UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

Agricultural Economics Bibliography No. 76

AGRICULTURAL RELIEF MEASURES RELATING TO THE RAISING OF FARM PRICES - 75TH CONGRESS, JANUARY 5, 1937 TO JUNE 16, 1938

Compiled by
Marion E. Wheeler and Mamie I. Herb
Under the Direction of Mary G. Lacy, Librarian
Bureau of Agricultural Economics

Washington, D. C.
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SOURCES CONSULTED*

Chamber of commerce of the United States. Agricultural department. A summary of the Agricultural adjustment act of 1938. 25pp., processed. [Washington, D. C.], February 18, 1938.

A detailed outline of the Farm Bill with section references to the text of the bill.

U. S. Department of agriculture. Agricultural adjustment administration. The new farm act: a short summary of the provisions of the Agricultural adjustment act of 1938. 8pp. [Washington, D. C., U. S. Govt. print. off.] February 1938. (Information series G-83)

U. S. Department of agriculture. Federal crop insurance corporation. Questions and answers on crop insurance. 5pp. [Washington, D. C., U. S. Govt. print. off.] November 1938. (General information series, no. 3)

U. S. Department of agriculture. Office of budget and finance. Legislation enacted by the 75th Congress, first session. 81pp., processed. Washington, D. C., September 10, 1937. (Budget and finance circular no. 59)

U. S. Department of agriculture. Office of budget and finance. Legislation enacted by the 75th Congress, second and third sessions. 56pp., processed. Washington, D. C., July 8, 1938. (Budget and finance circular no. 85)

A bibliography of acts passed by the 75th Congress of interest to the Department of Agriculture. The list is arranged numerically by Public number, and a brief digest is given for each law.

U. S. Library of congress. Legislative reference service. Digest of public general bills, with index, nos. 9, 14, 15, Seventy-fifth Congress, first, second and third sessions. 3v. Washington, D. C., U. S. Govt. print. off. 1937-1938.

A cumulative numerically arranged list of all public bills and joint resolutions introduced during the 75th Congress. A brief abstract is given for each bill, and in a number of cases these concise digests have been quoted verbatim for this list. (No. 9, to August 21, 1937; No. 14, November 15, 1937-May 2, 1938; No. 15, Final issue. 1938)

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*Throughout the list direct quotations from sources consulted have been acknowledged. When a source is not given the quotation is taken from the bill under consideration. In addition to the sources listed above the committee reports have been frequently consulted. The report numbers for bills reported from committee will be found in the legislative history of the bill given at the beginning of each abstract. The Congressional Record was also consulted in a few instances.

FOREWORD

This list is similar to the lists with the same title compiled in October 1935 for the Seventieth, Seventy-first, and Seventy-second Congresses, respectively, and is designed as a companion to those lists.

Agricultural relief prior to the Seventy-fifth Congress has been largely concerned with the passage of emergency legislation in an effort to relieve acute conditions. With the Seventy-fifth Congress there appears to be a definite trend toward the establishment of a permanent agricultural program.

In this bibliography bills have been classified under the major agricultural relief plans which were considered in the Seventy-fifth Congress. Titles of bills have not been repeated although it is recognized that some bills might be classified under more than one plan. An effort has been made to bring out in the index the different plans in the separate bills.

Extracts from the Congressional hearings on the bills have been included. The numbers following the citations to the hearings are the call numbers used in the Library of the U. S. Department of Agriculture.

An author and subject index and a numerical index to the bills and résolutions included have been appended.

Mary G. Lacy, Librarian
Bureau of Agricultural Economics
U. S. Department of Agriculture

February 1939.

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COST OF PRODUCTION

Bills

1. Eicher

H.R. 2731. To restore and stabilize agricultural buying power by regulating interstate and foreign commerce, and the value of money, in agricultural commodities of which there is an exportable surplus, to establish a minimum cost of production price for the domestic consumption percentages thereof and to provide for the orderly marketing of the domestic and export percentages thereof, to authorize debentures for processed and manufactured agricultural products for export, and for other purposes.

Introduced and referred to the Committee on Agriculture, January 12, 1937.

Hearings before the House Committee. 281.12 Un32C (item 140)

"Agricultural Equality Act of 1937"

Directs Secretary of Agriculture to ascertain annually the average cost of production during the preceding five-year period of each nonperishable commodity having an exportable surplus, taking into consideration compensation for labor, allowance for depreciation, taxes, investment value of property allowing a capital return of 4 per centum, variations in transportation costs, etc. He is also directed to (1) annually determine and designate marketing periods for each commodity (2) annually estimate the total amount of each commodity produced and marketed for the current year (3) estimate the total amount of each commodity that will be required for domestic consumption and (4) estimate the amount that will remain for export.

Provides that upon the determination of the cost-of-production figures all dealers, etc., must pay the farmer not less than the cost-of-production price (variation may be allowed by the Secretary) for their commodities moving in interstate commerce and give receipts for export percentages.

Provides that the export percentage of such commodities is to be delivered to an agency designated by the Secretary of Agriculture (delivery may be evidenced by bill of sale showing storage on farms under seal) which agency shall dispose thereof in available world markets and redeem the receipts issued therefor through the Postal Service in the net amount realized for each product. The Secretary of Agriculture is authorized to advance to the Postmaster General sums required for the redemption of surplus receipts and for making loans thereon.

A portion of the exportable percentage may be stored by the agency, on the direction of the Secretary of Agriculture, as a reserve against emergencies, thus establishing an ever normal granary. Settlement to be made in full at the end of the marketing period, the farmer having the option of accepting the net world price or a credit of 90% upon his receipt and await final disposal for the balance if any.

Farmers are to be allowed loans up to 90% of the net value of their receipts; the value to be estimated on the world price plus handling costs.

Provides that in case a State's demand for domestic consumption is greater than the national percentage the deficiency may be supplied by the agency out of the exportable surplus of any convenient State at cost-of-production plus handling charges, a national balance to be maintained by the purchase of an equal amount by the agency upon the same terms from States whose demand is less than the national percentage.

If a farmer is unable to sell his products in the regular markets, the agency shall accept same for his export and percentage respectively (at the cost-of-production price for the latter) and is authorized to resell such domestic percentage in the domestic market.

The agency is authorized to use the resources of the Export-Import Bank and Reconstruction Finance Corporation.

A penalty of $5,000 fine and/or 2 years imprisonment is provided for any dealer paying less than cost-of-production price.

Directs the agency (1) to protect foreign markets by furnishing the necessary products at the net price to farmers, and (2) to furnish processors, manufacturers, etc., raw materials at prices that will permit them to meet competition in foreign markets.

Directs the President of the United States, the Secretary of Agriculture, Secretary of the Treasury, Secretary of State and Secretary of Commerce to cooperate through foreign-trade agreements and other measures for restriction or expansion of imports of competing agricultural commodities, "to maintain the price to farmers for the domestically consumed quantities of all agricultural commodities as nearly as may be within a range not exceeding 10 per centum above the proclaimed cost-of-production price level."

For an explanatory statement of the bill by Mr. Eicher see item 140.

2. Eicher

H.R. 7475. To regulate interstate and foreign commerce in agricultural products yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to fix the value of money therein; to provide for the orderly marketing of such products; to set up emergency reserves from, and to make loans on, certain export percentages; to authorize debentures for processed and manufactured agricultural products for export; to provide for the general welfare; and for other purposes.

Introduced and referred to Committee on Agriculture, June 10, 1937.

