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THE A. A. A. OF 1938

A SURVEY of the debates engaged in by senators and congressmen at the 75th Congress of the United States regarding the farm bill and other matters related to farmers, together with facts and figures pertinent thereto and some remarks by the surveyor.

What did the 75th Congress do to aid the farmer?

Dorothy Thompson, journalist, says it abolished him and put in his stead a "cooperator."* Henry Wallace, Secretary of Agriculture, says it provided better living for both him and his city cousin through passage of the farm bill--the A. A. A. of 1938.**

What did the chosen representatives of the people, sitting in the Senate and the House, say? Do they feel that they helped or hindered the man with a hoe through their actions at the 75th Congress?.

The printed record of the debates in which the congressmen and senators engaged covers some 25 volumes of approximately 1,000 pages each. These pages are no ordinary book pages of 300 or 400 words; each page of the record contains 1,500 words, making a total of approximately 350,000,000.

Some of these words are contained in reports, newspaper articles, and radio addresses. Not all of these words deal with farmers or farmers' problems. More than 100,000,000 of them do, directly or indirectly.

*Sen. Bridges (R.N.H.), Appendix, p. 553, II-75, inserts articles by Dorothy Thompson from N.Y. Herald Tribune, Dec. 20, 1937.

**See Wallace's explanation of bill attached.

This summary of the debates concerning farm problems is divided into three parts. The first part to which this is the introduction includes an explanation of the bill by the majority and the minority; the attitude of farm organizations to the bill; what the bill means as regards government control, surplus, and parity prices (questions which have long agitated the farmers), together with any other material which does not fit into the other two sections.

Section two deals with dairying. Dairying deserves a special section in this study because milk producers make up more than a third of all the farmers in the state.

Section three deals with agricultural exports and imports which have little to do with the farm bill, but a lot to do with farmers and their problems.

What Is the Farm Bill?

In an article entitled "The Puzzling Farm Bill, a Measure Held Almost Beyond Understanding," which appeared in the Washington Star, November 25, 1937,* Mark Sullivan says that he is "tempted to say no one understands the farm bill." He concedes, however, that "the members of the Senate Committee on Agriculture, or some of them, understand it."

*Inserted by Sen. King (R., Utah) p. 887, H-75, Dec. 4, 1937

With due respect to Mr. Sullivan, those who are not members of the Senate committee on agriculture but who are willing to give the bill a little study may find that it provides the following:

1. Continues soil conservation payments to farmers who plant soil-building or soil-conserving crops on land normally used for soil-depleting crops.
2. Authorizes the Secretary of Agriculture to complain to the Interstate Commerce Commission regarding unfair freight rates.
3. Provides for the establishment of four regional research laboratories for developing new uses for farm products.
4. Continues the Federal Surplus Commodities Corp. until June 30, 1942 to buy agricultural surpluses for relief distribution.
5. Authorizes the Commodity Credit Corporation to make loans on agricultural products (including dairy products) when prices fall below a certain percentage of parity or when the crop estimate exceeds a normal year's consumption.
6. Provides marketing quotas shall be set whenever the supply of wheat, corn, rice, tobacco, and cotton exceeds the normal supply.
7. Provides special regulations regarding cotton (cotton pool participation trust certificates).
8. Establishes federal crop insurance for wheat.

It has been charged that these things are "un-American." Dorothy Thompson* assures us that they establish a "balanced-parity-ever-normal-system of farmer-peonage." It is questionable whether it is un-American to set aside government funds to aid the farmer in various ways or whether government regulation of production paves the way to peonage. Administration spokesmen argued to the contrary--that it is un-American not to give government aid to the farmers when needed and that haphazard production has led many farmers to the verge of bankruptcy, if not peonage.

*of article inserted by King, as above.

The farm bill, however, does not provide security and an adequate existence for the farmers who have seen prices slump disastrously in the last eight months. Besides, only \$500,000,000 is available to do all the things the bill provides. If there were more money available, doubtless more could be done.

No one claimed, however, that the A.A.A. of 1938 (which is named Public No. 430) will solve all the farmers' problems or that it is a perfect bill. However, Administration spokesmen, together with two Republican members of the House committee on Agriculture (Gilchrist, Iowa and Hope, Kansas) urged its passage as a measure of relief to hard-pressed farmers.

A short resume of the bill is given by Congressman Hope who said:

"This bill is primarily based upon soil conservation. It has as one of its objectives as a part of that program an adjustment of the acreage of soil-depleting crops; and one of the effects of that is going to be, we hope, to increase the market price of these commodities. The bill also provides for loans to enable producers to store their product in good crop years. It further contains emergency provisions for putting marketing quotas upon such soil-depleting crops, as are enumerated in the bill, when the supply reaches a certain point."*

Government Control of Production and Surpluses.

Much of the discussion in this Congress, as in previous congresses, centered on government control of production and what to do with so-called surpluses. One thing seems clear regarding this problem. Unless consumers have enough money in their pockets to buy the products of the farm, apples will rot, grains will pile up, milk will be fed to hogs, and prices will fall below the cost of production. This is not speculation. We have already seen it happen.

Certainly, then, the problem of unemployment, wage rates, industrial production, and the spread of prices of agricultural products between producer and consumer are closely related to the farmers' problem. Many congressmen

*Congressional Record, p. 1095, II-75, Dec. 8, 1937

pointed out that we do not produce enough to fully supply our people with cotton, fruit, bread, and meat, but unless these congressmen or private industry provides the means for enabling our population to buy or be given these products, a "surplus" will pile up.

It is this surplus that worried the Congress and is an even greater source of disturbance to the farmer on his farm whose toil has been given to feeding the nation and who thought that that was a proper occupation for any man.

The Ever-Normal Granary.

Much has been said, both inside and outside of Congress, about the ever-normal granary features of the farm bill. The idea of the ever-normal granary is to store up enough of the surplus produced in abundant years to take care of demand in lean years. So we go back to the times of Joseph for inspiration to meet today's problems.

There are those who said that this plan would establish an "abnormal" granary instead of a normal granary. There are others who said "we might as well legislate against thunder and lightning" as attempt to adjust production to demand. True, the weather cannot be controlled. Man, however, can certainly circumvent some of the most disastrous of its effects with his tremendous ingenuity, if he will.

The matter of when these surpluses are to be stored and when they are to be sold on the open market is up to the farmers themselves, Mr. Wallace avers. It is indeed a provision of the bill that no marketing quotas shall be set if one-third of the farmers voting oppose them. He also says that it is only in emergency, when the ever-normal granary overflows that quotas can be placed in effect.

Cost of Production and Parity Prices.

There is no farmer who does not want cost of production and parity prices. In order to give the farmer parity prices, however, the government must fix prices to the farmer, and, in order that the raise may not be passed on to the consumer, the government must also fix prices the consumer pays or pay out of governmental funds the difference between the market price and parity.

As pointed out in the section on parity prices by Congressman Cummings (D.C., Colo.) this would entail the expenditure of huge sums of money. It was also pointed out in the debates that there would have to be a very strict regulation of agricultural imports in order that foreign competitors would not be tempted to come into the American market when favorable prices prevailed.

In this connection the Agricultural Equality Act, introduced by Senator McAdoo (D., Calif.), which aimed to give the farmer cost of production is significant, as well as the comment from The Farmer on it. It may be that future congresses will look to such a plan to stabilize prices.

Summary.

The present farm bill attempts to give farmers protection without definitely setting prices. This protection includes loans on agricultural commodities to farmers who comply with the soil conservation provisions; the purchase of surplus commodities for relief distribution; payments under the 1936 soil conservation and acreage adjustment program, and subsidy for export of surpluses, particularly in wheat and cotton.

It seems infinitely better to distribute surplus farm products to those on relief whose diets, at best, have been the minimum at which health could be preserved, than to dump surplus milk into rivers, allow apples to rot on the ground, or shoot cattle down on the plains, as was done within the last ten years.

Between March 4, 1933 and June 30, 1938, the A.A.A. paid to Minnesota farmers \$75,591,552. A full accounting of federal funds allocated to Minnesota is included in this study. Certainly this money did much to augment the slender funds of many farmers in the state.

Neither can it be denied that various New Deal measures tended to raise prices, which also increased the farmers' income. The price chart here appended shows a considerable rise in prices since 1932. This rise was not stabilized, however, and there is at present a sharp decline since the high point in 1937.

Although various governmental agencies have undoubtedly ameliorated the farm situation, nevertheless one major problem has not yet been seriously tackled by the congress or by the government. That is the matter of the price spread between what the farmer receives and what the consumer pays. Much data on this subject which shows exorbitant profits made by various food monopolies is contained in the Federal Trade Commission report which was ordered printed by the 75th Congress. (Material from this report on dairy products is included in this study. Data on grains, fruits, and meats is not included.) No program of national scope, however, has been formulated regarding this matter, which in the minds of many farmers and consumers is crying for attention.

Certain other features of the bill met almost unanimous approval at the 75th Congress. No one, for instance, objected strenuously to the soil conservation act which was already in effect. No one, either, objected to the establishment of four regional research laboratories to develop new uses for farm products, nor the provisions regarding complaints on freight rates. The provision for federal crop insurance also received little opposition.

Since there was so little debate on these matters there are no passages from the Record inserted in this survey regarding them. They are only mentioned lest we forget that, in addition to the provisions regarding surpluses, the ever-normal granary, and prices, there were these other features of the bill designed to aid the farmer.

So without further ado, let us examine the record.

Note: It should also be pointed out that certain charts or news articles have been included in this survey, provided that they illuminate or give new data on the A.A.A. of 1938.

