many other Members of the Senate—in fact, a large majority of the Members—were extremely anxious to maintain parity for all three of the agricultural commodities. We were interested in wheat and corn, and many Members of the Senate were interested in cotton. Now, apparently there is no interest in maintaining parity for grain.

We are told that no facilities are available for the storage of wheat, that 800,000,000 bushels of wheat are about to be harvested, and that it is necessary to relieve the wheat situation by disposing of 125,000,000 bushels now held in storage so that room may be made for 800,000,000 bushels. I do not understand an argument of that kind. I was attempting to find out something about it, but I did not find it out.

In view of the fact that the President has declared for parity, the Secretary of Agriculture has declared for parity, and Congress has declared for at least parity, it seems to me that we are entitled to know something about a sudden change which seems to remove all idea of parity so far as grain—either wheat or corn—is concerned.

I do not know; I am not supposed to know as much about this matter as Members of the Senate who are on the committee. They have studied these questions, and yet when I asked for some information I did not receive it. I was told that I was criticizing. Since I have been in the Senate I have learned that in most cases one of the particular qualifications of a critic is to know nothing. I think the best critics are those who do not know anything about a matter. After listening to some of the debate in the past few days I am more convinced than ever that the best critics are those who do not pretend to know. We have been told that certain appropriations in this very bill should be less. We have never been told how much less they should be, or what the particular amounts should be.

In the present case we are told that the Senate should agree to this amendment, which would permit the Commodity Credit Corporation to sell 125,000,000 bushels of wheat, and it has been stated that the effect of selling such wheat would be to drive down the price of corn and also to drive down the price of wheat. I do not know whether that is true, but I believe the statement of the Senator from Oklahoma and his reasoning on that point, and I cannot see how the situation could be otherwise.

Are we now going to get away from the principle of parity? Some of us were criticized a good deal for joining with other Senators some time ago in advocating passage of the measure, in which they seemed to be so much interested, and which I think they want. We joined in that effort because we believed it was right.

If the pending amendment should be agreed to, would not Senators who vote for it be getting entirely away from the position in which they were placed? I believe that the criticism which many of us received at that time was of little value to us, because I think we were right. I think we were right when we voted to pass the measure and when we added to the bill then before the Senate a prohibition of the sale of certain commodities for less than the parity price. I think we were right then, and I have not been shown why it still is not right. I do not quite understand the sudden change which seems to have taken place in the Senate. I have listened to the discussion, and I do not understand why a matter which such a preponderance of the Members of the Senate a few weeks ago deemed to be right is now scarcely mentioned.

Mr. SMITH. Mr. President, I have refrained from entering into the debate for reasons very satisfactory to me. As chairman of the Committee on Agriculture and Forestry, I told the members of the committee who represent corn-producing States and wheat-producing States that I would go along with them in whatever they agreed upon and united upon. I have been greatly disturbed by the exhibition of certain feeling. My State does not grow any wheat or any corn for the market. We take our corn mostly in the liquid form. [Laughter.]

However, Mr. President, it seems to me that we are so confused about the issues that we cannot see the forest for the trees. Whatever else may be said, we are proposing by this amendment to give the Government the right to dispose of certain commodities which the Senator has just mentioned, at below the price which we overwhelmingly agreed upon should be the price. If it suits the Senators representing wheat-producing States and Senators representing corn-producing States, it is all right with me; but I think we are sowing the wind and will reap the whirlwind.

I think my friend the Senator from Alabama remembers the time when we put cotton into the pool. He had certain very positive statements to make about that; and the fact is that we passed the measure in the form of a law. The Senator from Alabama made

very positive statements to the effect that if the farmers would plow up a certain amount of their cotton they could buy an equal amount of surplus cotton at 6 cents a pound, with the understanding that if cotton went below 6 cents a pound the Government would absorb the loss, but that if it went above 6 cents a pound the farmers would receive the benefit of the increase, and would have no overhead charges to pay—no insurance, no interest, and no storage. Senators remember the outcome of all that, do they not?

Those who handled their cotton in that way were charged full storage, $2.40 a bale, and that amount was deducted from the amount the cotton brought.

So I am afraid we are getting into a position similar to that of the Negro who had a mule. There was an epidemic of sore throat among mules. The Negro went to a veterinarian and said, "My mule is sick, sir." The veterinarian said, "What is the matter with him?" The Negro said, "He has a sore throat."

"Oh, yes," the veterinarian said; "there is an epidemic. I will give you this rubber tube. It is filled with dust. Put it carefully in the mule's mouth, and blow. That is all you need to do. It will cure him, and that will be all there will be to it."

The next morning the veterinarian went along the road, and saw the Negro sitting under a mulberry tree, all drawn up.

"Jim," he said to the Negro, "did you give the mule that powder?"

"Yes, sir," said Jim. "I stuck the tube in his mouth. But, by God, he blowed first." [Laughter.]

The trouble is that we enact laws, but "they blow first." [Laughter.]

Of all the ridiculous procedures engaged in by the Government, I think the most ridiculous was reneging on the farmers in connection with the "plow-under agreement."

I have no confidence in Government bureaus. I think every other Member of the Senate will ratify what I am saying. I was a little amused at their saying what an enormous crop of wheat there is. I am not pretending to argue for the wheat and corn raisers; if this proposal suits them, it suits me; but I want the bureaucrats here to keep their hands off our product.

Think of saying that with a crop of several hundred million bushels the sale of 125,000,000 bushels will relieve the situation. In other words, we are going to sell 125,000,000 bushels at 85 percent of corn parity. Anyone can figure out how much that would mean for wheat. The Senator from Oklahoma [Mr. THOMAS] says it would mean about fifty-some-odd cents a bushel below the parity on wheat.

Mr. THOMAS of Oklahoma. Forty-nine percent below the 110 figure.

Mr. SMITH. And that we will go into the Treasury; that is, every man in the United States will have his opportunity to pay the difference between the parity on corn and the market price of corn.