Hearings held before Senate Committee. 281.12 Un3Aa (item 10)

"'Agricultural Equality Act of 1937'- directs the Secretary of Agriculture annually to ascertain the average production cost, during the preceding 5 years, of nonperishable agricultural commodities having an exportable surplus. He shall also estimate total volume of production, quantity required for domestic consumption and quantity to be held as warehouse reserves as a protection against drought, flood, etc., and amount that will be available for export. Dealers, processors, butchers, etc., shall pay to farmers not less than the applicable cost-of-production price for that percentage of each delivery which is not estimated for export or reserves. For the export and reserve percentages, separate receipts shall be issued, redeemable later through the postal service after sale of the commodities by an agency designated by the Secretary." [Digest of Public General Bills, No. 9] Such agency shall hold in storage the reserves for an emergency and may dispose of same when such an emergency occurs. The agency is directed to estimate the cost of handling the export percentages of cotton and tobacco; to estimate the probable world price thereof, and "through the Postal Service to make loans to farmers upon the security of their export percentage receipts up to 90 per centum of the net value thus estimated."

If any farmer is unable to sell any of his products in the regular markets, the agency is directed to purchase from him the quantity of his production determined to be for domestic consumption at the cost-of-production price, and to resell such quantity in the domestic market at the same or higher price.

If the quantity estimated for domestic consumption should be insufficient, the agency is authorized to supply such shortage out of the surplus. The agency is directed to protect all foreign markets for the exportable surplus of agricultural products by making available to processors, etc., any raw materials to be processed and exported, at prices that will permit such processors to meet competition in foreign markets.

The agency is authorized to use the resources and facilities of the Export-Import Bank and the Reconstruction Finance Corporation. The President of the United States, the Secretaries of Agriculture, Treasury, State, and Commerce are directed to cooperate in exercising their lawful powers, through the medium of foreign-trade agreements, etc., to maintain the prices to farmers for the domestically consumed quantities of all agricultural commodities as nearly as may be within a range not exceeding 10 per centum above the cost-of-production price level.

State, county or parish, and township committees shall be organized to assist the Secretary of Agriculture in carrying out the provisions of this Act.

Any person, dealer, etc., who violates the provisions of this Act by paying less than the cost-of-production price provided for [in this bill] shall be punished by a fine of not more than $1,000 and/or imprisonment for not more than one year.

3. Eicher

H.R. 8501. To regulate interstate and foreign commerce in agricultural products yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to fix the value of money therein; to provide for the orderly marketing of such products; to set up emergency reserves from, and to make loans on, certain export percentages; to authorize debentures for processed and manufactured agricultural products for export; to provide for the general welfare; and for other purposes.

Introduced and referred to the Committee on Agriculture, November 24, 1937.

"Agricultural Equality Act of 1937" - similar to H.R. 7475 (item 2). This bill has the additional provision that if agricultural imports are substantial and increasing in ratio to domestic production, then, the United States Tariff Commission, upon its own motion, or upon the request of the Secretary of Agriculture, shall investigate the differences in the costs of production of any domestic agricultural commodity and of any like foreign commodity, and shall recommend to the President such an increase in the duty of said foreign commodity or such a limitation in the total quantity permitted entry as may be necessary to equalize said differences in the cost. The President shall by proclamation approve and cause to be put into effect the recommendations of the Commission. If the Commission finds it necessary to enforce such provisions, it shall recommend "that the foreign commodity concerned be forbidden entry except under license from the Secretary of Agriculture and that the quantity permitted entry, or entry without an increase in duty, shall be allocated among the different supplying countries on the basis of the proportion of agricultural imports from each country in a previous representative period."

4. Eicher

H.R. 8521. To regulate interstate and foreign commerce in agricultural products, yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to provide for the orderly marketing of such products; to set up emergency reserves from export percentages; to provide for the general welfare; and for other purposes.

Introduced and referred to the Committee on Agriculture, November 29, 1937.

"Agricultural Equality Act of 1937"- similar to H.R. 7475 (item 2) and H.R. 8501 (item 3).

In addition to the provisions contained in H.R. 7475 and H.R. 8501, this bill provides that no dealer, manufacturer, miller, elevator operator, processor, packer, butcher, ginner, compressor, or other agency dealing in or handling any agricultural products [included within the provisions of this bill] in interstate or foreign commerce, shall operate as such dealer, manufacturer, etc., "without first procuring from the Secretary of Agriculture a license pursuant to such regulations as the Secretary of Agriculture may prescribe: Provided, That no license shall be required of any producer under the provisions of this Act."

5. Eicher

H.R. 8894. To provide for the establishment of fair labor standards in employments in and affecting interstate commerce; to foster, regulate, and promote interstate and foreign commerce in the major agricultural commodities; to provide for the orderly marketing of such commodities, and the disposition of surpluses of such commodities; and for other purposes.

Introduced and referred to the Committee on Agriculture, January 10, 1938.

Policy declared to be the establishment of labor standards (Title III) to increase the income of the industrial wage earners and the farmer.

Title III - Farm Standards

"The Secretary of Agriculture shall publish prior to the beginning of each crop year: (1) an estimate of the quantity of cotton, wheat, corn, hogs, tobacco, and rice needed for domestic consumption, reserve and export in the succeeding marketing year; (2) an estimate of amount available for market, which shall be divided into the amount needed for domestic consumption and the amount not so needed; (3) the average cost of production (which shall be determined after public hearings at which all items of cost are to be considered, including a wage for the farmer and members of his family.)

"Producers selling crops shall deliver additional units in the same proportion to the number sold as the total surplus production bears to the production needed for domestic consumption. Dealers shall not buy crops from producers unless they receive such excess crops for the Farmers' Surplus Corporation, or are given evidence that such crops have been delivered to the Corporation. Dealers buying crops must pay at least the cost-of-production price. Producers selling crops shall get receipts for the excess crops which shall be redeemable by payment of the pro rata share of the proceeds of sales by the Corporation. The Corporation may permit in lieu of actual delivery storage under seal subject to its disposal. Crops delivered to the Corporation shall be stored and disposed of as follows: (1) for human relief purposes without compensation; (2) by sale for export; (3) by sale for manufacture of products for export; (4) by sale in the domestic market when amounts purchased by dealers are insufficient to supply domestic consumption needs, but in such cases sale price shall not be less than cost-of-production price plus expenses of the Corporation in handling. An excise tax is placed upon sales of carry-over crops equal to the difference between current market price and current cost-of-production price.

"The President and the Secretaries of Agriculture, Treasury, State, and Commerce are to cooperate through the medium of foreign-trade agreements and other means to maintain prices within a range not exceeding 10 per cent above proclaimed cost of production price level. The Tariff Commission likewise is to work to this end, using increase of tariff rates to retard imports. Facilities of the Post Office Department may be used in carrying out the act.

"Farmers' Surplus Corporation is established as an agency of the Department of Agriculture. It shall have 5 directors, not more than 3 in the same political party, appointed for 5-year staggered terms. Capital shall be $10,000,000 subscribed by the United States. All notes, debentures, and other obligations of the Corporation shall be exempt from all taxes except estate and inheritance taxes.

"Penalties are provided for false reports to Corporation, for embezzlement of its funds, for false entries in its books, for forgery of its obligations, etc.

"Permits payments of benefits of the act to Members of Congress." - Digest of Public General Bills, no. 14.

6. McAdoo

S. 2732. To regulate interstate and foreign commerce in agricultural products yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to fix the value of money therein; to provide for the orderly marketing of such products; to set up emergency reserves from, and to make loans on, certain export percentages; to authorize debentures for processed and manufactured agricultural products for export; to provide for the general welfare; and for other purposes.

Introduced and referred to Committee on Agriculture and Forestry, July 1, 1937.

"Agricultural Equality Act of 1937." - same as H.R. 7475 (item 2)
Hearings held before Senate Committee 281.12 Un3Aa (item 10)

7. Massingale

H.R. 1612. To amend title I of the Agricultural Adjustment Act (Public No. 10, 73d Congress) and to provide additional relief by securing to the farmers a minimum price for agricultural commodities of not less than the cost of production thereof, and for other purposes.