TABLE OF CONTENTS

Vote on the farm bill	Exhibit 1
Explanation of farm bill by Wallace	2
Explanation of conference report by Jones	3
Objections to conference report by Andresen	4
Support for conference report, Dorey, Pierce	5
Minority report on farm bill	6
Attitude of farm organizations to bill	7
Commodity Credit Corp., debate on Jones amendment, news item on loans	8
Cost of production, McAdoo bill	9
Federal Surplus Commodity Corp., report of and article on	10
Agricultural situation regarding wheat	11
Govt. control of production, Bankhead extends remarks with address by O'Neal	12
Govt. control of production, McGill extends remarks with address by Pope	13
Discussion on amendment to provide marketing quotas to handle surpluses; Borah, Reynolds on surplus	14
Agricultural production in Minnesota, a table	15
Federal funds expended in Minnesota	16
FRC Loans to agriculture	17
AAA benefit payments	18
Prices, remarks by Wallace inserted by Herring; retail and farm prices, 1925-36; current prices; comparative prices, June 1932-June 1936; survey of average farm prices for Minnesota, 1932-38	
Parity prices, debate on	19

VOTE ON FARM BILL

Exhibit 1

VOTE on H.R. 8505 in HOUSE

Dec. 10, 1937, p. 1290, II-75

Yeas	267
Nays	130
Not Voting	30

Yeas - Amlie, Boileau, Bernard, Buckler, Johnson, Kvale, Ryan, Teigan

Nays - Andresen, Lemke, Maas, Knutson

VOTE on H.R. 8505 in SENATE

Dec. 17, 1937, p. 1768, II-75

Yeas	59
Nays	29
Not Voting	8

Nay - Lundeen, Shipstead.

Voting in the Senate on H.R. 8505 took place in the following manner:

THE VICE PRESIDENT: "Will the Senate permit the Chair, by the unanimous consent, to lay the House bill before the Senate? Is there objection? The Chair hears none; and the Chair lays before the Senate House bill 8505, to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

"The Senator from South Carolina (Mr. Smith) moves to strike out all after the enacting clause of the House bill and substitute the text of the Senate bill, as amended." (The chair explains that this action will send the bill directly to conference.)

VOTE on CONFERENCE REPORT on Farm Bill in HOUSE

Feb. 9, 1938, p. 1727, III-75

Yeas	264
Nays	135
Not Voting	50

Yeas - Bernard, Buckler, Johnson, Kvale, Teigan

Nays - Andresen, Knutson, Maas

Not voting - Ryan

VOTE on CONFERENCE REPORT on Farm Bill in SENATE

Feb. 14, 1938, p. 1861, III-75

Yeas	56
Nays	31
Not Voting	9

Nays - LaFollette (Wis.), Lundeen, Shipstead

APPROVED by President Roosevelt Feb. 16, 1938. Now Public--No.430--75th Congress

PAGE, Stephen (D.C., Ga.):

Extends remarks with speech by Henry A. Wallace delivered March 7, 1938 over radio.

"I want to make very clear to every one three points.

"First, the new A.A.A. provides for a simple and straightforward farm program.

"Next the act provides for a farm program of abundance. It lays the basis for a workable ever-normal granary, and in this way means better living for farm people and for city people.

"Finally, the new act applies the principles of democracy directly to the most serious problems that farmers have to face. Democracy and abundance are the strong team that the new farm bill is hitched to. It tries in practical ways to bring balanced abundance to the people. . . .

"First of all, the new act continues and strengthens the work of the Triple A on soil conservation. Farmers everywhere in the United States may take part in the program regardless of what crop they grow. So we may think of one part of the act as making soil conservation an important and enduring framework for the whole program.

"Then there is another part of the act. This part makes available certain supplemental measures for the producers of five commodities listed in the act. These commodities are corn, wheat, cotton, tobacco, and rice. Let me enumerate three of the supplemental measures. First, national acreage allotments, divided up among the farms, with acreages big enough to produce plenty for domestic and export markets and in addition for larger than average carry-overs. Second, storage loans, to put a plank under prices when threatened by a slump and also to finance farmers in holding surplus supplies until they are needed and will bring a living price. Third, marketing quotas which can be used when the ever-normal granary overflows, provided always the farmers are so unitedly in favor that at least two thirds of those taking part in a referendum vote to put the quotas into effect. These new provisions are to be dovetailed into the A.A.A. soil conservation work. All payments are to be conditioned on soil conservation.

"So there is the new farm act in a nutshell

"Now I want to talk about the ever-normal granary features of the new Farm Act. These features seek to build up and maintain from year to year more abundant supplies of food and feed for livestock. It is at this point -- and I mean the point of mutual interest in maintaining larger reserves of food and feed -- that the welfare of farmers becomes most clearly identified with the welfare of city people.

"This new act comes to grips with a big and practical question. That question is how to protect both food supplies and farm income against extreme swings due to tricky weather.

"Since 1930 the farmers and consumers have paid the terrible cost of these excessive fluctuations, which helped nobody except a few lucky speculators. In 1932 an extreme upswing in supplies coincided with an extreme downswing in

prices. That was one kind of a disaster. The farmers' buying power disappeared. What farmer could buy shoes or an overcoat or an automobile with 30-cent wheat rotting on the ground and 12-cent corn being burned for fuel? The elevators were bursting with wheat, but the breadlines grew longer and longer. The vital element of balance between producing power and consuming power was gone.

"The results of drought are another form of the evil of unbalance. There is a real lesson to be drawn from the sufferings of 1932 and of the drought years. We need a practical method to maintain balance, because that is the only way to have and to keep real abundance.

"That way is to use our surpluses to balance our shortages. This is the purpose of the ever-normal granary plan of the new act. It proposes to level off the peaks into the valleys of supply so as to create and keep on hand larger reserves of food and feed for agriculture and the Nation. Specifically, the new act is expected to result in doubling the average annual carry-overs of both corn and wheat.

"The commodity loans are available on corn, wheat, and cotton whenever large supplies threaten farmers with price collapse. The loans are to be high enough to make impossible a return of prices like those of 1932, but not so high as in any ordinary situation will prevent free movement of export crops into foreign markets. The loans will advance farmers the money that they need to hold supplies off the market in times of unusually large production.

"Marketing quotas can be used. But for food and feed, they are available only in emergency. Let me tell just what that means. When supplies mount higher and higher, and the ever-normal granary overflows; when any Government investment in loans is threatened, and when the future of the farm program is endangered, then the quotas can be placed in effect. But remember that always there is one more important condition. The quotas can never be used, unless they are approved by two thirds of the producers voting in a referendum. If the quotas are opposed by more than one third of those voting, there will be no quotas, and the Government will not offer loans.

"Crop insurance for wheat, beginning with the 1939 crop, will offer wheat farmers protection at cost against losses of yield due to drought, flood, hail, insects, or disease. The premiums will be held in storage in the form of wheat. They will go into the ever-normal granary reserve supply and be used to pay farmers for losses in bad years.

"I think you can all see how useful this program will be in bringing greater abundance to farmers."

Exhibit 3

JONES (D.C., Texas):

"The bill maintains the present Soil Conservation Act and simplifies it by putting it on an acreage basis . . . Then we also have a provision with respect to the payments. About 10 per cent or \$50,000,000 of the \$500,000,000 is set aside to increase the payments to the producer who would otherwise be paid less than \$200. This is, again, on the philosophy that the man with a small unit must have his equipment, and it is a little more expensive for him to do the job than for a large producer. . . .

"Much has been said here about the Boileau amendment. This is on page eight of the print which you have before you. I think any reasonable man who will lose his prejudice and who will think about it sanely must know that a provision that would forbid a farmer getting any payment at all if he let a chicken or a goat or a goose or a duck or a horse or a mule or any other animal get on these idle acres is unreasonable and wrong. . . . So we took the Boileau amendment and limited it to dairy cattle and provided that it shall apply if they increase above the normal, that is, if they increase their dairy herd substantially, they forfeit their payments. . . .

"We also provide that as to poultry raisers and other livestock raisers, if they are adversely affected by the program, it shall be the duty of the Secretary of Agriculture to make such regulations with respect to the use of diverted acres as will protect their interests. . . .

"Under the marketing agreements law, dairy producers get an established price, and the law forbids a new man from competing with the established division. The producers divide up the market, and they have a far greater amount of regimentation than we have in this bill. . . .

"Another thing that is in this bill: You have all heard about freight rates. I think that one reason that prices of commodities grown on the farm are so high when the commodities reach the final consumer is that agriculture has been discriminated against in freight rates as well as in the tariff structure. For the first time the Secretary of Agriculture is authorized to apply for correction of these discriminations. Provisions is made to do away with the discriminations against agricultural products in the freight-rate-structure. . . .

"We have a provision in the bill for loans. We probably made more changes in the loan feature of the bill than elsewhere. We have a mandatory loan feature as to wheat, cotton and corn, but we have the schedules low so that the mandatory feature on cotton and wheat is 52 per cent of parity as a bottom and 75 per cent of parity as the top. Loans are to be made within these limits as the circumstance may require. Loans are made subject to terms prescribed by the Secretary of Agriculture, the Commodity Credit Corporation, and the President. . . .

"We have here a provision for handling these serious situations whereby marketing quotas go into effect if voted by two thirds of the farmers. He can use the diverted acres any way he desires so far as farm marketing quota provisions go. The only limitation on use of diverted acres is under the soil conservation program. The limitation is that the farmer use his diverted acres for soil conservation. Of course the Boileau amendment is effective with respect to use of diverted acres."

Exhibit 4

ANDRESEN (R.C., Minn.):

Cites his objections to conference report on farm bill. Please note that these are summarized and those points dealing with cotton, rice, and tobacco are omitted as elsewhere in this report.

"First, the bill does not provide or attempt to give, in any way, parity prices or cost of production.

"Second, the supplies required for wheat and corn are so large that instead of having an ever-normal granary, there will be an abnormal granary--all of which will tend to bring lower prices to farmers.

"Third, I am opposed to compulsory control of agriculture. It is unsound, un-American, and unconstitutional. Any law which seeks to give one group the right to impose compulsory regulations and penalties upon another group of producers in the same field, can never stand the test of constitutional scrutiny under our American system."

The following points are summarized:

4. Loan sections are left to discretion of Secretary of Agriculture.

5. Unfair to growers of spring wheat.

6. Objects to compulsory corn area, including southern Minnesota and all or part of twelve states in Middle West. Says they are to be controlled to nth degree.