Mr. CLARK of Missouri. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH. I yield.

Mr. CLARK of Missouri. Of course, the Senator was a Member of the Senate during the last war.

Mr. SMITH. Yes.

Mr. CLARK of Missouri. He knows all that happened at that time under the Food Administration of Mr. Hoover. The Senator also knows, I am sure, that when Hoover fixed a minimum price on wheat and corn it became the maximum price. I am sure the Senator knows also that when Congress by legislative authorization fixes a price of 85 percent of parity on corn and compels wheat to conform to that, we are fixing a new parity for both.

Mr. SMITH. Not parity; we are fixing a new price.

Mr. CLARK of Missouri. We are fixing a new parity for both corn and wheat, and if anyone thinks that when that is done we are not also establishing a precedent for fixing a new parity on cotton, he is very badly mistaken.

I think my colleague and myself are the only two Members of the Senate who represent a State in which the cash revenue from wheat, corn, and cotton, from feeding cattle, and from the dairy industry are almost equal. We produce all these commodities in our State. As we produce cotton, I am interested in what is done about cotton. I am also interested in corn, I am interested in wheat, and I would not do anything for one agricultural industry which would discriminate against another. But I say to the Senator from South Carolina—and I defy successful contradiction—that when we start into the business of authorizing men in the bureaus in Washington to use the agricultural surpluses, not as a means of disposing of the surpluses, but as an end to break the market, what they do to corn today they will do to wheat tomorrow, what they do to wheat tomorrow they will do to cotton day after tomorrow, and they will do the same thing to beef, and will do the same thing to dairy products. It seems to me the real issue in this whole matter is whether we are to maintain the theory of parity, which has been adopted by the Congress on the very strong recommendation of the President of the United States and the administration, or whether we are to authorize some bureaucrat at his will to destroy the whole principle of parity.

When we say 85 percent of parity, that means that 85 percent of parity is to be the maximum. If we do that as to corn, tomorrow it will be done as to wheat, and eventually it will be done as to every other agricultural commodity.

Mr. SMITH. Since we have been so economical in every department—we owe only about $100,000,000,000, and that does not amount to anything!—since we have been so economical, I wonder why we did not propose that the surpluses of wheat and corn should be taken and disposed of at parity. What are we doing? We are saying, "You can dispose of yours below parity, but we are going to hold ours at parity." You will play the devil doing it, I am telling you.

I was very active in the passage of the bill during the last war to which the Senator from Missouri has referred. I became very much elated because we had left the sky the limit as to wheat, had left other agricultural products without a lid.

Mr. CLARK of Missouri. Did not the minimum price turn out to be the maximum price?

Mr. SMITH. Wait a moment; let me tell the story. Old Uncle Knute Nelson, a very capable legislator, who had been here much longer than I had, was discussing wheat with me, and he said, "The Senator from South Carolina has not cut his eye teeth." He said, "There is in this bill a provision for a minimum of two and a half dollars a bushel"—I think that was the figure, at any rate, we will use that for illustration.

Mr. CLARK of Missouri. It was $2.

Mr. SMITH. Two dollars, then. He said, "That will be the maximum." I said, "You were never more mistaken in your life, and you will find that out."

I was not familiar with jokers in bills at that time. When the market opened for wheat, there was discovered in the bill a proviso that the Food Administrator could fix a figure above which a commodity could not be priced. So he promptly said that anything above $2 a bushel for wheat would be penalized under the law. And there it was.

I do not feel like adding to the confusion. I think everyone has an idea just about as clear as mud regarding this whole business. I do know, however, that if this amendment shall be agreed to, even if it were for but a bushel of wheat or a bushel of corn, if those in authority are permitted to sell below the price for which we all fought and finally agreed upon, we will have abandoned the principle, we will have said: "So far as the Government is concerned, it can sell at one price, but the farmer must sell at some other price."

I do not know what will happen to corn and wheat. One very prominent man—so far as publicity goes he is prominent—said to me, "That is for a floor under our wheat." C. K. Berryman, the well-known cartoonist, drew a cartoon showing me standing on a ladder higher than the Washington Monument, and the President was saying, "Say, ED, are you fixing a ceiling?" I was shown as replying, "Hell, no; I'm fixing a floor."

Just as certainly as that we are here, we are giving up what we have fought for, I do not care what the exigencies are. If we want to lower the price, let us lower it, but not grant the privilege to someone outside. We are being criticized by the newspapers as being a worthless body. The chickens are coming home to roost.

We in Congress have given cause for the criticism which is made that we rubber stamp everything, and that we say "yes, yes" and "me, too." To whom do the people look to make laws establishing equitable relations and justice so far as it lies in mortal ability to do? Do the

people look to the officials in the bureaus, or to you and to me in the Congress?

Mr. President, I think it is our duty to say, "We are sorry, but we cannot get away from the fact that we have stood for parity for wheat, for corn, for cotton, and for tobacco, and we shall continue to stand for it." Other Senators who wish to vote otherwise may do so, but I thought that when we stood for parity we were incorporating a principle into the law. For 10 years we have fought for that principle. Now it is proposed to say that we shall grant surpluses for charity, and for this, and for that, and the other, and that the Department may sell this grain in contradiction of what we have stood for, and what we have fought for, and what we have won.

Some Senators have made a great todo about the country not having facilities for converting agricultural products into alcohol. Mr. President, according to what certain rulers have said, the farmers are not entitled to anything.

There is much talk about 110 percent of parity. Not a half a dozen farmers, and I am afraid not all Senators, know what 110 percent of parity in its final analysis means. One hundred and ten percent of parity does not come within 200 percent of the income of other classes in this country. However, I do not wish to discuss that question now.