Introduced and referred to the Committee on Agriculture, January 5, 1937.

For Hearings <u>see</u> item 140.

"Directs Secretary of Agriculture: (1) to determine and fix annually a minimum price (not less than average cost of production) for each farm commodity included under Agricultural Adjustment Act; (2) to designate annually the percentages of such commodities to be distributed in intrastate and interstate commerce, and the percentage remaining for export which may not be disposed of in the domestic market except in emergency; and (3) whenever domestic production exceeds estimated domestic consumption, to notify Secretary of the Treasury to prohibit further importation of such product. Whenever domestic production falls below domestic needs, or the domestic price exceeds the cost of production by 10 per centum, importation shall be allowed under such terms as the Secretary of Agriculture shall determine; when the domestic price reaches a point 5 per centum above the cost of production, further importation shall be prohibited.

"Secretary of Agriculture is further empowered to license processors, manufacturers, etc., require a uniform system of accounts, etc. Any dealer paying less than the average cost of production so proclaimed shall be punished by a $5,000 fine and/or 3 years' imprisonment.

"Repeals the price-parity provisions of the Agricultural Adjustment Act (U.S.C. 7; 601ff)." - Digest of Public General Bills, No. 9.

8. Massingale

H.R. 8522. To regulate interstate and foreign commerce in agricultural products, yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of such products from producers for less than cost of production; to provide for the orderly marketing of such products; to set up emergency reserves from export percentages; to provide for the general welfare; and for other purposes.

Introduced and referred to the Committee on Agriculture, November 29, 1937.

"Agricultural Equality Act of 1937"- similar to H.R. 8521 (item 4).

9. Thomas (Oklahoma)

S. 2325. To amend title I of the Agricultural Adjustment Act (Public No. 10, 73d Congress) and to provide additional relief by securing to the farmers a minimum price for agricultural commodities of not less than the cost of production thereof, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, May 3, 1937.

The Secretary of Agriculture shall determine and proclaim, after public hearings participated in by the representatives of farmers' organizations, for each year the average cost of production to farmers of all agricultural commodities; taking into consideration compensation for labor, allowance for depreciation, taxes, investment value of property allowing a capital return of 6% per annum, variation in transportation costs, etc.

Repeals the provisions in the Agricultural Adjustment Act relating to price parity. [U.S.C., Supp. II, 7: 608]

Authorizes the Secretary of Agriculture to determine the production and marketing period of each agricultural commodity and to estimate annually (1) the volume of production for the current year of each of such commodities; (2) the percentage required for domestic consumption that is to be distributed in the current of interstate commerce, and (3) the percentage to be distributed in intrastate commerce affecting the price of the portion to be distributed in the current of interstate and foreign commerce, and (4) the percentage remaining for export.

After the determination of the cost of production prices and the domestic consumption and export or surplus percentages dealers, etc., are required to pay farmers not less than cost of production for all commodities except the export or surplus percentages for which the price shall be world price less actual handling and transportation charges. Provides a fine of $5,000 and/or 3 years imprisonment for any one failing to pay this price.

"When domestic production exceeds consumption, the Secretary of Treasury shall prohibit the importation of such agricultural commodity, its byproducts, or competing substitutes. But if consumption exceeds production, or if the domestic price exceeds by 10 percent the cost of production, then the Secretary shall permit importation of limited quantities of such commodity, until the domestic price does not exceed by 5 percent the production price, whereupon further importation shall be prohibited." - Digest of Public General Bills, No. 9.

Hearings

10. U. S. Congress. Senate. Committee on agriculture and forestry. Agricultural equality act of 1937. Hearings...Seventy-fifth Congress, first session, on S. 2732. August 11, 13 and 19, 1937... 67pp. Washington, U. S. Govt. print. off., 1937. 281.12 Un3Aa

<u>Statement of Hon. Smith W. Brookhart, a former Senator from Iowa, Aug. 11, 13, 1937, pp. 8-27</u>. "In a general way the bill is a price fixing cost of production bill by the Government, combined with the control of exportable surpluses at the world net price to the farmers. In a general way this bill directs the Secretary of Agriculture to estimate the production each year as it approaches harvest time...From that he estimates the percentage that will be consumed in the United States and the percentage that will be exported to foreign countries of each agricultural product.

"In reference to this percentage that will be consumed in domestic markets at home, he estimates the cost of production by figuring the labor cost of producing each commodity. In figuring that labor cost he does not allow the wage that the farmers or laborers are actually getting,...but instead he is to allow the farmer for the work he and his family do an amount equal to the average rate of compensation of the industrial laborer for like time and services...

"I will repeat...This is a Government price-fixing bill upon the percentage of farm products consumed in the United States with a Government control of the entire surplus upon receipts, but part of those receipts are for the ever-normal granary, as we will explain, but most of them are for export to foreign countries...

"This surplus control is Senator McAdoo's suggestion, and I think it is the most sensible suggestion for control of exportable surpluses that anybody has ever made. The Secretary of Agriculture estimates the crop first, its production, as he did on cotton the other day. From that he estimates the percentage, if any, for export, and then when the farmer comes in with that crop this percentage for export he turns over to the dealer and receives a receipt from the Secretary of Agriculture countersigned by the dealer giving the amount and quantity, and he gets the fixed price for the percentage consumed in the United States.

"...The dealer is required to pay the cash price fixed by this bill and by the Secretary of Agriculture under the bill for that percentage that will be consumed in the United States. He pays him nothing on the export balance, but instead gives him this warehouse receipt, we might call it, for the percentage that will be exported or is available for export.

"We provided by amendment to this bill for two receipts, one is to go into the ever-normal granary. That is not to exceed 5 percent in any one year and stop after 3 years, and since the other bills have put that ever-normal granary at 10 percent, that ought to perhaps be reduced to 3 1/3 percent.

"Then the balance of the exportable surplus is on the export receipt and the Secretary of Agriculture collects all the exportable surplus in his hands under a board as the Farm Board did with part of it, and then he is required to take that off the domestic market and find the best world market he can and dispose of it in that market, figure up what is realized and take out the expenses of handling this exportable surplus, and then notify the postmasters to redeem those receipts at what is realized net without expense to the Treasury of the United States...

"This is the only farm-relief bill ever offered that is not a tax upon the Treasury of the United States, except in one little debenture item for processed and manufactured agricultural products for export...and which is for exporting manufacturers only."

Statement of Senator William Gibbs McAdoo, of California, Aug. 19, 1937, pp. 29-36. "I have read a good deal about the efforts which have been made heretofore to control these surpluses [of cotton, wheat and corn] through a Government organized corporation with money from the Treasury and then attempting to market it in an orderly way.

"I never had any confidence in that procedure, because it is obvious if the Government goes into the markets to buy up the estimated surplus, it will result only in putting up prices, perhaps for the time being, to a very high level, and then the Government finds on its hands a large part of the crops which it had bought and for which it had paid such high prices that it could liquidate only at a figure which would involve a very great loss to the Treasury.

"It is a clumsy process, and I don't believe it could possibly be made to work...I think we have to engage in a cooperative effort between the farmer and the Government to accomplish what we want.

"I predicate my plan upon the fundamental proposition that the home market should be reserved exclusively for the American farmer, and that in order to assure to him that market absolutely our tariff laws should, if necessary, be increased from time to time to the point where he will not meet with any foreign competition in wheat or cotton or corn.

"In consideration of that protection the farmer should be willing to cooperate with the Government in such a way that his surplus of these commodities can be controlled in his interest and in the public interest."