8. Objects to emasculation of dairy amendment. "I do not object to a normal expansion of dairying in all parts of the Union, but when the Federal Government by the payment of large subsidies, deliberately puts cotton and tobacco farmers into the dairy business, it is time to call a halt."

9. No protection from foreign competition.

11. Excessive payments to large operators for soil conservation.

12. Says it costs \$50,000,000 to employ 100,000 on payroll and this is bureaucracy under a dictator.

Exhibit 5

DOXEY (R.C., Miss.):

"We all agree that there is not a chance to get more than a \$500,000,000 appropriation through this House or through the Senate at the present time. It is easy to advocate, but impossible to accomplish. . . . It is just an idle gesture to talk about paying benefits that will reach parity without you have some method of providing the money to finance the program. Money talks. . . . You will find in making an analysis of this conference report that we have carried the soil-conservation program all the way through it but have at the same time provided for parity payments only when the money is provided. We have raised soil benefit payments on a percentage basis to all farmers receiving less than \$200 payments. . . ."

A marketing quota is provided after a vote of farmers, if two thirds are in favor of it.

"It is for you, my colleagues, to say whether or not we are going to have a farm program this year, for you know as well as I do that if this report is rejected we will not have time to enact any other legislation affecting this year's crop."

PIERCE (D.C., Ore.):

"In the farming world we are facing a most serious situation. Nobody is to blame for it. Our foreign markets have failed. Walls have been raised against our wheat that use to go across the ocean by millions of bushels; walls raised against our cotton; foreign quotas place. Are we going to continue to raise those surplus products? Are we going to continue to try to force them on the foreign and domestic market? That means chaos. . .

"I believe in parity prices, and that is what many want. Some will vote against this report, hoping that parity legislation will come. That will not come; you cannot pass that kind of a bill here at this session. Even if we could pass a bill, it would be ruinous until we have laid the foundation by tariff walls against all foreign products competing in the agricultural field. It would also be necessary to have provided some kind of rigid control by which we could regulate production in this country. Otherwise, parity would be impossible. The Treasury of the U.S. would be bankrupt trying to pay parity prices unless there was this control of production of wheat and cotton, for we can produce quantities more than we can use.

"Somebody said here a few minutes ago, I think it was our friend from Minnesota (Knutson). 'Let us bring back our foreign markets. Since July 1 we have had a surplus of wheat and we have tried to pour it into the foreign markets at prices almost of their own offering -- I mean European countries -- and there has been moved since July 1, 40,000,000 bushels; and I am told by people in the wheat section of the Department of Agriculture that we will do mighty well if we move 40,000,000 more bushels between now and next July. This means 240 or 250,000,000 bushels surplus of the last crop on July 1, and on the growing crop. . . 800,000,000 more at least. Quota? Why not? We want a quota; of course we do. It is either that or bankruptcy, it is either some kind of management by which we can reach this farmer out in Iowa and Dakota and sit down and talk to him about the number of bushels he is going to put upon the market, or it is peasantry for the farmer...."

Exhibit 6

ANDRESEN, August H. (R.C., Minn.):
Inserts minority report on farm bill --

" . . . We, of the minority, do not believe that the proposed bill will accomplish any of the objectives anticipated by the farmers. In fact, its passage and administration will be a great disappointment and a much greater disillusionment to them. They will find that no attempt is made to assure parity income or cost of production for either the present or the future. The farmer is primarily interested in the price he is to receive for his products and in what he must pay for the things he desires to buy for himself and family. The farmers will also discover that the proposed program will bring about a complete dislocation of agriculture in the United States, the increase in foreign production of competitive farm products, and the total disappearance of our export market. . . ."

BANKHEAD (D.S., Ala.):

Inserts statement issued by Department of Information, American Farm Bureau Federation, February 9, 1938, Washington, D.C.

"Following the passage of the A.A.A. of 1938 by the House late today, the following statement was issued by Edward A. O'Neal, president of the American Farm Bureau Federation:

"Wednesday, February 9, marks a great anniversary in the history of national farm legislation. Exactly one year ago today the national agricultural conference endorsed to a large degree the principles contained in the present farm bill at the end of a two-day meeting called by Secretary of Agriculture, Henry A. Wallace, in Washington, on February 8 and 9, 1937. Today the conference measure passed the House by an overwhelming vote of 263 to 135.

"The farm bill now goes to the Senate. It is our hope that it will pass quickly and go to the White House for final approval. Substantial progress has been made in this bill toward the realization of most of the objectives framed at the original conference. Throughout the past year the American Farm Bureau Federation has not wavered, but has continued to press the fight despite much discouragement and tremendous opposition.

"This success has been attained in spite of the most trying difficulties. It has been the most prolonged and the most bitter farm-relief struggle since the days of the McNary-Haugen bill. Many sincere persons did not believe a new farm bill was needed when this fight began in the early part of last year. Subsequent months brought about the price declines which the Farm Bureau predicted and feared. In the face of these disasters many of those who had urged delay were convinced of the need for action. Still others opposed effective farm legislation until the bitter end.

"It is fortunate for agriculture that the job of framing an adequate measure was properly appraised by the Administration in advance and that Congress was assembled in extra session to begin its work. Otherwise it undoubtedly would have been impossible to pass the A.A.A. of 1938 in time to prevent the crops harvested this year from suffering further depressed prices.

"It would be impossible to praise too highly the definite and vigorous leadership of President Roosevelt for an effective and permanent farm measure before disaster again overtook the farmer, so well expressed in his early appeal to the Congress "to repair the leaky roof while the sun is shining."

"Congress has functioned in a way to inspire confidence, not only in itself but in the lawmaking processes of our form of government in the development of this legislation. It has succeeded in framing a national farm policy, consistent with the democratic tradition of our people, conducive to the economic well-being of millions of farmers and consistent with the general welfare of 120,000,000 of our citizens. . . .

"Farmers are indebted to the men in Congress and out, who have devoted great effort and long hours in fashioning a bill that is destined to give direction to American farm policy for generations to come. . . ."

BORAH.(R.S., Idaho):
Inserts following letter:

"The National Grange, Washington, D.C., February 9, 1938

"To the Members of the Senate:

"Our contacts convince us that the overwhelming majority of Grange members throughout the country view with deep disapproval the compulsory features of the new farm bill.

"Under this legislation, as we see it, the farmer is asked to sell his birthright for a mess of Federal pottage that he does not even get. No emergency, however great, could justify Congress in passing this bill in its present form. It would be playing the shabbiest kind of a trick on the farmer, under the guise of doing something to help in the solution of his problems, should bind him hand and foot and deprive him of his fundamental and constitutional rights.

"No fair-minded and intelligent person can deny that this proposed legislation is in flat contradiction of all our proclaimed principles and ideals, and that its enactment would lay the basis of a degrading system of peonage for the farmers of the country.

"It is true that certain provisions of the bill that have no connection with the attempt to control the production and marketing of farm products are good and meet with our approval. But the objectionable provisions of this measure far outweigh the good.

"If this legislation is to be enacted, it should first be stripped of its compulsory features. It should be redrafted or amended in conformity with American principles and traditions.

"If the parliamentary situation is such that the bill cannot be amended, it should be killed outright and one that would really do the farmers some good should be written and passed at this session of Congress.

"Yours sincerely,

"The National Grange,

"Fred Brenckman, Washington representative."

-3-

STEFAN, Karl (R.C., Nebr.):

Inserts in Record letters from two farm organizations on farm bill:

"Omaha, Nebraska, February 8, 1938

"Congressman Karl Stefan:

"We approve the present Soil Conservation Act, which is in force until 1942, if honestly administered as a program to help farmers improve their land, but not as a means toward production control. We call on every congressman and senator worthy of the name 'American citizen' to permit no legislation to be enacted which will result in either immediate or eventual regimentation, of the American farmer.

"Legislative committee of Farmers' Union of Nebraska,
in session at State Convention, Omaha."

"Washington, D.C., February 8, 1938

"To Members of Congress:

"Space forbids any attempt to analyze in detail the provisions contained in the new farm bill, which has just been reported from conference.

"We are in accord with some of the features of the bill, such as those relating to the establishment of regional research laboratories and the finding of new industrial uses for farm products. We likewise favor the idea that the life of the Surplus Commodities Corp. should be extended for a period of several years, and that crop insurance under the auspices of the Federal Government should be tried out on a limited scale and on a voluntary basis.

"However, the major provisions of the bill call for a degree of governmental control and regimentation that is wholly unnecessary and that is incompatible with all our best American ideals and traditions.

"This bill has been on conference for more than 30 days and it affects the rights and liberties of both producers and consumers. The printed report of the Conference Committee has been available but a few hours. There certainly is no justification for attempting to pass this measure under gag rule. We ask that this legislation be stripped of its compulsory features before it is enacted.

"The National Grange
"Fred Brenckman"

DEBATE ON JONES AMENDMENT

This amendment was offered as a substitute for the Lucas amendment which provided mandatory loans on corn.

The Amendment -- "The Commodity Credit Corp. (in this act called the Corporation) is authorized upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). The amount, terms and conditions of such loans shall be fixed by the Corporation with the approval of the Secretary and the President."

Note: This is included in bill with following change: . . . the amount, terms and conditions of such loans shall be fixed by the Secretary, subject to the approval of the Corporation and the President.

JONES (D.C., Texas): "If the amendment is agreed to, it would eliminate the Lucas amendment. It would eliminate the fixed rates on all commodities. . . Under the bill, no maximum or minimum figure would be set. The matter of the amount, terms and conditions would be left just as it is, under the present executive order, with the provision that was temporarily made for carrying it out."

ANDRESEN (R.C., Minn.): "As I understand it, if the gentleman's amendment is agreed to, loans uniform in amount, will be made all over the country, rather than in sectional areas or in different amounts."

JONES: "The gentleman is correct . . . This would put all the commodities on exactly the same basis."

BANKHEAD (D.S., Ala.): "I should like to ascertain from the chairman of the Committee, the amount of revenue or funds which will be actually available in the event this bill shall be passed, without the imposition of any new taxes."