Mr. President, I wish to add my voice to the demand for the utilization of grain in the production of things which are so necessary for the war effort. We are rationed with respect to sugar, though I understand sufficient storage space does not exist for all the sugar in the country. We are rationed with respect to gasoline, and gasoline is being burned out in the West in order to get rid of it. We are rationed with respect to tires. I think there is a scarcity of tires. We are not using American ingenuity in getting the material which is available for the production of those things which are almost as essential in our organized life as food, and which are essential to the production of food. Our American civilization moves on rubber wheels. Before the committee presided over by the Senator from Iowa [Mr. GILLETTE] it was demonstrated that we could convert all sorts of grains and potatoes into an element which could be used in making tires. Why do we not do it? Why have not the bureaus which are running the Government suggested that certain appropriations be made so as to give the people of America that great sine qua non—rubber? Whatever else may be said, a spirit which is dangerous to the country will be created if we do not convince the people that we are using every means in our power, even drastic means, to get the wherewithal to make synthetic rubber.

How many synthetic rubber plants are now in full operation, and who owns them? It might be interesting if some Senators were to inquire into that matter. But, Mr. President, I am getting off the subject.

If we agree to the amendment which grants to the Government the right to dispose of these commodities at a price under parity, we shall give away all we have stood for during all these years. Senators may argue concerning the question of how many angels can stand on the point of a pin, but that does not interest me. The bold fact stands out that we cannot make this concession now for no more reason than has been urged, without giving away what we have stood for and fought for during all these years. I will vote with the Senators from the Wheat and Corn States for whatever they want, but let them stand for parity. If the wheat farmers have produced too much wheat, that is their lookout.

I have very strong feelings with respect to the great and learned organizations which are saying, "But the farmer will not lose anything." My God, most of the farmers do not have anything to lose.

Members of the Senate, I have not burdened the Senate with many speeches. I have sat in my seat and let this thing run until it seemed to me it is about to run clear over the falls. I have fought relentlessly against any encroachment on parity. I do not want the Government to be paying me out of the Treasury the difference between what it is thought I ought to have and what I receive in the market. I am under no obligation to anyone except to my country and to myself. What I can get in the market ought to satisfy me.

If cotton goes to 5 cents and is worth only 5 cents, and I am fool enough to continue to make it, I ought to receive 5 cents, and not have the Government come in and say, "We are going to take a certain amount out of the taxes of the people and pay it to you." That is not right. Let all producers be on an equality, and let them share and share alike in the market place.

Mr. President, we sit here and discuss whether we will permit certain bureaus of the Government to sell grain below what we think it is worth, and hear the foolish assertion made that the sale of 125,000,000 bushels of wheat will open the way for 1,800,000,000 bushels.

Mr. President, I may be like the man who was on the jury, which when it came in to make a report that it could not agree was asked by the judge why it could not reach a verdict. That man said, "Judge, there are 11 of the damndest fools on this jury that I ever saw. I can't get them to agree with me." [Laughter.] That may be my position, but God helping me, I am not going to turn around and eat my words and vote against a principle for which I have united with Senators from the corn- and wheat- and cotton-producing States, the principle of obtaining parity for agriculture.

Mr. President, if we are not going to get parity, let us throw up our hands and quit. We have 125,000,000 bushels of wheat which it is proposed to sell for feed—enough wheat for charity and enough for this and for that. I am sorry to see some of my good friends falling by the wayside. I do not know what has frightened them. I think perhaps a visit some of them made played the devil with them.

Mr. CLARK of Missouri. A what?

Mr. SMITH. A certain visit they made.

Mr. President, I have been in the Senate for a long time. I have been here longer than I ought to have been here, but never, before the God who made me, have I gone back on what I have conceived to be a principle. What is now involved is a principle. If Senators are going to turn around like a set of whipped curs and run away from that principle and say "Yes; you can have 125,000,000 bushels and sell them for certain specified purposes, but we will fix the price way below parity," go to it.

Mr. O'MAHONEY obtained the floor.

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

Mr. O'MAHONEY. I yield.

Mr. BARKLEY. The hour of adjournment has arrived. Obviously we cannot complete action on the bill today.

Mr. O'MAHONEY. I am frank to say, Mr. President, that I think some of the remarks I intend to make may provoke a little discussion. Probably it will be difficult to finish this evening.

Mr. BARKLEY. I should like to move that the Senate take a recess at this time.

Mr. O'MAHONEY. Mr. President, if the Senator will withhold his motion, it is my understanding that the majority leader is about to move that the Senate take a recess, and that we shall meet tomorrow at noon and resume consideration of the pending measure?

Mr. BARKLEY. That is correct.

Mr. O'MAHONEY. If there is no objection, I shall resume the floor when the Senate meets tomorrow.

LIMITATIONS ON COST OF CONSTRUCTION OF ARMY AND NAVY LIVING QUARTERS

Mr. REYNOLDS. Mr. President, there are two measures on the calendar which have been reported from the Military Affairs Committee. They have been on the calendar for some time. We are extremely anxious to have them passed.

One of them relates to certain military structures which are now in operation, but which cannot be completed unless a certain limitation is lifted. The matter has been considered by the Military Affairs Committee, and the measure has been favorably reported.

If there is no objection, I should like to dispose of these two measures at this time. It will require only a moment. I have spoken to the minority leader. Some time ago, because proper explanation was not made, he objected to the consideration of these measures, and quite properly at the time.

The other measure relates to the appointment of cadets to the United States Military Academy at West Point. At the present time there are many vacancies, attributable to the fact that Members of Congress have not taken advantage of the opportunity to fill vacancies. The bill has been passed by the House, and has been reported from the Committee on Military Affairs with an amendment.

Mr. McNARY. Mr. President, what are the numbers on the calendar?

Mr. REYNOLDS. Calendar No. 1088 is Senate Joint Resolution 129, to remove certain limitations on the cost of construction of Army and Navy living quarters; and Calendar No. 1394 is House bill 6979, to authorize an increase of the

number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength.