Mr. McAdoo continued by illustrating his idea in a practical way, using cotton for his illustration. He explained that if the farmers would cooperate (and he added "there is no reason why they should not, because all the warehouse cotton would be velvet to them - whatever they would get for the surplus would be that much in addition to what they had already received in the form of cost of production and a profit on the entire crop for what was sold in the domestic market") it was his opinion that the plan could be worked out for the good of the country.

Statement of A. G. Black, representing the Department of Agriculture, pp. 37-56. Dr. Black first discussed the principles involved in the bill. He presented a statement illustrating the cost of producing wheat and cotton in the United States, and pointed out the "broad discretionary powers" in the bill. He spoke of the administrative problems involved and enumerated some of them (pp. 50-51). He said, "The essential objective of this bill is to raise and stabilize farm income and to set up criteria for maintaining a suitable relationship between agriculture and other industries particularly with respect to compensation to the farmer and his family.

"Concerning the desirability of this objective there is no disagreement. It is pertinent to ask, however, if the present agricultural program of the Government does not in fact provide a logical basis for working toward this objective, a basis which in principle is less different from that laid down in this bill than the author seems to realize." Following this statement, Dr. Black pointed out the "essential similarity of principles" under the Agricultural Adjustment Act as amended, and this bill.

Supplemental Statement of former Senator Smith W. Brookhart, pp. 57-62. In this statement Mr. Brookhart included Title III - The Allotment Plan, of H.R. 271 (item 137), which bill he asserted was prepared by the "three great farm organizations - the National Grange, the Union, and the Bureau", and introduced by Congressman

Woodruff. He presented further arguments in support of the bill and made numerous references to statements made by Dr. Black at the hearings.

Statement of Hon. Edward C. Eicher, Representative from Iowa, pp. 62-67. "The purpose of my statement is to discuss primarily the constitutional aspects of the McAdoo bill and, incidentally, the doubts that exist on that score as to all other suggested Federal approaches to the formulation of a long-term farm program."

CROP INSURANCE

Bills

11. Questions and answers on crop insurance. (General Information Series No. 3, November 1938. Issued by the Federal Crop Insurance Corporation, U. S. Department of Agriculture)

According to information in this publication, insurance reserves - the amount of wheat paid as a premium for crop insurance - tend to stabilize the price of wheat. The following is quoted from p. 2: "As a rule, wheat will be paid into reserves in large amounts during good crop years and paid out in large amounts during poor crop years. This will tend to stabilize the supply placed on the market and, consequently the price level, by taking excess wheat off the market in years of surplus production and putting more wheat on the market in years of scarcity."

12. Burdick

H.R. 204. Providing for Federal crop insurance, imposing a tax therefor, and providing an appropriation therefor.

Introduced and referred to Committee on Agriculture, Jan. 5, 1937.

13. Fulmer

H.R. 2721. Providing for Federal crop insurance, imposing a tax therefor, and providing an appropriation therefor.

Introduced and referred to Committee on Agriculture, Jan. 12, 1937.

14. Hildebrandt

H.R. 7404. To amend the Agricultural Adjustment Act, and for other purposes.

For crop insurance provisions, see item no. 91.

15. Hitchcock

S. 2790. To amend the Agricultural Adjustment Act, and for other purposes.

For crop insurance provisions, see item no. 92.

16. Johnson (Oklahoma)

H.R. 8581. Providing for parity and crop-insurance payments with respect to cotton, wheat, and corn; providing an adequate and balanced flow of certain agricultural commodities in interstate and foreign commerce; and for other purposes.

For crop insurance features of this bill, see item no. 95.

17. Jones

H.R. 6483. To create a Federal Crop Insurance Corporation, and for other purposes.

Introduced and referred to Committee on Agriculture, April 19, 1937.

18. Jones

H.R. 8505. To provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

Signed by the President, Feb. 16, 1938. (Public No. 430).

Title V - Federal Crop Insurance Act.

Creates the Federal Crop Insurance Corporation within the Department of Agriculture with a capital stock of $100,000,000. The Corporation is authorized to insure wheat producers against loss in yield of wheat owing to unavoidable causes such as drought, flood, insect infestation, plant disease, etc. Contracts for the first three years shall be of one year's duration, and shall cover not less than 50% nor more than 75% of the recorded yield for a representative base period. Premiums to be fixed on the basis of the recorded or appraised average crop loan of wheat on the insured farm for a representative base period, subject to such adjustment as the Board may prescribe. To be payable either in wheat or cash equivalent. Authorizes annual appropriations of not to exceed $6,000,000 for administrative and operating costs.

19. Jones

H.J.Res. 705. To amend the Federal Crop Insurance Act.

Introduced and referred to Committee on Agriculture, June 3, 1938.

Reported with amendment (H. Rept. 2654), June 7, 1938.

S. 4076, a similar bill, was amended and passed by the House in lieu of H.J.Res. 705, June 10, 1938.

This resolution "amends the crop-insurance title of the Agricultural Adjustment Act of 1938 [title V, Public No. 430] to remove the limitation therein which provides that for the first 3 years of operation contracts of insurance on wheat shall not be made for periods longer than 1 year. As introduced the resolution authorizes the Crop Insurance Corporation to accept payment from producers in any year to be applied on premiums on insurance contracts for future years. The effect of the committee amendment is to limit the resolution so that premiums may not be accepted for more than 2 years at a time. That is, the producer in one year may pay his premium for that year and the next year thereafter." - (From H. Rept. 2654)

20. Pepper
    S.Res. 108. [Requesting the Secretary of Agriculture to transmit to the Senate, at the earliest practicable date, a plan and recommendations for the establishment of a system of crop insurance for fruits and vegetables, and to make such studies as may be necessary in connection therewith.]
    Submitted on March 31, 1937.
    Amended and agreed to, Aug. 16, 1937.

21. Pope
    S. 1397. To create a Federal Crop Insurance Corporation, and for other purposes.
    Introduced and referred to Committee on Agriculture and Forestry, Feb. 8, 1937.
    Reported with amendments (S. Rept. 227), March 23, 1937.
    Passed Senate, March 30, 1937.
    Reported from House Committee on Agriculture with amendments (H. Rept. 1479), Aug. 10, 1937.
    Hearings held before Senate Committee. [284.6 Un398] (item 24)
    Hearings held before House Committee. [284.6 Un3982] (item 25)

22. Pope
    S. 4076. To amend the Federal Crop Insurance Act.
    Introduced and referred to Committee on Agriculture and Forestry, May 25, 1938.
    Reported without amendment, May 28, 1938.
    Passed Senate, June 7, 1938.
    Passed House amended in lieu of H.J.Res. 705, a similar bill, June 10, 1938.
    Signed by the President, June 22, 1938. (Public No. 691).
    Section 508 (a) of the Federal Crop Insurance Act (title V of Public No. 430) is amended by adding the following provision: "That the Corporation may, upon such terms and conditions as it shall determine, accept payments from producers in any year to be applied toward premiums on their insurance contracts for the current and next succeeding year."

23. Sheppard
    H.R. 8459. To create a Federal Crop Insurance Corporation, and for other purposes.
    Introduced and referred to Committee on Agriculture, Nov. 19, 1938.