JONES: "Assuming the House appropriates the amount authorized under the present Soil Conservation Act, there will be \$500,000,000 available under that act, and there will be an additional amount, for the purposes of exportation, of 30 per cent of the customs receipts, which will probably run from \$110,000,000 to \$125,000,000."

FISH: (R.C., N.Y.): "What is the purpose of the gentleman's amendment if the President has these powers at the present time?"

JONES: "This is permanent legislation and it was thought this was the simplest way to make provision for the continuing loans, and, of course, in order to make this available, it will be necessary for the proper committee to continue the activity and life of this Corporation, which, I think, should be continued. I will state to the gentleman that I believe some very fine work has been done, and is being done, under the loan provision."

FISH: "Can the Commodity Credit Corporation lend on all commodities today?"

JONES: "It can lend on all commodities today."

FISH: "Has it made loans on any but the three or four big staple commodities?"

JONES: "It has made loans on a number of different commodities and has tendered loans on a number of others, the effect of which has been to bring up the prices and the loans were never made. . . ."

SHORT (R.C., Mo.): ". . . This bill is a classic example of the most ill-considered, loosely drawn, and ambiguous piece of legislation ever presented to a parliamentary body. I confess my abysmal and pitiful ignorance along with my distinguished friend from Illinois (Mr. Lucas), as far as this measure is concerned. This bill will not work. It goes against the laws of nature. It undertakes the impossible. We might as well legislate against thunder and lightning. The amount of rainfall and sunshine is not regulated by Congress, nor is it controlled by the Secretary of Agriculture. In spite of our efforts, God is still greater and more powerful than Lord 'Corn-Wallace.'

"The philosophy back of this bill is the philosophy of Moscow. . . .

"By this act, we render ourselves superfluous and impotent. The farmer's freedom is destroyed and he becomes a ward of the Federal Government, removed, but a short step from serfdom. His neck is placed in a noose and the bait held out to him by the Secretary of Agriculture is merely an inducement to get the halter on the farmer. . . . This farm bill will farm the farmer, and the only issue that confronts us now is freedom or serfdom for our people.

"The farmers in my district prize their corn, cotton, and wheat, but there is something, Mr. Chairman, they prize infinitely more than these material things. That something is of great spiritual value, that noble and precious heritage we call liberty. . . . For God's sake let us keep America American by letting every man walk the earth his own King, the equal lord of every other man -- go his own way, work out his own will, and weave into the warp and woof of the magic days, the dreams that haunt, the duties that inspire and urge him on."

BERNARD (F-I. C., Minn.): "Mr. Chairman, for the last few days I have been listening to some members of this House with pleasure and surprise. Many of my esteemed colleagues, who in the past have always disagreed with me on everything, seemed to have been converted to my views.

"Gentlemen who in the last session argued for a drastic cut in relief expenditures, now weep for America's hungry millions.

"Gentlemen who in the last session could only shout 'economy,' now tell us that our people have not enough money to buy food.

"In the last session it was only the Progressives who argued that we do not suffer from overproduction but from under-consumption. Now the very members who have blocked every administration measure to expand the buying power of our citizens, tell us the workers have no money to spend for farm produce.

"Under-consumption has become the pet discovery of those who are in part responsible for under-consumption.

"Have these leopards changed their spots?

"I would like to think so, but my new friends are inconsistent, and I am forced to doubt their sincerity. At one moment they protest the amendment offered by my friend, Mr. Boileau. The Boileau amendment, they say, will take the milk from the mouths of starving babes. And at the next moment they advise us to feed the starving babes by repealing the surplus-profits taxes.

"Do these new friends of the hungry and poverty-stricken mean starving babes -- or starving corporations? Who is it that they really want to feed?

"I do not forget that in the last session, my friend, Jerry Boileau, introduced a bill calling for \$3,000,000,000 to create 1,000,000 jobs. And I do not forget that those who now accuse him of taking food from the mouths of babes voted against his bill and even advocated cutting the administration measure to \$1,000,000,000.

"I do not believe it is Mr. Boileau who is the apostle of starvation.

"I would like to think that these new spokesmen for plenty are real converts to the progressive cause. I will think so when they support the wage and hour bill, an increased relief appropriation, more money for housing, higher taxes for the rich and lower taxes for the poor!

"But, until they are ready to prove thier sincerity by votes let them not mock the hungry with their crocodile tears. We Progressives who condemn the crop destruction provisions of this farm bill, have a right to condemn them. We are doing all we can to root out the causes for under-consumption. We are going to vote for every measure which will increase the spending power of those whose hunger makes the 'surplus' of farm crops. We are going to resist with all our strength every attempt to feed the trusts and the corporations while the people starve.

"We have the right to condemn scarcity, and we do condemn it. We have a right to say, 'Let the government pay the farmers for growing food, not for plowing it under.' We have a right to deny that there is a farm 'surplus' so long as one child anywhere in the world goes to bed hungry. We have a right to say these things because we believe them.

"But as for the new advocates of abundance -- they are treading on dangerous ground. What will their constituents say when they go home? Theirs is not an easy position to explain to the jobless, the WPA worker who has been laid off, or the needy for whom no relief can be found.

"'I voted against the farm bill,' they can say with pride, 'because it perpetuates an economy of scarcity; because it destroys food when many are hungry.'

"And their hungry constituents will ask: 'But what did you do to find a few dollars so that we can buy what the farmers still raise?'

"What will they answer, these new disciples of the more abundant life? I hope they will be able to answer that they have done something besides out Mr. Morgan's tax bill. It is not wise to trifle with the wrath of hungry men. . .

GILCHRIST (R.C., Iowa): "Mr. Chairman, I am, of course, overwhelmed with the bursts of oratory, when I hear on this floor about how we are trying to control the hands of God Almighty; about how we are going to control sunshine and rain; about how some officer is going to be delegated the authority to say how much crop we shall produce and how much crop we shall sell. You can make a fine oration by saying that the liberties of the American people are going to be taken from them by this bill, but if the gentlemen would read the bill, they would soon understand that it does not do any such thing at all. This bill does not provide for scarcity. It is not a bill that seeks to control sunshine, rain, or production. This bill will leave the American farmer with every liberty that he now has, except, in possibly one year out of eight or ten, and then when he votes for that control himself.

"It is fine to talk about American liberty. We have perhaps all had forefathers who marched with George Washington from New York to Yorktown. But this bill and the amendment now before us, does not control one bushel of production of corn, not one. The farmer is allowed to produce every bushel of corn that he can; the farmer is allowed to harvest all that he can. In extreme times, when the farmers vote for it, under a formula that Congress fixes and not the secretary fixes, then and only then, and at no other time can the secretary provide for a vote.

"It does not give the Secretary one single thing or a single power or authority, except under the rule and formula that Congress itself proposes and lays down in the bill itself. So that when I hear these bursts of oratory, I am greatly pleased at the oratory; but I am bound to believe that the orators ought to read the bill. I think they ought to know what this bill provides. Once in a while, during the course of years, when the farmers ask for it, the farmer can be told: 'Here, you put a small part of your corn into storage for a while, until the world shall demand it and the price shall rise; so that you yourself will be helped, and no one will be injured.' It does not prevent him from doing as he pleases with the vast amount of his product. He raises it; he sells it where he pleases and when he pleases, with the exception that I have noted.

"How easy it is to talk about liberty and the American flag. Oh, I know something about liberty myself. I have seen the sheriff march into the homes of the corn farmers of my community and my county and kick farm owners out into the street. That is liberty. That is the liberty of the man who owns the mortgage. So I am trying to fix it so that the farmer can pay his mortgage and support himself and his family in decency and honor in this twentieth century. . . ."

COFFEE (D.C., Nebr.) speaks for amendment.

BIERMAN (D.C., Iowa) speaks against amendment.

AMENDMENT passed -- ayes, 109; noes, 83.

"Washington, Aug. 27, (U.P.)--The agriculture department tonight announced a new \$120,000,000 cotton and corn loan program in a move to bolster farm prices and assure orderly marketing of bumper crops.

"The loan announcement coincided with start of a Commodity Credit Corporation wheat purchase program designed to relieve pressure of surpluses and prepare for a wheat export subsidy to dispose of 100,000,000 bushels abroad.

"The department set aside \$100,000,000 for cotton loans ranging from 5.3 to 10.75 cents a pound on 1938 production. The corn announcement increased the loan rate on 1937 corn from 5 to 7 cents a bushel and forecast new corn loans this fall.

"The cotton loans will be based on 8.5¢ a pound for 7/8-inch middling.

"The increased corn loan rate will enable growers with corn now under loan to obtain an additional 7 cents a bushel from the government. The loans will be available until November 1 and will mature August 1, 1939. They are available to all growers in the commercial corn area who did not plant more than 102% of their 1938 corn acreage allotment.

"The Commodity Credit Corp. allotted \$20,000,000 for additional corn loans. Agricultural Adjustment Administration officials said an announcement of corn loans on 1938 crop would be made about December 1.

"The farm act made loans mandatory if the November 1 crop board estimate indicates corn production in excess of normal domestic consumption and exports (approximately 2,400,000,000 bushels). The August forecast was for a crop of 2,566,000,000 bushels.

"The department concentrated on a solution of the problem presented by a wheat crop of 956,000,000 bushels, the second largest in the nation's history and 500,000,000 above domestic requirements for the next year."

MR ADAMS (D.S., Calif.) offers as substitute for farm bill, AGRICULTURAL EQUALITY ACT OF 1937. His explanation follows:

"Under my substitute the Secretary of Agriculture will in advance of the planting season, let us say now, for instance, if the substitute were a law, announce to the country his estimate of the amount of the staple commodities which will be consumed in the home market for the ensuing year. The purpose of that announcement is to put all the farmers of the United State on notice as to what the domestic market is expected to take. If they plant in excess of that and raise a huge surplus in excess of the domestic requirement, they will do so at their own risk. . . .

"The purpose of my substitute is to leave him free to plant what he wishes, but to plant it with notice of what will happen to him if he goes beyond the limits of the substitute. I may say, furthermore, there are no quota provisions in the substitute so the farmer is perfectly free to deal with his own problems as he sees fit.