With respect to Senate Joint Resolution 129, there is a limitation upon the construction of Army and Navy living quarters for officers and enlisted men. The limitation varies in different sections, depending upon the location of the buildings and the terrain. In certain instances the establishments cannot be completed because the buildings which have been completed must be connected with gas lines, electric lines, or sewer lines. The War Department has made a very reasonable explanation. The committee has unanimously reported the joint resolution favorably. The Senator from Vermont [Mr. AUSTIN] and the Senator from Alabama [Mr. HILL] are present in the Chamber. I am confident that they will both recall the testimony of the Army officers.

Mr. BARKLEY. Mr. President, I have no objection to the consideration of the joint resolution provided it will not require much time. The other measure may lead to some discussion. The West Point bill had probably better go over until tomorrow.

Mr. HILL. Mr. President, the West Point bill has passed the Senate.

Mr. REYNOLDS. That is correct.

Mr. HILL. The Senate passed a bill, which went to the House. About the time the Senate passed the Senate bill, the House passed its own bill.

Mr. BARKLEY. That frequently occurs. A bill passed in the House will meet under the dome a bill passed in the Senate, and one will say to the other, "Let me by this time, and I will let you by the next time." [Laughter.]

Mr. HILL. Mr. President, the Senator from North Carolina is asking for the passage of the House bill with an amendment in the identical language of the Senate bill which the Senate passed a few days ago.

Mr. BARKLEY. Under those conditions, I have no objection to either measure.

Mr. McNARY. I do not recall that the two measures were objected to on the regular call of the calendar some weeks ago.

Mr. BARKLEY. They were not called.

Mr. McNARY. Personally I see no objection. Any Senator who may object can move to reconsider tomorrow. So long as there is an emergency, as stated by the Senator from North Carolina, I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of Senate Joint Resolution 129?

There being no objection, the joint resolution (S. J. Res. 129) to remove certain limitations on the cost of construction of Army and Navy living quarters was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That limitations heretofore or hereafter placed upon the cost of construction of quarters for commissioned officers, commissioned warrant or warrant officers, and enlisted men of the Army and Navy shall not be construed to prohibit or exclude additional expenditures for equipment and work outside of such quarters, including, but not limited to, providing for the furnishing of electricity, gas, water, sewage disposal, and for roads, walks, grading, and drainage.

INCREASE IN NUMBER OF CADETS AT UNITED STATES MILITARY ACADEMY

Mr. REYNOLDS. Mr. President, I now ask that the Senate proceed to consider House bill 6979, to authorize an increase in the number of cadets at the United States Military Academy.

There being no objection, the Senate proceeded to consider the bill (H. R. 6979) to authorize an increase of the number of cadets at the United States Military Academy and to provide for maintaining the corps of cadets at authorized strength, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and in lieu thereof to insert:

That, on and after July 1, 1942, there shall be allowed at the United States Military Academy four cadets for each Senator, Representative, Delegate in Congress, and the Resident Commissioner from Puerto Rico, six for the District of Columbia, and two cadets to be selected by the Governor of the Panama Canal from among the sons of civilians residing in the Canal Zone and the sons of civilian personnel of the United States Government and the Panama Railroad Co. residing in the Republic of Panama, in addition to the number now authorized to be appointed from the United States at large, and from the enlisted men of the Regular Army and National Guard, and from the sons of deceased officers, soldiers, sailors, and marines.

SEC. 2. When on the date of admission of a new class the total number of cadets is below the number authorized, the Secretary of War may bring the corps of cadets to full strength by appointing qualified alternates and candidates recommended by the academic board, two-thirds thereof from qualified alternates and one-third thereof from qualified candidates: *Provided*, That any appointment made under this section shall be an additional appointment and shall not constitute an appointment otherwise authorized by law.

Mr. HILL. Mr. President, the committee amendment is the identical language of the Senate bill passed by the Senate several days ago.

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

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

STUDY AND DEVELOPMENT OF THE SMALL AIRPLANE

Mr. REYNOLDS. Mr. President, I should like to read a letter which I have received. It is very brief:

AIR FACTS,
New York, N. Y., May 4, 1942.

Hon. ROBERT R. REYNOLDS,
Senate Office Building,
Washington, D. C.

DEAR SIR: As chairman of the Senate Military Affairs Committee, I believe you will be interested in giving consideration to the fact that the proper study and development of the small airplane as both a weapon and important unit in the auxiliary air services is being almost wholly neglected.

Many of us in aviation feel that this is a serious defect in our war effort; that, in fact, the small airplane is a vital link in air power.

In the editorial beginning on page 5 of the enclosed issue of Air Facts the case for and against the small airplane is set down at some length.

Could you possibly find time to review this?

We must be the first to learn to use air power decisively.

Most truly,

LEIGHTON COLLINS, *Editor.*

I have read the editorial with a great deal of interest. In view of the fact that the Senator from Utah [Mr. THOMAS], a member of the Military Affairs Committee, is mentioned in the opening paragraph of the editorial, I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

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

XIF-1

I

In presenting the Frank M. Hawks Memorial Award of Air Service Post 501 of the American Legion to Mr. Thomas H. Beck of Collier's recently, Senator Thomas of Utah, a member of the Senate Military Affairs Committee, made a very interesting point of the fact that among pilots we have no counterpart of the suggestion box which is doing such wonders in speeding up production in factories all over the country. He was inclined to urge that aviation people should accept the responsibility to think through this thing of how we are going to win the war, what new strategy, what new tactical principle, what new adaptation of the airplane will put us ahead long enough to turn the tide before an effective defense can be set up. Wars usually begin to be won only after such a turn, usually a rather imaginative one at first.

The assertions and confidence of laymen about military matters is, of course, largely proportional to their lack of information. But as among us pilots, this is anybody's war—that is as to ideas—for there are no experts yet. The game is too new. The adaptation of the modern airplane to military uses is still in its infancy. For that reason the thousands of pilots who are today earnestly talking new ideas are not talking out of turn, or simply sawing on the Government for want of something better to do. They are performing a useful function in giving impetus to any idea which their particular background of experience brings forth, for who else has the benefit of that particular experience and consequently that particular viewpoint? Out of every thousand or so such ideas one will be sound, will lean intuitively into the future, will find its place in the war effort.