Hearings

24. U. S. Congress. Senate. Committee on agriculture and forestry. Federal crop insurance. Hearings...Seventy-fifth Congress, first session on S. 1397...February 25, 26, 27, March 1, 8, and 9, 1937. 223pp. Washington, U. S. Govt. print. off., 1937. 284.6 Un398

Statement of Hon. Henry A. Wallace, Secretary of Agriculture, pp. 6-15. In response to a suggestion from Senator Frazier that the Secretary make a statement of his general opinion as to the advisability and the need of crop insurance, the Secretary gave what he termed "an offhand personal view." He called attention to the variability of our weather; to the decline in European demand for our surplus products; and to efforts we have put forward under the Agricultural Adjustment Administration to adjust ourselves to that decline. He continued: "I feel that I have been rendered sensitive by the fact that while the wheat crops of 1933, 1934, 1935, and 1936 were all exceedingly short, yet we planted in the fall of 1936 by far the largest wheat acreage we ever had planted. All of these forces have seemed to me to expose us to exceedingly wide fluctuations in the total output which, if certain forces happened to combine at the same time, might result in wheat prices going down as low as 40 cents a bushel, or if a certain other set of forces happened to combine, might result in prices going as high as $1.60 a bushel. Therefore, a situation might result on the one hand in extraordinary injustice to the farmer, and on the other hand in considerable injustice to the consumer. It has seemed to me, with the array of facts as we have observed them since 1930, anyone in the position of governmental responsibility to the consumer and the farmer could arrive at only one conclusion, namely, that it is necessary for the Government to engage in activities that would promote greater stability, both for the farmer and consumer." - p. 11.

Report and Recommendations of the President's Committee on Crop Insurance, pp. 31-57. Committee members are: Henry A. Wallace, Secretary of Agriculture; Wayne C. Taylor, Assistant Secretary of the Treasury; Ernest G. Draper, Assistant Secretary of Commerce; A. G. Black, Chief, Bureau of Agricultural Economics; and H. R. Tolley, Administrator, Agricultural Adjustment Administration. The Committee submitted their report to the President, December 23, 1936. In the letter which accompanied the report the committee said in part: "The report consists of a discussion of the economic and social background for crop insurance, an examination of questions of public policy involved, a plan of crop insurance recommended by this committee, and a condensed statement of the committee's recommendations. In addition, an appendix is attached containing statistical data developed by the Bureau of Agricultural Economics and the Agricultural Adjustment Administration, and certain other reference material."

Following are excerpts from the report relating to prices:

"Such a plan [crop insurance] would have the effect of storing up reserves of wheat in years of large crops and releasing them on the market in years of crop failure. This would tend to reduce the fluctuations in the market supply and the fluctuations in price of wheat. [pp. 34-35]...

"Insofar as this device tended to reduce fluctuations in prices and income, wheat producers, as a whole, would be benefited. Even with this possible effect, substantial fluctuations in market supply and prices would still result from large and small annual production. Nevertheless, participants in the proposed plan would be setting aside mutually owned reserves in years of surplus production, ordinarily years of low prices, to be sold in years of short crops, ordinarily years of better prices." - p.38.

Mr. R. M. Green, in charge of the Division of Agricultural Finance, Bureau of Agricultural Economics, appeared before the committee to discuss crop insurance. He said: "There is no question that world supply and...other things will affect the trend of the wheat price. The thing this [crop insurance] would do would be to add to the stability of the price." - p. 74. Mr. Green's complete statement may be found on pp. 66-76, 179-184.

25. U. S. Congress. House. Committee on agriculture. Federal crop insurance. Hearings...Seventy-fifth Congress, first session on S. 1397... May 26, June 2, 14, 22, 23, 1937. 126pp. Washington, U. S. Govt. print. off., 1937. 284.6 Un3982

<u>Statements of Roy M. Green, Chief, Division of Agricultural Finance, Bureau of Agricultural Economics, pp. 1-14, 15-22, 44-45, 56-61, 75-120.</u> Mr. Green gave a resume of his testimony before the Senate Committee on Agriculture and Forestry on S. 1397 (item 24) and discussed the various features of the bill. He explained the basis of the rates on which the wheat crop loss was worked out, and clarified specific provisions of the bill by citing concrete examples.

<u>Statement of Hon. James P. Pope, United States Senator from Idaho, pp. 25-43.</u> When discussing the values of the plan as presented in this bill, Senator Pope said in part: "It also has a tendency, to some extent, to stabilize the price. If during the years of large yield they are paying in more premiums, storing large amounts of wheat, that in itself would have some tendency to boost the market price, because that much wheat is being taken off the market. On the other hand, when the price of wheat is high, during the poor-crop years, and these reserves are being put back into the market, it would have some tendency to bring down the price of wheat. Therefore it would have that much benefit to the consumer and it would to that extent reduce the profit to the farmer in the indemnity paid back to him. It would help stabilize the price.

"It would also, to some extent, stabilize the supply of wheat. During the big years wheat would be accumulating and during short years would be put back into the channels of trade; to that extent it would stabilize the supply." - pp. 30-31.

DOMESTIC ALLOTMENT

Bills

26. Ellender

S. 3030. To promote the maintenance of an adequate and balanced flow of rice in interstate and foreign commerce; to maintain, so far as is practicable, parity of income for producers of rice; to provide a surplus reserve of rice; to conserve national soil resources and prevent the wasteful use of soil fertility; and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, November 19, 1937.

This Act may be cited as the "Rice Adjustment Act of 1937."

Not later than December 31 of each year, the Secretary of Agriculture shall announce the "domestic allotment" of rice, i.e., the total amount of rice which will be needed the next marketing year to meet requirements of consumers in the United States, its Territories, and in Cuba (provided the Cuban tariff rate on 100,000,000 pounds is at least $1.70 less per 100 pounds imports of rice from the United States than from other countries)

Domestic allotments shall be apportioned by the Secretary among the rice producing states on a basis specified in the Act. Allotments to individual farmers are provided through local and State committees of farmers. Provision is made that not more than three per cent of each State apportionment shall be available for allotment among persons who, for the first time in five years produced rice for market.

Beginning with the 1937 crop, the Secretary shall make payments to rice producers on the amount of their domestic allotment at the rate of one-fourth of one cent per pound of rough rice, and for subsequent years at the rate of one-half of one cent per pound, provided the producer allows one acre of land previously planted to rice to remain idle.

Beginning with 1939 the Secretary is directed to announce marketing quotas if the total supply of rice exceeds the normal supply by more than 15 per cent. Within thirty days he shall conduct a referendum of rice farmers to determine if they favor or oppose the quota. If more than one-third of those voting oppose the quota it shall not become effective. Quotas shall be apportioned among States and growers in the same manner as the domestic allotment. Quotas may be increased or terminated by the Secretary. Provision is made for a review of quotas if any farmer is dissatisfied with the determination of his marketing quota.

27. Hatch

S.Con.Res. 22. Directing the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives to make a complete study of the various so-called domestic allotment plans which have been proposed as the bases of legislation to improve American agricultural conditions the cost of same, and to report to their respective Houses of Congress, at the earliest practicable date with respect to the most desirable method or plan for applying the domestic allotment principles to American agriculture.

Introduced and referred to the Committee on Agriculture and Forestry Dec. 9, 1937.

28. Lee

S. 4056. To amend the Agricultural Adjustment Act of 1938, as amended, to provide a domestic allotment plan with respect to the marketing of cotton.

Introduced and referred to the Committee on Agriculture and Forestry, May 23, 1938.

Substitutes for part IV of subtitle B of title III of the Agricultural Adjustment Act, 1938 (marketing quotas for cotton) a new part entitled "Domestic Allotments; Cotton".

Authorizes the Secretary of Agriculture to allot among the States, counties, etc., the normal year's domestic consumption of cotton on the basis of the annual average production during the preceding 10 years with certain adjustments; said allotment as applied to individual farms to be such farms' domestic allotment. The allotment of each farm shall be apportioned among the individuals continuously engaged as share-tenant, share-cropper, owner, etc. Certain reductions provided for individual allotments in excess of 10 bales.

Authorizes the Secretary to issue to each farmer bale tags ('domestic-allotment tags') representing his allotment. In case a farmer has tags in excess of his actual production he may (1) sell them (2) use them for succeeding year's production (3) surrender them to the Commodity Credit Corporation which "shall operate 'excess domestic-allotment tag pools' and shall offer such tags...for sale" giving to each person contributing excess tags his proportionate share of the sale.

Prohibits processing of untagged cotton except for export.