"Let us assume that the Secretary of Agriculture now announces to the country that the domestic market will probably consume 8,000,000 bales of cotton in 1938. At the same time he should announce shortly in advance of the harvest season, his estimate of the amount of each of the crops that will be harvested. The Secretary will also state what percentage of each crop will be consumed in the domestic market and what percentage of each crop will be available for export or for other purposes.

"Let us say that in the case of cotton he announces in August, 1938, that the cotton crop will be 12,000,000 bales and that 8,000,000 bales of it will be for home consumption and 4,000,000 bales for export. At the same time, under the authority of my substitute, he would announce the minimum price at which the cotton may be sold in the domestic or home market. He will arrive at that determination upon the basis outlined in the substitute which I may state briefly are these:

"He will take testimony or hold hearings as to the cost of production of cotton in the various parts of our country.

"He will then consider in establishing the minimum price, what the services of the farmer are worth. He will put him on a parity with the employee of an industrial corporation. He will also take into consideration the labor performed on the corporation whether household labor or hired farm labor or both. He will take into consideration also the value of the farm and its equipment. He will make due allowance for maintenance of the equipment and for its depreciation. He will also add four percent on the value of the farm as determined by him. When all those factors have been added together, he will make announcement of the average price of cotton in the United States, as the minimum price at which it may be sold in the home market. . . .

"Principle can be applied to other exportable surpluses, such as those mentioned in the bill.

"The Secretary having announced the minimum price it will be unlawful for any one to purchase cotton or any of these other commodities at less than the minimum price proclaimed by the Secretary of Agriculture. . . .

"The Secretary of Agriculture shall at the same time that he announces the minimum price of cotton also establish the percentage for domestic consumption and the percentage for export. Let us say that he declares 50 per cent is for domestic consumption and 50 per cent for export. . . .

"The ginner says to the farmer who has a hundred bales, 'Under the cotton law, Mr. Farmer, I can deliver to you 50 bales of this cotton, which you may sell when and as you please in the home market,' at not less than 20¢ a lb., let us say--assuming that is the price proclaimed by the Secretary of Agriculture as the cost of production, plus the reasonable profit I have outlined.

"When the farmer gets the 50 bales for domestic consumption he can sell it when he pleases and as he pleases, and he can get as much above the minimum

price as he can command. In respect to the other 50 bales the ginner says to the farmer, 'You have to deliver this to Mr. Jones', . . . who is the agent of the Farmers' Surplus Corporation. He has a desk in the gin house and he will give you a receipt for these 50 bales, in which it will be stated that the Corporation has the power and the right to sell the 50 bales of cotton at any time it pleases, where it pleases, and at any price which in the judgment of the directors seems wise, or possible of attainment. . . ."

NOTE:

This explanation of the Agriculture Equality Act, is included in this study, because the plan is reported as winning adherents in the Congress. This is what *The Farmer* (Sept. 24, 1938, St. Paul) says on this question.

"Price-fixing of farm products as a substitute for A.A.A. is the talk in Washington now. How it would work under legislation already proposed is discussed here by our Washington reporter. . . . (The bill received forty votes in the Senate) Gives explanation as above

He concludes:

"Government officials realize that this plan has a strong appeal. They are convinced, however, that it would break down in operation for two principal reasons. The main reason is that three-fourths of the people of this country live in the cities and must buy farm products. These people have the vote. They might not like to see their cost of living raised greatly in order that the one-fourth of the population living on farms might receive a high price for what it has to sell. Particularly would this be true if foreigners bought the surplus products for a song.

"The second reason why officials think the plan would not work is that the difficulty of enforcing a high price is extremely great. . . .

"Despite all opposition, however, sentiment for this type of law is growing and is recognised in Washington as a formidable movement to be faced in the very near future."

FEDERAL SURPLUS COMMODITY CORP.
Report for fiscal year ended
June 30, 1937

Exhibit 10

Notes:

The AAA of 1938 extended the life of the Federal Surplus Commodities Corp. until June 30, 1942. Following is a resume of the annual report of the corporation for 1937.

"During the summer of 1936 the Corporation assisted in combating the effects of the drought in the Middle West and South by shipping into these regions more than 55,000,000 pounds of flour, dried peas, fresh peas, prunes, dried peaches, fresh pears, canned beets, dry skim milk, and fresh vegetables. It also aided drought-stricken States in need of feed supplies by delivering more than 21,000,000 pounds of mill feed for animals in deficit areas.

"The Corporation assisted the A.A.A. in the drought cattle purchase program of 1936. The cattle buying operations were conducted for the purpose of preventing demoralization of cattle prices by heavy shipments to markets due to water and feed shortages in the drought areas. It was necessary to purchase only 3,637 head of cattle in order to support the market and maintain returns to producers.

"Conservation of Seed Stocks

"In anticipation of a shortage of high-grade seed grain in drought areas, steps were taken to provide means for financing of the purchases of grain suitable for seed and for the storing and sale of such grain for planting purposes during the 1937 planting season. . . . Sales of grain for seed were made at cost."

Among commodities produced by the A.A.A. and donated to the Federal Surplus Commodities Corp. for distribution during 1937 were:

Milk (dry skim) purchased from 18 states incl. Minn.	25,193,541 lbs.
Cattle and calves (at terminal markets)	3,633 head
Fish purchased from 15 states incl. Minn.	12,059,422 lbs.

The following purchases of seed grain were made in Minnesota:

<u>Wheat</u>	<u>Oats</u>	<u>Feed Barley</u>	<u>Flax</u>
(in bushels)			
3,786	4,881	1,250	7,255

"Export of wheat is being subsidized. The Federal Surplus Commodities Corp. has sold its first wheat for export, taking a loss of four cents a bushel on a sale on the Pacific Coast and of seven cents a bushel on a sale at Gulf ports. The plan is to finance the sale abroad of 100,000,000 bushels during the present crop year.

"Real competition in that game of dumping still has to come when Canada and Argentina and Australia and Russia get into it.

"Demand already is rising for subsidizing the export of cotton and tobacco. Once started on this program there is a question concerning where it will stop. The government has about \$60,000,000 available to finance exports. Also available is about \$100,000,000 to be used in dumping farm products on the domestic market. This process is carried out through the purchase of commodities that then are given away to those on relief."

"The Bureau of Agricultural Economics estimate of 1938 cash farm income from marketings and Government payments is \$7.5 billion compared with \$8.6 billion in 1937.

"Currently, interest centers in the compliance of winter wheat growers with acreage allotments designed to improve a burdensome wheat supply situation. Loans on surplus wheat, loans on cotton at rates, ranging from 5.3. to 10.75 cents a pound and an increase to 57 cents a bushel in the loan rate on old corn carried over from the 1937 crop were among important Government in late August.

"Wheat in August was selling at lowest prices in five years, then recovered following announcement of additional A.A. payments to growers who cooperate in adjusting acreage, and of government interest in stimulating exports.

"Fifty-seven million acres were seeded to winter wheat for 1938 harvest; the annual average for the period 1927-36 was 46 million acres. Twenty-four million acres were seeded to spring wheat in 1938; the annual average for 1927-36 was 22 million acres.

"Background of the wheat situation is the largest world supply on record, 4.9 billion bushels as contrasted with annual world disappearance of 3.8 billion bushels average during the last ten years."

BANKHEAD, John (D.S., Ala.);

Extends remarks with Address by Edward A. O'Neal, president, American Farm Bureau Federation --

"Should there be government control of agricultural production?" I support the affirmative of this proposition because I believe that through adjustment of production farm income may be stabilized at a prosperous level; and I believe further that this country will never enjoy steady continuous prosperity for any considerable length of time until this is done.

"This country can attain the greatest measure of economic well-being only when a fair economic balance exists between the different population groups. Nobody can successfully dispute that. We can't have successful mass production of industrial goods unless our economic system permits wide distribution of purchasing power among the people. We are prosperous when the different groups are exchanging goods and services in large volume. . . .

"The farmer has been at a disadvantage as compared with other groups, nearly all the time since the great War. During all of that time, except for short periods, farm commodity prices were so badly out of line with other prices that the farmer could not buy the industrial goods that he needed and wanted.

"Prices were held down chiefly because of great surpluses. We had surpluses because we had lost the bulk of our foreign markets. Farmers were cultivating some 35,000,000 acres of land more than was necessary to supply the domestic market. Surpluses accumulated and prices fell to unprofitable levels. Faced with such a condition farmers have only two possible alternatives. They may find new domestic uses for farm products, or they may retire some land from cultivation, just as the manufacturer closes part of his factory when demand falls off. There are possibilities in developing new uses for farm products, but they can be developed only through long years of painstaking research. The present emergency cannot be met in this way.

"It seems obvious, then, that if we continue to cultivate our usual number of crop acres, it will be many years before increases in population will permit the domestic market to absorb all of our production.

"Manufacturers of automobiles produce only as many cars as the market will absorb at a price. Everybody would think they were crazy if they deliberately produced more than they could sell. And yet many industrial leaders have condemned production control for farmers as unsound, and even immoral.

"Farmers have tried production control in their business under the provisions of the A.A.A. of 1933, and they found it good. Large majorities approved the control programs whenever a referendum vote was taken. Some of the commodity groups voted almost unanimously for the program.

"Those control programs were wiped out by the Supreme Court. Now great numbers of farmers, including the group that has honored me with the responsibilities of leadership, are demanding another law that will permit them again to adjust production to effective market demands, so that farm prices may be stabilized. I maintain that, as a matter of equity and justice, the Federal Government should do this, because it has already granted equivalent benefits to almost any other group of our population that you can name. . . ."

GOVT. CONTROL OF PRODUCTION

p. 104, II-75

WAGNER (D.S., N.Y.):

Extends remarks by insertion of Resolution adopted by New York Board of Trade --

"The Federal Government is seeking an order of planned economy under which the supply of agricultural products may be suited to the demands of the market in order to insure to producers a financial return commensurate to the labor performed.