Thus to build an idea box on how to win this war among this audience of pilots.

II

Our tendency today seems to be to think maybe too much in terms of the strength of air power and too little in terms of its weaknesses. Unquestionably the war has demonstrated a good deal of both, in fact enough for us to pause to think of just what air power will and what it will not do.

In listing some of the evidence of the strength of air power you would probably start off with the relentlessness of the Stukas in the fall of France; the part played by light observation planes as they guided the racing armored divisions through Poland; the transportation of troops into Norway by air; and again the Stukas in Greece.

Even more spectacular are the accomplishments of air power at sea: the *Bismarck*, Pearl Harbor, the *Repulse*, the *Prince of Wales*, the *Dorsetshire*, and *Cornwall*, the carrier *Hermes*,

the *Haruna*, General MacArthur's squadron of two P-40's each with a 500-pound bomb carried in a home-made rack.

But there are also evidences of the weakness of air power. England has built up an air force under constant bombardment, equipped an army prepared to fight. What then has Germany gotten for the man-hours of labor and materials and men which have brought forth only a disheveled but stronger England? And now, with a sufficient concentration of antiaircraft and fighter planes for defense, the raids over England have even become comparatively infrequent. Actually Germany may have weakened herself by this use of air power. May we not then well ask whether long-range, or even short-range bombing can alone ever bring a decision? It appears, in fact, to be unprofitable beyond a certain point.

The reason that the profitableness of bombing can properly come into question at some point is that you cannot pass off lightly the fact that a four-motored bomber represents around 300,000 man-hours of labor not to mention a great deal in the way of critical materials. If you lose 10 such units a day over all the world's battle fronts it means 525,000 people must work 40 hours a week to furnish replacements. Maybe the primary value of the long-range heavy bomber is in hit-and-run raids, and to keep heavy naval forces far enough out at sea to become prey to the aircraft carrier and the torpedo plane. Maybe it is not something which can be used profitably on heavily defended areas at all. Could we finally suffer from having too many heavy bombers and too few something else?

Maybe no one really knows. But in reviewing thus briefly both the strength and the weakness of air power one thing does stand out. In the theaters where air power has scored decisively it worked in conjunction with either naval or land units. That suggests that our real problem in the effective use of air power is always one of coordination and adaptation. It seems that our experiences to date reveal that we have coordinated air power with naval forces and the aircraft carrier much better than we have coordinated it with land operations. On the battlefield of Russia, for instance, where the final outcome of the war has doubtless been more definitely shaped than anywhere else, air power seems to have been deficient. Maybe it was from lack of equipment for sustained operations along a 2,000-mile front, or maybe it was from something else. But looking back at France, and Poland, and Greece it can be seen that where the airplane has delivered in land operations so far it has done so because it was turned to fit the needs of the ground forces.

About a year ago someone wrote a forceful article giving point to the fact that all wars are finally won by a man with a knife in his hand, that all else is simply preparatory to his final effectiveness. Certainly artillery is not decisive without the charge, nor does it appear that high altitude fighting, indiscriminate bombing, or air raids in general will be except insofar as they are eventually tied in directly with the movement of ground forces. There is no sweeter morsel than the bombing of Tokyo, but after such a barrage we still have our war to win and must face the fact that air power's decisiveness will grow out of and only out of adapting the airplane better and better to the needs of the man with a knife in his hand. Air power's greatest weakness lies, in fact, in a failure to do that for the reason that it is too costly a weapon to use indecisively.

III

We have only four things with which we can win this war: Man-hours or labor, materials, fighting men, leadership. There are definite limitations on the first three of these items, especially the first two. We are prone to overlook that fact because in thinking of ourselves as a wealthy nation we forget that our wealth was in terms of what money would buy in peacetime. That money is not any good today, in fact does not exist. We now have only man-hours and materials as our currency and not so much of it but that every unit of it must be used with full realization of how desperately valuable it is.

It is for such reasons of man-hour and materials economy, as well as effectiveness, that those of us who know small airplanes best feel so strongly that we are doing something dangerous in neglecting to adapt and coordinate fully the small airplane to the needs of the ground forces. There is, of course, some question as to just how potent a weapon the small airplane might turn out to be. It may or may not be potent. Military people say not, that is the older ones. But that is not the important thing at the moment. The important thing is that the military development of the small airplane is now being almost wholly neglected and that such neglect is not based on either experiment or established fact. The real trouble is that in making its military debut the small airplane is up against the same thing it was when it first reached the commercial market: There is a psychological resistance to it.

There was a time when the salesmen of small airplanes were actually run off airports by commercial operators. The small airplane threatened their investment in expensive equipment. Equally objectionable to them was the fact that the small airplane also tended to depreciate the importance of their profession, or at least they felt that way.

In the military field the latter factor is operative against the small airplane. And there are others. There is the psychological factor that size and sound relate themselves in our minds with strength and ferocity. We instinctively want the highest powered, the fastest, the heaviest gunned, the loudest airplane which can be made—to simply blow hell out of them with. You can understand, too, that from both the standpoint of emotional satisfaction as well as a career an A/C would rather dream of being the pilot of a Thunderbolt or a B-24 or the commanding officer of a force of such airplanes than similarly connected with small airplanes. The analogy in the Navy would be a midshipman's dream of commanding the largest, most powerful, most heavily gunned, most heavily armored, most unsinkable battleship ever built.

Naturally those in the high councils fall under the same burden of the race in trying to think objectively. Yet, it was a mosquito boat which took General MacArthur out of Bataan when the mightiest battleship afloat could not have gotten him out.