Authorizes the Commodity Credit Corporation to make loans at parity price or 20¢ per pound (whichever is higher) on 7/8-inch middling grade tagged cotton on security of the stored cotton.

Authorizes the President and the Tariff Commission to impose such duties on cotton, cotton products as will bring the basic price of raw cotton to the parity price fixed by the Secretary of Agriculture.

29. Luckey (Nebraska)

H.R. 9365. To regulate interstate and foreign commerce in agricultural products yielding exportable surpluses; to prevent unfair competition by forbidding the purchase of certain percentages of such products from producers for less than parity farm prices; to provide for the orderly marketing of such products; to set up emergency reserves from, and to make loans on, certain export percentages to provide for the general welfare; and for other purposes.

Introduced and referred to the Committee on Agriculture, February 7, 1938.

"Agricultural Adjustment Act of 1938."

Title II - Marketing of Domestic Allotments. For the marketing year ending in 1938 and each year thereafter there shall be established for each farm or farmer producing cotton, wheat, corn, tobacco and rice a domestic allotment with respect to the production of such commodity. The Secretary of Agriculture shall make the allotments among the several States, counties or other administrative areas on the basis of the average annual production of the commodity within such State, etc., during the preceding 10-year period.

Prior to the beginning of the marketing years the Secretary shall proclaim the parity price of each commodity, and the effective dates. After the applicable effective date, all dealers, processors, ginners, etc., shall pay to the farmers not less than the parity price.

If any farmer is unable to sell his products on the regular markets the Agricultural Adjustment Administration is directed to purchase from him at the parity price the quantity estimated to be for domestic consumption, and to resell it in the domestic market at the same or a higher price.

Title III - Ever-Normal Granary or Reserve Supply Allotments. Prior to the beginning of each marketing year for cotton, corn, wheat, tobacco and rice, the Secretary shall proclaim the ever-normal granary or reserve for each commodity, such reserve to be adequate to meet domestic needs in years of drought, crop failure, etc., and the supply shall equal 10 per cent of the average normal supply for the past five years. An individual farmer producing commodities in excess of his allotment shall be allowed to store an amount not in excess of his ever-normal granary allotment. The Agricultural Adjustment Administration is authorized, with the President's approval, to make loans on such stored commodities at a rate of not less than 80 per cent nor more than 95 per cent of the established parity price, with the agreement that the commodity be stored under seal until the expiration of the loan period.

Title IV - Marketing of Surplus Commodities. All cotton, corn, wheat, tobacco and rice produced in excess of the combined domestic allotment and the reserve allotment are designated as surplus agricultural commodities. The producer of such surplus commodities shall at time of marketing be issued a separate receipt, which receipt will show the quantity and grade of such surplus commodity. The Secretary may require delivery (in lieu of delivery he may accept storage on farm under seal) of all surplus commodities to the Agricultural Adjustment Administration which shall withhold them from the domestic markets (except for emergency or relief purposes) and dispose of them in the world market. At the end of the marketing year the receipts shall be redeemed through the Postal Service, but only after sale and at the net price realized.

Whenever the current average farm price of cotton, corn, wheat, tobacco and rice is more than 10 per cent above the parity price for that commodity, the Secretary of Agriculture shall (1) call surplus reserve loans, (2) release stocks of the commodity stored, and (3) dispose of stocks acquired by the Agricultural Adjustment Administration.

The Agricultural Adjustment Administration is directed to protect foreign markets for exportable surplus, and to furnish to processors, etc., raw materials from the surplus at prices that will permit them to compete with products in foreign markets.

The President and the Secretaries of Agriculture, Treasury, State and Commerce are directed by trade-agreements, etc., to maintain prices to farmers for domestically consumed commodities "as nearly as may be within a range not exceeding 10 per cent above the parity price level." The Tariff Commission is directed to adjust the rate of duty or impose limitations of imports if necessary to maintain the standards established by this Act. If necessary to enforce limitations of any commodity, the Commission shall recommend that the commodity be forbidden entry except under license from the Secretary of Agriculture.

30. Luckey (Nebraska)

H.R. 10721. To amend the Agricultural Adjustment Act of 1938, in order to provide for the payment of parity prices to farmers with respect to corn and wheat for the portion thereof domestically consumed, and for other purposes.

Introduced and referred to the Committee on Agriculture, May 23, 1938.

The provisions relating to marketing quotas for corn and wheat have been deleted from the Agricultural Adjustment Act of 1938 and in their place are provisions for the establishment of domestic allotments (similar to provisions in H.R. 8581 q.v.) (item 16) for parity price payments on such allotments, for an ever-normal granary or reserve supply equal to 10% of the average normal supply for the past 5 years, for surplus-reserve loans by the Commodity Credit Corporation at the rate of 80 to 95% of the established parity price, for the marketing of surplus commodities, for the protection of our export markets of corn and wheat. All of the above provisions, applied to the major agricultural commodities, are to be found in H.R. 9365 (item 29) which see for a detailed abstract.

31. Poage

H.R. 8472. To provide parity of prices paid to farmers for cotton marketed by them for domestic consumption, and for other purposes.

Introduced and referred to the Committee on Agriculture, November 22, 1937.

"Cotton Adjustment Act"

"Declares it to be the policy of Congress to maintain parity prices paid to farmers for cotton marketed for domestic consumption so as to increase farm purchasing power and give farmers a more equitable share in the national income. On application of a farm operator the Secretary of Agriculture shall establish through State and local committees of farmers a cotton production base for each cotton farm on a basis of productivity, considering the character of the land, crop rotation, and other sound farming practices but excluding historical or past production. The Secretary shall determine the average total cotton production bases for all farms in the United States and establish the national production base for the United States in 1938 equalizing the State bases on average production therein during the 5 years preceding 1938. Provides for appeals by farmers from local committees to the Secretary and thereafter for a bill in equity in the District Court for review of the Secretary's order which shall be by trial de novo.

"The national domestic allotment of cotton shall be the total amount needed during the next marketing year by consumers in the United States and the production base for each farm shall constitute a percentage thereof. The allotment for any farm shall not exceed 10 bales per family unit engaged in its production. Nothing shall prevent the landowner from receiving his contractual share of the allotment from any number of family units. The allotment of each farm shall be apportioned among the individuals continuously engaged as sharecropper, owner, etc.

"Provides bale tags for each allotment and for the pooling of tags in excess of actual production by farmers with the Commodities Credit Corporation which shall sell them and transmit to each farmer contributing, his proportionate share. Punishes the processing of cotton for domestic consumption without such bale tags as a misdemeanor. Processors may purchase cotton for export without bale tags on posting bond with the Secretary and exporting such cotton within 1 year.

"Directs the Commodities Credit Corporation to make loans at the parity price or 20 cents per pound, whichever is higher, on cotton of 7/8-inch staple, and middling grade with increases or decreases governed by grade and staple. Such loans shall be made without recourse and on security of the cotton stored under seal with the Secretary. The Corporation shall not dispose of such cotton except at parity price or 20 cents a pound, both with carrying charge, which ever is higher." - Digest of Public General Bills, No. 14.

MARKETING CONTROL

Bills

32. Casey (Massachusetts)

H.J.Res. 170. Authorizing the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and New York to enter into a certain agreement.

Introduced and referred to the Committee on the Judiciary, January 28, 1937.

Gives consent of Congress to the above mentioned States, or any two of them, to enter into a compact for maintenance of an adequate supply of milk and cream for cities within any of the compacting States.

33. Copeland

S. 2359. To provide for the establishment of a Bureau of Coordination of Milk and Milk Products Regulation in the Department of Agriculture, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, May 6, 1937.