"In the past the Administration has proceeded upon the theory that abundant harvests are dangerous to national economy. A large supply in relation to demand reduces the unit price. In order to counteract this invariable economic law, the machinery of government is employed to limit the domestic supply. Lands are taken out of production and allowed to remain fallow, and the farmer is compensated by the Government for what he has not produced.

"The fallacy of this procedure has been clearly shown by experience. When acreage was planted according to the estimates of the experts, sandstorm and drought took their toll, and the United States was actually forced to import grains to feed starving cattle. The forces of nature did not yield to the requirements of the Federal law. Importing grain, paying the tariff thereon, paying the increased freight charges for the western movement of grain, upset all the theories and compounded the confusion. . . .

"Housewives of this country, responsible for a family budget, found themselves confronted by increased prices on foodstuffs and wearing apparel. . . .

"Until the Federal Government can control the works of nature and until such time as the Federal Government can expand its theory of planned economy to the whole world's production and distributing system, a planned agricultural program for the United States must fail, and its citizens pay the penalty for the loss of world markets and higher prices for life's necessities. . . .

"Be it resolved, that the New York Board of Trade, while believing that the farmers of this country should receive all the protection against foreign competition that can be afforded by tariffs, expresses its emphatic opposition to an agricultural program aimed to curtail domestic production. . . and expresses its emphatic opposition to legislation designed to limit the harvests of the land."

McGILL (D.S., Kans.):

Extends remarks with radio speech by James Pope (D.S., Idaho)--

"Thirty-one million American people are directly or indirectly dependent upon agriculture for their livelihoods. It is more than a question of helping the farmer, stabilizing the occupation of farming; it is the first link in the chain of America's economic and political stability.

"As a result of recognizing the basis of the agricultural problem and endeavoring to cure the defects at their source, the farm program now pending before the Senate was evolved. The basic principle of the pending farm bill is the coordination of production with demand. The program has become known by the widely publicized phrases 'production control' and 'the ever-normal granary.'

"When the program was proposed, many of the professional critics of any legislative program raised their voices in protest against any effort to control agricultural production. The argument, or at least the sophistry most widely used, is that the Government should not attempt to deal with agricultural production. Other industries, they say, are free to produce as they will, but nothing could be farther from the truth. Agriculture is the only industry in America today which does not have adjusted production. The Government has nothing to do with it, it is true, but the organizations which manufacture and market everything from a locomotive to a can opener, or a pair of shoes, control production absolutely, on the basis of probable demand. Virtually every industry is organized on a large scale. A handful of men, at most, can bring to an abrupt halt the production of automobiles or farm machinery, should the demand decline.

"It is easy enough for the leaders of great industries to use their own initiative and regulate their own production, but what about the farmer? Is there any one who will say that 7,000,000 farmers can get together unaided to apply business methods to farming? . . .

"Suppose for a moment, there are 7,000,000 manufacturers of automobiles in the United States totally independent of each other. They would manufacture so many automobiles that one could be purchased for a song, until they all went broke. . . .

"There are people who blind themselves to these obvious facts and continue to about for rugged individualism in the industry of agriculture. Every high school student who studies economics soon learns that no amount of rugged individualism can obstruct the operation of the law of supply and demand. If there are two bushels of wheat where only one can be consumed, the price will fall below the cost of production as surely as the law of gravity will force thrown stones to earth again.

"In the United States we consume about 650,000,000 bushels of wheat each year and export less than 50,000,000 bushels. This year the Nation is harvesting a crop of about 887,000,000 bushels. On July 1, 1938, the United States will have a carry-over of about 200,000,000 bushels of wheat. Without legislation farmers are expected to plant 80,000,000 acres to wheat next year, and with a favorable season there will be a crop of nearly 1,000,000,000 bushels next year. This would be as large as the wheat surplus in 1932. . . .

"A similar situation exists with respect to other major commodities. A carry-over of about 325,000,000 bushels of corn is estimated. That is more than double the normal carry-over. The 1937 cotton crop is over 18,500,000 bales; and the highest annual domestic consumption of cotton the United States has ever seen is 8,000,000 bales. Is there any one who thinks that a surplus of 11,000,000 bales of cotton will not depress the price to the farmer? Those who buy cotton will simply offer a continuously lower price and growers will be forced to accept low prices to avoid destitution and want.

BORAH (R.S., Idaho) asks what we are going to do with surplus farmers are producing in this country.

PEPPER (D.S., Fla.) ". . . I have suggested in my remarks that there were immediately, to my mind, three possible ways for the disposition and distribution of that surplus. We could sell it abroad, either through a Federal corporation, or else so subsidize the farmer as to permit him to sell it at a price which would get him a market in the world market. That is one possible course.

"Another one is that we could distribute it to the indigent people of this country as a part of the functioning of the Surplus Commodities Corporation already in existence, or else make it possible to be purchased by a segment of the population just a little above the indigent, at perhaps a little lower price than the price at which they could purchase it in the market, taking care to safeguard that market for the farmer by not generally making that donation, or diminishing in price the commodity available to those who are able to pay a fair price.

"The third possibility, Mr. President, is the storage of a portion of the surplus for later consumption by the public and for later access under the law of supply and demand. . . ."

BORAH, "Mr. President, though I am not an expert on the subject, I have had some investigation made, and I am of the opinion that it will cost the taxpayers of this country less to distribute the food after it is produced than it will to buy the nonproduction of the food by buying off acreage from production. We are proposing to spend a billion dollars for that purpose; we are proposing to spend a billion dollars for the purpose of not producing and for the purpose of permitting acres to lie idle. Would it not be better to spend a billion and a half dollars for the purpose of taking the surplus, instead of not producing it, and sending it to those who actually need it? . . .

"I observed some time ago that the President of the U. . . made a statement to

the effect that if all the people of the U.S. could enjoy even a decent standard of living it would require some 40,000,000 additional food-producing acres to produce sufficient food to feed the people of the U.S. That was a larger figure than I had seen theretofore stated, but it has been estimated by the Brookings Institute, as I recall, that it would require 23,000,000 additional food producing acres in the U.S. to feed the American people if they were living upon such a standard as the Agricultural Department has suggested to be a decent standard of living. I am not in favor, Mr. President, of reducing by a single acre, the production of the U.S. so long as there are hungry men and women and children in the United States."

REYNOLDS, Robert (D.S., N.C.):

Extends remarks:

" . . . In 1787, the year the Constitution was drafted, surplus food produced by farmers went to feed one city person. In recent years 19 people on farms have produced enough food for 56 non-farm people, plus 10 living abroad. Here, indeed, is a striking example of the increased productivity of agriculture. During the twenties there was a great increase in farm efficiency, in terms of production. From 1922 to 1926 production increased 27 per cent with little change in crop acreage and a decrease in the number of agricultural workers. . . .

"Another factor in increasing farm productivity since 1920 was increased mechanical power, releasing land formerly required for grazing. It is estimated that between 1918 and 1923 about 9,000,000 horses and mules were lost to the farmers, releasing many millions of acres of crop and pasture lands for production of saleable commodities.

"In plain, everyday language, all this means that when the depression came productivity on the farms of the country was way beyond the ability of our people generally to buy and consume. To make matters worse, foreign markets were closed. As a result, great surpluses--the nightmare of things produced for which there was no demand at reasonable prices, the sickening spectacle of reduced, if not entirely wiped out farm income--faced the farmers of the country. . . ."

DISCUSSION on AMENDMENT to Part II, Marketing Quotas for Wheat and Corn, as follows:

" . . . The provisions of this title are necessary in order to maintain an orderly flow of such commodities in interstate and foreign commerce under such conditions. . . . "

O'MAHANONEY (D.S., Wyo.):

" . . . No one, I am sure, will disagree with the statement that the problem which confronts the people of the United States is the problem of making it possible for all classes of the population to consume a larger proportion of our agricultural and industrial production than is now being consumed. This is a bill to expand the purchasing power of farmers. I am, of course, very anxious to cooperate in helping to expand the purchasing power of farmers; but whatever we do here will be only temporary in its character unless we find a way of expanding the purchasing power of the industrial population as well.

"For my part, I am not ready to agree that it is necessary to begin by restricting production. We should take the first step of increasing the ability of all the people of America to consume the products of the farm.

"Restriction of production on the farm necessarily involves a reduction of labor on the farm, and reduction of labor means a reduction of the purchasing power of those who are thrown out of employment. . . . "

McGILL (D.S., Kans.):

"The manufacturers' wage pay roll, as a rule, has amounted each year to the same sum as the gross income the farmers have received for their products. The amounts have been almost the same year after year, so that the purchasing power of one has depended upon the purchasing power of the other; and we are endeavoring here, among other things, to increase and enhance the purchasing power of the farmer.

"There is no disposition to produce less than the people will consume. . . So far as I know, no one who is a supporter of this bill advocates a philosophy of scarcity."

O'MAHANONEY: "Oh I quite agree with the Senator. . . ."

POPE (D.S., Idaho):

"I agree with the Senator from Wyoming that too much emphasis cannot be placed upon that (increased purchasing power of the consumer); but does not the Senator also see the other side of the picture which is here represented? This bill does not attempt to solve all the difficulties of the farmer, but it is an approach to the matter of keeping up his purchasing power, by increasing the price he shall get for his commodities. If the Senator agrees that surpluses are injurious to the purchasing power of the farmer through depressing the price he receives, I do not see how the Senator then can avoid conceding the necessity of legislation to deal with surpluses and thereby improve purchasing power, along with everything else we may do to increase the use and consumption of commodities the farmer produces."

O'MAHONEY contends there will always be surplus as long as purchasing power is low. "... Until we find a way of putting the industrial population of America to work at something better than security wages, we shall not begin to solve the farm problem."

POPE answers that next year farmers may have concrete surplus of 4-500,000,000 bushels of wheat. Can he let that go and rest on the proposition that somehow we should stimulate purchasing power generally among consumers?

O'MAHONEY: "I suspect I shall be found voting for this bill, with the Senator from Idaho."

AMENDMENT agreed to.