The psychological resistance to the small airplane makes itself evident in even as primary a situation as that of flight training. An official inquiry would bring forth a wealth of expert testimony that the small airplanes do not make good pilots, that to fly hot stuff a man should start on and come up on heavy equipment. Actually, that simply is not true. What were once small-plane pilots are flying air liners today; American small-plane pilots who went to the Royal Air Force early in the war were fighting with Spitfires in 6 weeks; some of the most precise and deft flying of our pursuit ships today is being done by ferry pilots who were small-plane pilots until they went through a check flight in a PT, then a BT, and some of them an AT. Today it is a truism that it is not what a pilot learns on but how he is taught.

Here is the real meaning of small plane versus heavy plane in primary training. The small trainer represents 400 man-hours of labor and a correspondingly small amount of materials. The usual PT represents around 4,000 man-hours of labor and much more in the way of materials, especially critical materials. Then in use you have, due to the phenomenal dependability and ruggedness of the small engines, only about one-twentieth of the need for mechanics for maintenance purposes as you have in connection with heavy trainers. The heavy trainers will, of course, still be needed, and in great numbers, for acrobatics and transition.

The difference in man-hours and materials in starting out on small planes is not just a minor point. Half of those who start are washed out anyhow, so that is all lost. Of those who do get through, certainly not one of them is gaining anything in ability by having been trained at a needless loss of man-hours and materials which could have just as well gone into fighting equipment.

You can even go a step further and consider that something like the Culver, still close to the 400 man-hour level, could be used just as well as not as an initial basic trainer, where you would have an even larger man-hour and material saving. Actually around 90 percent. And fuel and its transportation and production also enter the picture: Five gallons an hour against 35. And oil. And tires. And critical materials, the Culver being primarily a wooden airplane. Were we a rich nation it would not matter, but we are not.

Training, however, is only one possible military function of the small airplane. Already some excellent ambulance adaptations are being demonstrated by the manufacturers on their own initiative. Already, somewhat under duress of the Artillery, a good many small planes have been acquired for liaison and observation work. Some say they will not be used under service conditions and some say they will. But at least they are as expendable as the much more expensive mechanical units with which they work. Would it not be cheaper to lose a few readily replaceable small planes of this type each day than at the end of a week lose a whole mechanized division from simply having driven headlong into a trap? And certainly the small 400 man-hour observation plane is no more defenseless than its 10 000 man-hour equally slow predecessor.

The question of vulnerability of low-flying small planes, however, does not enter into their use for off-shore patrol, and by now most everyone has had his say about that. But just to show how far ideas can go once they start kicking around, a further innovation of the patrol idea down in Florida was to have a small plane circle each coastwise tanker for a few hours and then have another small plane come out from a shore base and take over, and so on. The cost of such convoying would be trivial. The question is whether it would be effective. Among other things, no one has said just why these small planes cannot carry at least a 100 pound depth charge. At any rate, an oil company has made a contract with a small seaplane owner to circle one of its tankers all the way up the coast and to put in each night with the tanker at some port. For the man-hour cost at which the military would provide this same protection for just one trip you could build an additional 50 to 100 small seaplanes. Nor has there been any mention yet of small plane carriers from converted freighters for really intensive anti-submarine patrol, or whatever else the small plane might become adaptable to at sea. Remember always: wherever they can serve they release vital man-hours and materials for more decisive operations.

Another point at which the small airplane has been left out in the cold is in connection with the need of troop transports, a field in which it might prove especially adaptable. In that connection a lot is being said about troop-carrying gliders. Somehow it seems that a 12-place 120' wingspread glider limited to a 100-miles-per-hour towing speed is not something that is going too far as a weapon. The large wingspread alone seems incongruous with the avowed purpose of going into small places. On the other hand, it seems that trailer planes might be on the target if something must be pulled. If you threw the engine, gas tanks, and related accessories out of a standard Beechcraft bi-plane you

would have an eight place trailer plane which could be towed fast and could get down on a road at a reasonable speed. But why jump the small plane entirely all the way to trailer planes and gliders?

Just one of our small-plane factories could have since last December built by now 2,000 500-man-hour 100 miles per hour 3-place troop carriers You cannot build a 12-place glider on 2,000 man-hours of labor, besides the small planes can come back under their own power and shuttle. They have Commando raids with naval and air protection and use open barges. Why couldn't there be airborne Commando raids to interior points with air protection? This sort of thing would be fitting the airplane more into the hand of the man who eventually wins wars. And, mind you, these 2,000 small troop carriers mentioned would represent a man hour investment equivalent to that of only 3⅓ four-engine bombers. Also mentionable is the fact that these 2,000 small troop carriers could move 1,000,000 pounds of cargo 100 miles per hour any time they were called upon. You can't do that with 3⅓ four-engine bombers.

It would be a fair question to ask how small ships could be gotten to where they would likely be used in actual service. The solution to that problem seems to be no different than getting pursuit planes across. You simply can't expect to float airplanes across, for that will never get them there in numbers in time. At least there is behind us the fact that a man named Jones flew an Aeronca Chief nonstop from Los Angeles to New York several years ago. Even 3 light plane carriers spaced between Brazil and Africa to be used as refueling bases would mean only 500 miles in a jump, and there are no better engines than the small ones.

IV

The most vital thing to find out about the small airplane, though, is whether it can be made into a weapon. If it can, it may be the most important airplane of all, because it can be made to fit more closely than any other into the needs and problems of the ground forces. Behind the artillery power of the heavy bomber, behind the 16-inch never-used guns of the fleet, behind something must come the man. The small plane can go with him. It can be a form of cavalry of the air When he advances it can provide an overhead flank attack. Or it can attack from behind. Essentially it is cavalry which has become free of the ground, the flexibility and striking power of which even on the ground has often turned the tides of history.