"Provides for the appointment of a Federal coordinator of milk and milk products, with the following powers and duties: (1) to encourage, promote, and negotiate the adoption by States of agreements or compacts which will establish a uniform policy in the production, sale, and distribution of milk and milk products; (2) to confer and advise with State authorities regarding the regulation of the production, sale, and distribution of milk and milk products; (3) to act in an advisory and consultative capacity, and to prepare and recommend for adoption by Congress and the State legislatures, uniform laws relating to production, sale, and distribution of milk and milk products...; (4) to study intensively the problems and observe the operations of the dairy industry...(5) to investigate and consider means, not provided for elsewhere, of improving the production, handling and selling of milk and milk products, which will promote the production, commerce, and industry as it relates to milk...

Provides for the transfer of the powers and duties of the Bureau of Dairying of the Department of Agriculture, and the duties of the United States Public Health Service, with reference to its milk-sanitation program, to a federal coordinator.

Sets up a plan for a coordinator of consumer relations, producer relations, and distributor relations, as they involve milk and milk products..."

[Statement by Senator Copeland. Congressional Record, Vol. 81, pt. 4, p. 4228]

34. Kerr

H.R. 8597. To provide for the conservation of national resources and to regulate production of peanuts and provide an adequate and balanced flow of this commodity in interstate and foreign commerce.

Introduced and referred to the Committee on Agriculture, December 3, 1937.

Policy declared to be the maintenance of an adequate and balanced flow of peanuts and the products thereof in interestate and foreign commerce, and the control (by preventing excessive dumping of the commodity on the market) of the violent fluctuations in the price of peanut stocks.

"Requires the Secretary of Agriculture to announce a national marketing quota for edible peanuts which will make available a supply equal to the normal year's consumption whenever he finds that the total supply is more than 10 percent in excess of the normal supply (sum of normal production and yearly average carry-over during the 5 preceding years). Such quota shall not however become effective if in a referendum of farmers more than one-third of those voting oppose it.

"Apportionment of the quota among the States and counties shall be made by the Secretary. Allotments to individual growers shall be made by him through local farmer committees. Not over 5 percent shall be allotted to farms producing peanuts for the first time in 3 years.

"Processors of edible peanuts in excess of the amount authorized shall be subject to a penalty of 2 cents per pound on such excess. Penalties are also provided for other violations." - Digest of Public General Bills, No. 14.

35. Kopplemann

H.R. 8311. To authorize cooperative associations of producers of milk and milk products to organize and become members of milk producers' bargaining agencies for the more effective marketing of their products, and for other purposes.

Introduced and referred to the Committee on Agriculture, August 20, 1937.

MISCELLANEOUS

Bills

36. Bankhead

S. 2111*. To provide for the purchase of outstanding cotton pool participation trust certificates, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, April 7, 1937.

Reported with amendments (S. Rept. 461) May 6, 1937. Passed Senate May 17, 1937.

"Appropriates $1,800,000 to the Secretary of Agriculture for taking up outstanding cotton pool participation trust certificates, at rate of $1 per 500-pound bale. Such certificates must be

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*See also Public No. 430 (item 68) for provisions for the purchase of outstanding cotton pool participation trust certificates.

See also H.J.Res. 616 (item 94) for bill authorizing appropriation for purchase of trust certificates.

tendered by the holders of record (as of Feb. 1, 1937) prior to January 31, 1938. This act shall not be construed as establishing any claim against the United States, but shall be deemed a gratuitous action intended to accomplish the distribution of a surplus resulting from cotton operations among bona fide certificate holders who came to believe that they were entitled to net proceeds derived from marketing of the cotton involved in the transaction." - Digest of Public General Bills, No. 9.

Hearings

36a. U. S. Congress. House. Committee on appropriations. Appropriation for retirement of 1933 cotton pool participation trust certificates. Hearings...Seventy-fifth Congress, third session on the estimate in H. Doc. 535 and on H.J.Res. 616...31pp. Washington, U. S. Govt. print. off., 1938. 284 Un38Ap

Statement of J. W. Tapp, Assistant Administrator, A.A.A., pp. 1-25. "The 1933 cotton program was inaugurated and there was a provision in the original Agricultural Adjustment Act authorizing what are called cotton-option contracts; that is, the Secretary of Agriculture was authorized to take over the cotton which was held at that time by the Farm Credit Administration and offer options on that cotton to cotton producers as part payment for participation in a cotton-acreage adjustment program. The cotton producer had the choice to accept either full payment in cash for adjusting his cotton acreage or a part payment in cash and an option on so much cotton, depending on the amount of the acreage that he reduced...

"These cotton options were authorized specifically by the act and were offered to the cotton producers. They could take a full payment in cash for their acreage adjustment or a part payment in cash plus the option on some cotton.

"That option was at 6 cents per pound, seven-eights Middling cotton. The producers holding options were then offered the opportunity to enter what was called a cotton pool, which was formed in order to avoid the dumping all of that cotton that the producers might acquire by the options, on the market immediately.

"So there was organized a cotton pool, an agency authorized also by the original Agricultural Adjustment Act.

"Now, the producers who entered this cotton pool are the ones who are concerned about this particular proposed appropriation; not all of the producers who took those options entered the pool." (pp. 2-3)

Bills

36b. H.Doc. 535. Supplemental estimate of appropriation for the Department of Agriculture.

Communication from the President of the United States transmitting supplemental estimate of appropriation amounting to $1,800,000, for the fiscal year 1938, to remain available until

June 30, 1939, for the Department of Agriculture for retirement of cotton pool participation trust certificates. March 9, 1938.
The appropriation is in the Agriculture Department Appropriation Bill, 1939 - Public 644, 75th Congress.

37. Bilbo

S.J.Res. 207. Expressing the views of the Congress as to a program for the relief and benefit of agriculture.
Reported from the Committee on Agriculture and Forestry and passed the Senate August 13, 1937.
Passed the House under suspension of rules August 20, 1937, and the Senate concurred in an amendment of the House August 21, 1937.
Signed by the President, August 24, 1937 (Public Res. No. 69)
Recommends the immediate enactment of a permanent farm program as soon as Congress reconvenes.

38. Gearhart

H.R. 4835. To amend section 32 of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes" approved August 24, 1935.
Introduced and referred to the Committee on Agriculture, February 17, 1937.
In order to increase the exportation and domestic consumption of agricultural commodities and to prevent loss of water and soil fertility in irrigated areas an amount equal to 30% of the gross receipts from duties collected under the customs laws from January 1 to December 31 may be expended for the following purposes (1) payment of benefits in connection with the exportation of agricultural commodities or of indemnities for losses incurred in connection with such exportation or by payments to producers in connection with the production of agricultural commodities for domestic consumption; (2) payment of benefits or indemnities for diverting agricultural commodities from the normal channels of trade and commerce; (3) payment of subsidies or benefits for financing installation of equipment, etc., developed by the Bureau of Agricultural Engineering to save water, maintain soil fertility, with crop insurance in irrigated areas; and (4) to finance processing plants for farm products as developed by the Bureau of Agricultural Engineering; (5) finance adjustments in the quantity planted or produced for market of agricultural commodities.

39. Gray (Indiana)

H.J.Res. 374. To amend the Constitution to provide for the regulation and control of agriculture and industry.
Introduced and referred to Committee on the Judiciary, May 20, 1937.
Proposes an amendment to the Constitution of the United States giving Congress power to regulate and control agriculture and industry.

40. Harrington

H.J.Res. 462. Authorizing the Secretary of Agriculture to make loans in the years 1937 and 1938 to those persons engaged in the business of producing the following crops: corn, wheat, barley, rye, oats, hops, cotton, and tobacco, which crops are to be stored on the premises on which such crops are produced, whether the land on which crops are produced is owned or leased by the producers of such crops.

Introduced and referred to the Committee on Agriculture, July 29, 1937.