AGRICULTURAL PRODUCTION
from Agricultural Statistics,
1937, publication of U.S.
Department of Agriculture

Exhibit 15

AGRICULTURAL PRODUCTION IN MINNESOTA

	<u>Acreage</u>		<u>Production</u>		<u>Price for Crop</u>	
	1935	1936	1935	1936	1935	1936
	(1,000 acres)		(1,000 bu.)		(cts.)	
Oats	4,897	4,016	181,189	94,376	21	40
Wheat	874	821	19,676	18,721	98	1.21
Corn	4,514	4,649	148,962	88,331	54	1.01
Rye	495	346	9,900	4,325	36	74
Alfalfa seed	41,000	55,000	61,500	82,500	8.40	10.90
Timothy	50,000	33,000	200,000	108,000	1.10	2.50
Clover	45,000	60,000	112,500	120,000	8.00	11.50
Sweet clover	95,000	144,000	380,000	403,000	1.75	4.15
	<u>1934</u>	<u>1935</u>	<u>1934</u>	<u>1935</u>	<u>1934</u>	<u>1935</u>
	<u>Cows on farms</u>		<u>Milk Prod. per Cow</u>		<u>Total Prod. of Milk</u>	
	(thousands)		(pounds)		(Million lbs.)	
Milk	1,740	1,840	4,300	4,530	7,482	7,429
	<u>Produced in Factories</u>					
	(1,000 lbs.)					
Cheese	9,775	10,624	(Stands sixth in list of states--1st, Wis; 2nd, N.Y.; 3rd, Ind.; 4th, Ill.; 5th Ore.)			
Creamery butter	275,786	272,588	(Stands first in list of states.)			
	<u>No. Raised</u>		<u>Price per Head</u>			
	(1,000)		(cts.)			
Poultry	23,509	25,390	38 56			
	(millions)					
Eggs & price per doz.	1,281	1,251	14.4 26.4			
	<u>1935</u>	<u>1936</u>	<u>1935</u> <u>1936</u>			
	<u>No. Raised</u>		<u>Farm Value per Head</u>			
	(thousands)					
Hogs	1,900	2,242	\$7.50 \$16.40			
Cattle	3,179	3,179	19.70 38.30			

FEDERAL FUNDS IN MINNESOTA
 Report of Natl. Emergency
 Council, St. Paul, Minn.
 D. Oleson, Minn. Adm.,
 August 15, 1938
 Exhibit 16

FUNDS loaned, expended and insured by federal agencies in Minnesota from
 new and emergency appropriations for the period March 4, 1933 - June 30, 1938

Funds Repayable
 (Includes loans closed)

Reconstruction Finance Corp.	\$25,968,335	
Commodity Credit Corp.	7,961,333	
Rural Electrification Administration	5,865,954	
Farm Security Administration	5,951,556	
Home Owners Loan Corp.	47,975,319	
Farm Credit Administration	200,804,248	
Public Works Administration	5,548,942	
Federal Reserve System	2,041,013	
		\$302,116,700

Funds Non-Repayable
 (Includes Expenditures, Obligations, Payments and Grants)

Agricultural Adjustment Administration	\$74,591,552	
Federal Emergency Relief Administration	74,920,151	
Civil Works Administration	18,686,117	
Farm Security Administration	1,594,320	
Civilian Conservation Corps	65,845,051	
Bureau of Public Roads	39,141,036	
Works Progress Administration	111,109,731	
Other obligations incurred from emergency relief 1935-36-37	15,238,130	
Procurement Div., Treasury Dept.	752,465	
Social Security Act		\$454,867,236

Loans Insured
 (Not a Federal Expenditure)

Federal Housing Administration	\$32,283,759
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KING (U.S., Utah):

Inserts following data supplied by RFC.

Loans from Feb. 2, 1932 to Nov. 24, 1937. Including loans to federal land banks, agriculture credit corporations, for financing exports of agricultural surpluses, etc.--all agricultural financing institutions. Also loans to other government agencies in connection with agriculture: Feb. 2, 1932, to Nov. 24, 1937, inclusive.

Secretary of Agriculture for crop loans	\$115,000,000
Governor of Farm Credit Administration	44,500,000
Land bank commissioner to make loans to farmers	145,000,000
Federal Farm Mortgage Corporation	55,000,000
Commodity Credit Corporation, purchase of stock	97,000,000

KNUTSON (R.C., Minn.):
Inserts in Record --

A.A.A. Distribution and Administrative Expense per Capita
from May 12, 1933 to December 31, 1935.

	Farm Population	Benefit Payments	Local Expense	Per Capita Benefits	Per Capita Expenses
Minn.	895,349	\$32,817,104	\$1,047,11.53	\$38.90	\$1.17

HERRING, Clyde (D.S., Iowa):

Extends remarks with radio address by Secretary of Agriculture Wallace --

"...Farmers of the United States, in this closing month of 1937 realize their dependence on other groups and other nations more than ever before. They have harvested this year 200,000,000 bushels more wheat than our own people can possibly consume in the year 1938. Furthermore, they have harvested at least 400,000,000 bushels more corn and 10,000,000 bales more cotton than can possibly be consumed in the United States in the next twelve months. Along with the surplus farm production has come a severe decline in farm prices. While that decline has brought pleasure to a few consumers, it has brought fear to many laborers, farmers and businessmen. Laborers fear the loss of employment, because they remember the great farm abundance of 1932 and how that abundance turned out to be a waste because of the way in which it destroyed farm purchasing power and added to unemployment in the cities. In like manner, farmers are seriously disturbed when they see thousands of men thrown out of work by the steel mills and the automobile factories, because they know these men lacking the right to work will be able to buy less farm products. They know that factory pay rolls and farm income go up and down together. Businessmen, seeing their volume shrink with lower farm income and farm prices know the falling off in volume also means a shrinkage in profits.

"Farmers know that no matter how desperately they may strive with governmental help to adjust production to demand, they cannot create farm prosperity if business and labor conditions are bad. Only half the farm problem is on the land. The other half is in the towns and cities, and overseas where rival nations are trying to destroy each other and to avoid buying anything from outside their own borders. Therefore, I say the farm problem is also a labor problem, a business problem and an international problem. . . .

"We cannot stop the recession if each group attacks the prices and returns of the others. If farmers block the efforts of labor to maintain fair wages, they themselves will be the losers. When the workers have less money to spend for farm products. If workers carry on strikes against fair prices for food, then they will be the losers when farmers have less money to spend for industrial products. If business is to strive above all to pay smaller taxes and to keep wages and farm prices down, then business will lose the market for the things it has to sell. No, we found out in 1932 that recovery does not lie along that road. Let us not take that road today. There are practical ways to end the present recession. . . ."

PRICES

Ninth Federal Reserve
District, Monthly
Review of Agric. &
Business Cond., Sept.
28, 1938

"Farmers' cash income from the sale of seven important products in August was 10 per cent below a year ago but larger than in any other year since 1930. Income from durum wheat, flax and hogs was all larger than last year, but reduced prices more than offset increased marketings of bread, spring wheat, rye and potatoes, and income from these items remained below a year ago. Dairy products marketings were in about the same volume as last August, but prices average 19 per cent lower. These estimates do not include government payments."

WEARIN, Otha (D.C., Iowa):

" . . . I would also like to call the attention of the Committee to another very important matter by way of summary in this debate. We have listened to a lot of talk about what the opposition claims to be the adverse effect of reciprocal trade-agreements upon agriculture, but what are the facts? Let us take a look at the wholesale price index of farm products in 1932 under the protection afforded by the Hawley-Smoot bill and to the price index of the same products in 1936 under existing trade agreements.

"Comparative Prices of Farm Products in 1932 and 1936"

The following table gives representative wholesale prices of farm products in June 1932 and June 1936:

<u>Commodity</u>	<u>Average</u> June 1932	<u>Price</u> June 1936
<u>Grains</u>		
Corn, #3 mixed, Chi., bu	\$.304	\$.644
Oats, #2, white " "	.214	.307
Rye, #2 " "	.327	.640
Wheat, #2, red winter "	.511	.949
Wheat, #1, spring, Mpls"	.574	1.089
<u>Livestock and Poultry</u>		
<u>Cattle</u>		
Calves, good to choice, vealers per 100 lbs. Chi.	6.094	8.950
Cows, good to choice, 100 lb. Chi.	4.238	5.870
Steers " " " "	7.375	8.505
Hogs, fair " " "	3.931	10.355
Sheep, ewes, fair to best 100 lb. Chi.	1.531	
Poultry, live, per lb. "	.129	.190
Eggs, 1st, per doz. fresh, Chi.	.125	.208
Hay, alf., per ton, K.C.	9.750	11.150
Milk, fluid per 100 lb. Chi.	2.110	1.570
Seeds, flax, per bu., Mpls.	1.031	1.740
Butter, cry. extra, lb. Chi.	.163	.285
Cheese, whole milk " "	.108	.153
Milk, cond. per case, N.Y.	4.750	4.850