Is the small plane a potential assault weapon? It would be subject to air attack, but its field of operation would be up to only 100 feet and it would never go over the enemy lines except when coordinated with an advance of the ground units it was supporting. It would therefore have protection from the ground most of the time. If a high-speed ship should dive at it, the former would have to start pulling out before it got within range, else it would strike the ground. If the fast ship came in level and fast, it would still be subject to ground fire and at the same time would be robbed of its maneuverability, for you are simply in a groove at three to four hundred miles an hour and can get out of it only very slowly. If the fast ship came in slow it would get licked, for it is clumsy.

Even so, cavalry losses often run high. In some of the most decisive cavalry charges in history losses ran to 50 percent, but they often meant the beginning of the end of a war. The thing we must get over is the fact that 1 pilot can be lost halfway around the world and be written up in every newspaper in the country, whereas the public never knows the name of even 1 of the 500 infantrymen lost fighting on the ground below him during the same afternoon. There is not that disparity—in fact, any disparity—in what they are doing, and the fact there even appears to be any is merely evidence of how oddly we sometimes act only on mention of the word "airplane." Around this psychic phenomena might also lie the real reasons for much of our failure to put the airplane in the hands of the man on the ground. But looking at it from the soldier's standpoint, if he is riding 30 miles an hour in a jeep and is under fire, or is running afoot in a charge, he would not turn down a chance to move up 50 feet and fly 100 to 150 miles per hour. There is as big a gap today between him and air power as there is between crop dusting and the operator of an air line. Yet both are essential.

Many of the questions as to the combat potentialities of the small airplane are, of course, open to argument. So long, however, as there is no real proof either way, it does seem a pity that rather than having the small airplane more or less persona non grata with the military and having it force its way into their thinking in overdemonstrated merit in small ways, it should be taken hold of vigorously, experimented with, and, if possible, forged into a weapon which may have a vital place in the final turn of the tide. If it is a weapon, it has the advantage of being adaptable to easily and quickly trained pilots (it could be spin proof) and certainly it would be no trick to be soon turning out thousands of them a month as needed. Otherwise we might exhaust our productive capacity in building 5,000 a month of something which would still leave us with a war to win simply for the reason that it cannot work closely enough to the ground soldier. The small plane in war paint obviously would not supplant any present type equipment such as fighter planes, interceptor planes, medium or heavy bombers. They are just as necessary as ever and for the same good reasons. That, however, should not obscure the fact that the function of the small plane is to perform a job which the large plane cannot do, and which apparently must be done if we are ever to end a war of air attrition.

L. C.

USE OF AUTOMOBILES IN THE PROSECUTION OF THE WAR

Mr. REYNOLDS. Mr. President, none of our domestic problems is of more serious concern at the moment than that of maintaining adequate transportation. The present furor over gasoline rationing is evidence enough of the vital part the automobile has in the war effort. It is the opinion of competent authorities that a great number of present vehicles must be maintained for war production and essential civilian life. We could expect a greater degree of public appreciation of conditions and public cooperation if there were not such widespread confusion. An organization which is dealing realistically with the problem of automotive transportation in the face of the very critical rubber situation and the shortage of gasoline supplies in the East is the American Automobile Association. It is the opinion of the American Automobile Association that if statements giving the public the real picture as it exists were emanating from an authoritative source much of the current confusion would be eliminated.

The executive committee of the American Automobile Association met in Washington last week. The committee was given factual information by Joseph B. Eastman, Director, Office of Defense Transportation; Arthur B. Newhall, Coordinator of Rubber; and Ralph K. Davies, Deputy Petroleum Coordinator. The committee is composed of Thomas P. Henry, president of the A. A. A.; Howard W. Hughes, president of the Pennsylvania Motor Federation, Pennsylvania; Henry J. Brunnier, California State Automobile Association, California; William G. Bryant, Automobile Club of Michigan, Michigan; Paul J. Gnau, president of the Ohio State Automobile Association, Ohio; Charles M. Hayes, president of the Chicago Motor Club, Illinois; Matt F. Morse, president of the Automobile Club of St. Louis, Missouri; Arthur D. Smith, Automobile Club of Philadelphia, Pennsylvania; Clarence Werthan, Rocky Mountain Motorists Association, Colorado; John H. Wright, president of the Jamestown Automobile Club, New York; John L. Young, managing director, Cleveland Automobile Club, Ohio; and Edgar F. Zelle, vice president of the Minnesota State Automobile Association, Minnesota.

At the conclusion of its sessions the committee issued a highly constructive statement of policy, which I ask unanimous consent to insert in the CONGRESSIONAL RECORD.

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

STATEMENT BY THE EXECUTIVE COMMITTEE OF THE AMERICAN AUTOMOBILE ASSOCIATION, MAY 16, 1942

There is accumulating from day to day overwhelming evidence that America's fleet of 28,500,000 passenger cars will be called upon to play a vital role in connection with the effective prosecution of the war and the maintenance of a sound civilian economy back of the war effort.

Up to the present time it does not appear that some of the policy makers in Government have had a clear appreciation of the importance of the automobile. This was indicated by constant references to pleasure cars, which, as a matter of fact, are things of the past.

To the extent that some policy makers have made this mistake, they have overlooked the fact that this Nation, over a quarter of a century, has built up a social and economic system centering largely around the passenger automobile, and that violent disruption of its use would bring disastrous consequences.

From now on it is of the most urgent importance that all governmental agencies which have a responsibility for transportation efficiency should concentrate their attention on maintaining in necessary and useful service as many passenger cars as possible. The demobilization of any great number of passenger cars would place a tremendous burden on mass transportation facilities. These facilities cannot be greatly expanded, due to scarcity of critical materials. Thus, a breakdown in passenger-car use would inevitably retard war production, demoralize our civilian economy, and hamper the whole war effort. Nor must it be forgotten that State revenues, particularly as they affect road building, maintenance, and bond issues, are almost wholly dependent on the taxes paid by motorists.

It is incumbent upon every owner of a passenger car in America to use the car as a public trust, to conserve the vehicle and the tires so that their life and usefulness can be extended for the duration of the emergency. But public cooperation in a conservation program can only be had if the motorists understand what is expected of them and if Government gives them a clear picture of the shortages that exist in critical materials.

Unfortunately, untold damage has been done to the cause of conservation by a welter of conflicting statements emanating from Government officials as to actual shortage conditions pertaining to rubber and gasoline. The country is today in an utter state of confusion as to shortages, rationing objectives, and rationing inequities. It is imperative that Government give the people a consistent story as to the facts and that the telling of it be not left to subordinates but come from the people vested with authority, if necessary, the President of the United States.

The Chief Executive should naturally have the power, if he does not already have it, to acquire any and all instrumentalities of transportation in the interest of efficient prosecution of the war, and this includes passenger automobiles. But it should be made clear that this wartime power would be exercised by the President and his responsible agents only when it is absolutely necessary, and that the objective be not merely to accumulate a mammoth pool of automobiles to be kept in idleness to meet a demand that may never eventuate.

The motorists of the country are perfectly willing to assign their vehicles for war purposes when they are needed. In the meantime there should be an end to threats of confiscation and commandeering, the only effect of which has been to cause millions of people to question the value of conserving property that might be taken from them overnight.

Confiscation of automobiles has been widely publicized as a means of enforcing a proposed Federal speed limit of 40 miles an hour. There is every reason for lower speed limits on the highways as a means of conservation, but this is being secured in substantial measure now through a unique degree of motorists' cooperation and through State action. The need for a Federal statute which would be all but unenforceable and with such a penalty as is proposed is highly questionable.

If it be the policy of the Government, as it should be, to maintain as many passenger cars as possible in service, it naturally follows that the needs of these cars should be related to the plans of the Government as regards rubber. Specifically, the synthetic rubber program should be extended as a bulwark against the day when conservation as such is not enough to maintain an adequacy of passenger-car transportation.

The Government should inaugurate an aggressive campaign for the collection of enormous quantities of scrap rubber, for the lack of which the reclaiming plants are faced with a shut-down in a few months. Similarly, it should be made clear that once a formula for essential use is developed, existing stocks of tires will be rationed out on the most liberal basis that a prudent regard for the future will permit, and not held for 8 years or more as the public is now being told. Inequities in tire-rationing regulations should be speedily removed and steps should be taken to get into circulation the enormous number of used tires that are now frozen because of established price ceilings. Inventories of tire stocks, new and used, should be completed and made public as an essential part of the information the people should have to understand the rubber situation.

As regards gasoline, in spite of the shortage on the Atlantic seaboard, a commendable effort has been made to supply this area with gasoline through the development of overland and safe water transportation. It is now clear that because of military requirements, we cannot depend upon the tanker fleet. The time has come for the policy makers to consider again the wisdom of providing materials for a pipe line that would bring petroleum supplies up to essential requirements into an area of the country which is called upon to play an outstanding role in the industrial war effort. Immediate attention should also be given to the petroleum requirements for the Pacific Northwest.

In the event that gasoline rationing on a Nation-wide scale is considered, the question should be approached from the standpoint of an over-all policy closely related to a program of vehicle and rubber conservation and not as a measure of economic repression.

EXECUTIVE SESSION

Mr. McKELLAR. I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nominations of postmasters be confirmed en bloc, and that the President be immediately notified.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc; and, without objection, the President will be immediately notified.

That completes the Executive Calendar.

RECESS

Mr. McKELLAR. As in legislative session, 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 30 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, May 20, 1942, at 12 o'clock noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 19 (legislative day of May 15, 1942):

POSTMASTERS

MASSACHUSETTS

Eva Fitzpatrick, Allerton.
Amy A. Hawks, Bolton.
Clarence R. Halloran, Framingham.
Mildred D. O'Neil, Hyannis Port.
John E. Roche, Orange.
John R. Parker, Rockland.
Rosella Webb, South Lincoln.
John J. Easton, South Walpole.
Mary E. Joseph, Truro.
Nellie G. McDonald, Ward Hill.
Felix A. Dalmas, Wellfleet.
Roger W. Cahoon, Jr., West Harwich.
John T. Sheehan, Worcester.

MISSOURI

Alexander W. Graham, Kansas City.
Fred King, Queen City.

SOUTH DAKOTA

J. Edward Meyer, Mobridge.
George D. Blake, Spearfish.

TENNESSEE

Lillian G. Freemon, Leoma.
William S. Fields, Milan.
James H. Davenport, Soddy.
Phil W. Campbell, Tiptonville.
Floyd Mitchell, Tullahoma.
James K. St. Clair, White Bluff.

TEXAS

I. J. Burns, Brady.
Joseph Morris Woolsey, Yoakum.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 19, 1942

The House met at 12 o'clock noon.

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

O God of our fathers, refresh Thy people on their toilsome way that their lives may be filled with patience and faith. O look upon the mass of human suffering and imperfection which mutely cries unto Thee; let their unworded pains break forth into the music of that eternal hope which never dies. Grant that the chasm between the poor and the rich, the fortunate and the enslaved, may soon be lessened, giving vision hours in which sacrifice is transfigured and man everywhere is lifted up to behold the possibilities of human life.

Mercifully look upon our historic institutions and blot out all strife, all antagonisms, that they may not surge through the arteries of our national life. Cleanse all hearts of the spirit of selfishness, and grant that their dim and entangled threads may be unraveled in the clear light of day. Disarm all fears and discouragements, blessed Lord, and give hidden power to the souls of men. Our country 'tis of Thee, sweet land of liberty, for thee we pray, and may we lay our very lives, clean and spotless, on the altar of human freedom. For the love of Thine only Son, our Saviour. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had adopted the following resolution:

Senate Resolution 252

IN THE SENATE OF THE UNITED STATES,
May 18 (legislative day May 15), 1942.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. PATRICK J. BOLAND, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 12 o'clock noon tomorrow.

The message also announced that pursuant to the provisions of the above resolution, the Vice President appointed Mr.