AVERAGE FARM PRICES FOR MINNESOTA

	Wheat	Corn	Oats	Barley	Rye	potatoes	Hogs	Cattle	Eggs	Butter -fat	Hay	Milk	1924-25-26 equal 100 Index
Jan. 15, 1932	55	36	21	35	33	31	3.30	4.10	.13	.24	9.02	1.39	48
April 15, 1932	53	35	22	38	35	32	3.40	4.10	.09	.19	10.23	1.14	46
July 15, 1932	38	28	15	22	20	34	4.30	4.90	.10	.16	7.20	1.05	44.7
Oct. 15, 1932	37	15	10	16	20	21	3.05	4.00	.21	.19	6.66	1.19	37.9
Jan. 15, 1933	35	14	10	17	21	23	2.45	3.20	.19	.20	5.68	1.02	36
April 15, 1933	46	20	13	23	30	26	3.15	3.35	.09	.18	5.92	.89	40
July 15, 1933	95	48	38	51	84	50	3.90	3.95	.11	.24	7.33	1.18	57.5
Oct. 15, 1933	63	26	21	44	48	41	4.15	3.65	.16	.22	7.34	1.23	52
Jan. 15, 1934	73	37	28	50	49	55	2.75	3.35	.14	.18	7.22	1.22	45
April 15, 1934	72	35	26	48	47	55	3.40	3.80	.13	.23	8.40	1.23	53
July 15, 1934	88	49	38	61	59	55	3.85	3.70	.11	.24	11.90	1.39	56
Oct. 15, 1934	102	70	48	85	69	35	5.10	4.05	.20	.26	14.20	1.53	67
Jan. 15, 1935	100	84	52	91	66	35	7.00	5.00	.22	.33	15.44	1.68	81
April 15, 1935	102	80	50	84	55	37	8.30	6.80	.20	.37	17.52	1.73	92
July 15, 1935	88	70	30	39	29	42	8.60	6.90	.20	.23	7.82	1.53	73
Oct. 15, 1935	105	56	22	38	39	24	9.90	6.50	.25	.27	5.38	1.56	75
Jan. 15, 1936	101	42	21	37	39	41	9.10	6.30	.19	.35	5.76	1.72	84
April 15, 1936	91	45	20	41	38	55	9.70	6.50	.16	.33	4.90	1.62	84
July 15, 1936	111	69	32	58	60	95	9.30	5.90	.18	.34	7.02	1.69	86
Oct. 15, 1936	125	94	27	98	73	100	9.20	6.30	.243	.35	8.26	1.97	96
Jan. 15, 1937	139	105	48	99	99	125	9.60	6.70	.198	.36	9.02	1.93	106
April 15, 1937	135	119	47	93	99	135	9.30	7.20	.193	.35	9.92	1.85	101
July 15, 1937	131	113	40	63	79	105	11.00	8.10	.172	.33	6.08	1.70	97
Oct. 15, 1937	96	45	24	51	59	31	10.00	7.70	.203	.37	6.40	1.80	81
Jan. 15, 1938	99	45	25	56	62	42	7.50	6.00	.185	.36	6.01	1.90	80
April 15, 1938	84	44	22	50	48	40	7.90	6.40	.143	.29	6.00	1.70	76
July 15, 1938	74	45	20	39	41	55	8.40	6.90	.169	.26	5.20	1.55	73

FROM MINN. FARM BUSINESS NOTES
monthly publ. of Agric. Ext. Div.,
U. Farm, U. of Minn., issues of
Feb., May, August, Nov., 1932-38

PRICES

Winn. Farm Business

Notes, Agric. Extension

Div. U. Farm, Feb. 20, 1938

Retail cost at Minneapolis prices, farm value at Minnesota prices,
and margin for a representative budget of ten foods 1920-36.

Year	Cost at Mpls. Retail Prices	Value at Minn. Farm Prices	Margin	Margin as a proportion of retail cost--%
1925	\$23.10	\$12.74	10.36	45
1926	24.17	13.58	10.59	44
1927	23.45	12.69	10.76	46
1928	23.53	12.78	10.75	46
1929	24.23	13.01	11.22	46
1930	22.75	11.22	11.53	51
1931	18.75	7.88	10.87	58
1932	15.05	5.66	9.37	62
1933	14.47	5.69	8.88	61
1934	17.41	6.98	10.43	60
1935	20.15	9.65	10.47	52
1936	20.94	10.60	10.34	49

PATMAN offers amendment which would compel the Commodity Credit Corp. to make loans at parity prices. . .

p. 1097, II-75

GREEN (D.C., Fla.):

"In my opinion, the greater problem which now confronts our farm and fruit producers of America, is under-consumption rather than over-production; also it is the problem of economical, adequate, and regional distribution. There is too much padding of the price of a commodity between the time it leaves the farmer's hand and the back or table of the consumer.

"During the past twelve months in my home town, corn sold for about \$2.75 per 100 pounds, or about \$2 a bushel. The man who produced this corn probably received less than 60 cents per bushel for it. The man who produced this corn probably received less than 60 cents per bushel for it. The most of my colleagues today have on shirts made from cotton. I doubt that the producer of the cotton in each shirt received for it more than 10 or 12 cents. Out of this 10 or 12 cents, it probably realized one or two cents profit above the cost of production out of the shirt which you are wearing today. You paid, probably, about \$2 for the shirt.

"You will, at almost any hotel in America, pay 15 to 20 cents for half of one grapefruit which brought the Florida grower, who produced it, probably one-half to one cent. Of this amount which he received; possibly 90 per cent, or in some instances, 150 per cent represented his cost of production.

"What we need in America is better methods of distributing farm and grove products, also an elimination of the padding of costs which intervene between the producer and the ultimate consumer. If corn were sold to the ultimate consumer for even 100 per cent more than the actual producer received, then there would be a demand in the market for all of the corn produced in America. This same thing obtains with cotton, with grapefruit, oranges, rice, tobacco, wheat, and practically every farm-grown commodity in America.

"There are millions in our country who do not have grapefruit once a week; who do not have 1/10 enough cotton garments or wool garments to wear, or shoes to go on their feet; who do not have one-half the bread they could eat, or 1/10 of the cream of wheat which they need; who do not have a quart of milk once a month, and who have not seen a pound of butter in 30 days; also who do not have rice once in six months and to whom sugar, corn cereals, cream cheese and cigars are luxuries of which they can only dream.

"My colleagues, this is our problem rather than undertaking to supersede nature and the laws of nature and the fundamental laws of supply and demand."

(Also opposes Black-Connery wage-hour bill.) . . .

CUMMINGS (D.C., Colo.):

"It is true that if the price on corn was fixed at 85 cents a bushel it would cost the taxpayers \$1,700,000,000 to pay the parity price on 2,000,000,000 bushels and there is a production of 2,500,000,000 bushels. If you made a loan of 80 cents a bushel on corn, how many men do you think would feed their corn? Not one in fifty. The farmer would just put it in the granary and take the 85 cents of the taxpayer's money and grow another crop and sell it. \$15 for hay at a parity price would cost at least from \$5 to \$7 billion.

"I am inclined to give these gentlemen credit for having more intelligence than to think for a moment they could get it. They know that if this bill went to the President with such a provision, it would be vetoed at once, and it ought to be. There is no use in trying to get something that you cannot have over a period of years. What is the use of trying to get something for a year and then lose it?"

(Asked what amendment would cost, replies \$5 to \$7 billion.) Continues:

"Mr. Chairman, this debate has reminded me of a series of revival meetings I attended when I was a kid. They had a very eloquent preacher who had long, black hair and about every 15 or 20 minutes after he got warmed up he would grab his hair with his left hand and hold his right hand high to heaven and say, 'O, God, dear God, what must I do to be saved?' My wife, the other evening when I went home, asked me, 'What are you doing down there?' and I said, 'Mama, they are reminding me most of the time of those revival meetings I attended. It seems to me the big question now is, 'O, voters, dear voters, what must I do to be saved?'' . . .

CARLSON (R.C., Kans.):

Inserts in Record telegram from John Vezdecky, president National Farmers Union:

"Salina, Kansas, December 8, 1937

"Honorable Frank Carlson, House of Representatives, Washington, D. C.

"Neither committee farm bill provides sufficient assurance of parity prices nor parity income. Suggest provision be added setting minimum price on domestic consumption at parity or not less than 10 per cent below parity whenever marketing quotas are declared. Maximum price 10 per cent above parity could also be set."

CASE (R.C., S.D.):

"Mr. Chairman. . . under the bill as it is written, is it the gentleman's understanding that the Secretary will make loans on rye and barley as well as on the commodities specified in the bill?"

JONES D.C., Texas): The Commodity Credit Corp. is authorized to make loans and it may make loans on any farm commodity where storage provisions can be made.

CASE: Is that true under existing law or would it be true under this amendment?

JONES: That is true under existing law except that existing law is temporary and this undertakes to make it a permanent provision.

BUCKLER: (F-L.C., Minn.):

"Mr. Chairman, I rise in support of the Patman amendment which will give parity prices on farm produce consumed in the United States.

"I happen to come from one of the most fertile parts of the United States, the Red River Valley of Minnesota. We produce as much wealth as any other section

of the United States. It has only been sixty years since our section was homesteaded. In those sixty years title has passed, from the farmers of Minnesota into the hands of Wall Street and the bankers, mostly. Less than half the farms in our state are owned by the farmers themselves. The rest of the farms are tilled by tenants. After producing all the wealth, today we find we have very little of it left.

"This bill before us now is but a little better than nothing. It does not go into operation until 1939. What are we going to do in 1938? You say you will give us 55 per cent of parity--guarantee us a loan of 55 per cent when parity, as I understand it, is \$1.17 a bushel for wheat. Who is going to set the price between the loan price and \$1.17? The grain gamblers and blood-suckers on the Board of Trade in Chicago and Minneapolis, who are gambling on the farmer's produce, will set the price which has been breaking the farmers of this Nation.

PIERCE (D.C., Ore.):

"Mr. Chairman, I am very much in earnest in wanting this bill. The attempt to add this amendment, fixing parity prices at this time, means the death of the bill. There are a hundred members on this side of the aisle whose seats are in jeopardy if this is tied on, and certain other amendments that have already been tied on, remain in the bill. I know what it is to raise wheat at a fixed price. I did it in war times and enjoyed farming better than at any time in my life, but it is simply impossible now to fix cotton at 16 cents and wheat at \$1.17. You watch these members on my left -- the Republicans over here -- when we vote by tellers, going through the aisle, voting to attach this to the bill, hoping to defeat the bill, I appeal to my Democratic friends to keep this bill free from destructive amendments. If you continue putting on amendments like this, we will be the laughing stock of the country. . . ."

AMENDMENT voted down: Ayes, 81; noes, 113.

NOTE:

The bill, as passed, has the following provision for parity payments (Sec. 303):

"If and when appropriations are made therefor, the Secretary is authorized and directed to make payments to producers of corn, wheat, cotton, rice, or tobacco, on their normal production of such commodities in amounts which, together with the proceeds thereof, will provide a return to such producers which is as nearly equal to parity price as the funds so made available will permit. All funds available for such payments with respect to these commodities shall, unless otherwise provided by law, be apportioned to these commodities in proportion to the amount by which each fails to reach the parity income. Such payments shall be in addition to and not in substitution for any other payments authorized by law."