Authorizes the Secretary of Agriculture to make loans to producers of the commodities named above who store same under Government seal; the loans not to extend beyond December 31, 1938, and to bear an interest rate of 3 1/2%. Loan values to be established by the Secretary on the basis of the price index of the Department of Agriculture, said values not to be in excess of 90% of the parity price.

Authorizes the Reconstruction Finance Corporation to advance money and to make loans to the Secretary to carry out the provisions of this resolution. No deposit of evidences of debt of the producer required; a sworn statement of the Secretary showing the name of the borrower and the number and amount of such loans to be sufficient.

41. Johnson (Texas)

H.R. 6344. To provide for the purchase of outstanding cotton pool participation certificates, and for other purposes.

Introduced and referred to the Committee on Agriculture, April 13, 1937.

Similar to S. 2111 (item 36)

42. Johnson (Texas)

H.R. 6744. To provide for the purchase of outstanding cotton-pool participation trust certificates, and for other purposes.

Introduced and referred to the Committee on Agriculture, April 28, 1937.

Similar to S. 2111 (item 36)

43. Johnson (Texas)

H.J.Res. 32. To redeem certain exemption or ginning certificates issued under the Bankhead Act.

Introduced and referred to the Committee on Agriculture, January 5, 1937.

"Secretary of Treasury to redeem upon application within 1 year tax-exemption or ginning certificates held by a producer, issued under the Bankhead Cotton Control Act of 1934 (48 Stat. 598, repealed by 49 Stat. 1106), which represent an amount of cotton in excess of the amount of tax-exempt cotton allotted to such producers." - Digest of Public General Bills, No. 9.

44. Kleberg

H.R. 7830. To permit Members of Congress to enter into agreements under agricultural programs.

Introduced and referred to Committee on Agriculture, July 12, 1937.

Reported without amendment (H.Rept. 1470) Aug. 9, 1937.

Similar to S. 2229 which was passed in lieu (item 48)

45. Moore (by request)

S. 2147*. To amend the Agricultural Adjustment Act, as amended.

Introduced and referred to the Committee on Agriculture and Forestry, April 15, 1937.

Reported with amendments (S. Rept. 626) May 28, 1937. Passed Senate as amended with title amended to read: To amend provisions of the Agricultural Marketing Act of 1937, June 1, 1937.

Reported without amendment (H.Rept. 1193) July 8, 1937. Passed House August 2, 1937. Signed by the President August 5, 1937 (Public No. 246)

"Orders of the Secretary of Agriculture, under the Agriculture Adjustment Act, regulating the handling of agricultural commodities shall not be applicable to the products of honey bees but shall be applicable to handlers of honey bees as such [amending 49 Stat. 754]" - Digest of Public General Bills, No. 9.

46. Patman

H.R. 3993. To provide for the redemption of certain cotton certificates issued under the Bankhead Cotton Act.

Introduced and referred to the Committee on Agriculture, January 29, 1937.

"The Secretary of the Treasury shall redeem upon application tax exemption certificates issued under the Bankhead Cotton Control Act of 1934 (48 Stat. 598, repealed by 49 Stat. 1106). Redemption shall be at the rate of 4¢ per pound on lint cotton, but where certificates have been transferred to a certificate pool the producer shall receive the difference between amounts heretofore received and an amount ascertained by multiplying 4¢ by the number of pounds represented by such certificates." - Digest of Public General Bills, No. 9.

47. Pierce

H.R. 7836*. To amend the Agricultural Adjustment Act, as amended, by including hops as a commodity to which orders under such act are applicable.

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* The following bills, amending the Agricultural Adjustment Act by making orders of such Act applicable to various other commodities were also introduced: S. 2481 (handlers of honeybees); S. 2237, S. 2479, S. 2481, S. 3391, H.R. 8783 (fruits and vegetables for canning); S. 2791 (hops); H.R. 9899 (peanuts); H.R. 10222 (bentgrass seed).

Introduced and referred to the House Committee on Agriculture, July 12, 1937.

Reported without amendment (H.Rept. 1298), July 23, 1937, and passed the House, August 2, 1937.

Received in the Senate and referred to the Calendar, Aug. 3, 1937.

Passed Senate amended, March 31, 1938.

Signed by the President, April 13, 1938 (Public No. 482)

Amends Section 8c, paragraphs (2) and (6) of the Agricultural Marketing Agreement Act of 1937, by including, during the next 2 years, hops as a commodity to which orders under such act are applicable.

48. Robinson

S. 2229. To permit Members of Congress to enter into agreements under agricultural programs.

Introduced and referred to the Committee on Agriculture and Forestry, April 22, 1937.

Reported without amendment (S.Rept. 733), June 15, 1937.

Passed Senate as amended, Aug. 14, 1937.

Passed House, Aug. 20, 1937.

Signed by the President, August 26, 1937. Public No. 381.

"Permits Members of Congress, notwithstanding the general prohibition on contracts with the Government [U.S.C. 18: 203-206] to enter into agreements of a kind which the Secretary of Agriculture may make with farmers [amending U.S.C. 41: 22], provided such exemption shall be made a matter of public record." - Digest of Public General Bills, No. 9.

PRICE ADJUSTMENTS*

Bills

49. Collins

H.R. 9599. Authorizing and directing the Secretary of Agriculture to make cotton price adjustment payments at the rate of 3 cents per pound on 100 percent of a producer's 1937 cotton crop.

Introduced and referred to the Committee on Agriculture, February 23, 1938.

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* The Third Deficiency Appropriation Act, fiscal year 1937 provided that not more than $65,000,000 of the funds available under section 32 of Public No. 320, 74th Congress (custom receipts) during 1938 and 1939 may be used for a price-adjustment payment to cotton producers (on their 1937 crop) who have participated in the Agricultural Adjustment program. Payments to "be at a rate per pound equal to the difference between 12¢ per lb., and the average price of 7/8-Middling cotton on the ten designated spot cotton markets on dates of sale. Not to exceed 3¢ per lb."

The Agricultural Adjustment Act of 1938 defines the compliance with the 1938 farm program required to obtain price-adjustment payments on the 1937 cotton crop. [See H.R. 8505] (item 68)

Notwithstanding provisions of the Third Deficiency Act (see footnote on page 27) the Secretary is directed to pay eligible producers 3¢ per lb. on 100% of their 1937 cotton crop.

50. Connally

S.J.Res. 205. Providing for benefit payments to cotton producers with respect to cotton produced in 1937.

Introduced and referred to the Committee on Agriculture and Forestry, August 11, 1937.

Reported with amendments, August 13, 1937. Passed Senate amended, March 31, 1938.

Directs the Secretary to make cotton price-adjustment payments not to exceed 2¢ per lb. (funds made available in the Third Deficiency Act, fiscal year 1937 (see footnote on page 27)) to producers of 7/8-inch Middling spot cotton, sold between August 1, 1937 and July 31, 1938, for less than 12¢ per lb.

Directs the Commodity Credit Corporation to make loans to cotton producers on the basis of 10¢ per lb. during 1937.

51. Fulmer

H.J.Res. 513. Providing for cotton price-adjustment payments to cotton producers who suffered a partial or total cotton crop failure.

Introduced and referred to the Committee on Agriculture, November 22, 1937.

Provides that cotton producers suffering from crop disasters during 1937 shall be eligible for payments at the rate of 3¢ per lb. on a percentage of their base production; the funds to come from the $65,000,000 appropriated in the Third Deficiency Act, fiscal year 1937 (see footnote on page 27).

52. Johnson (Luther A.)

H.R. 9959. To amend section 381 (a) of the Agricultural Adjustment Act of 1938 so as to authorize immediate payment to farmers of cotton price adjustment of 1937 crop, authorized under the third deficiency appropriation act.

Introduced and referred to the Committee on Agriculture, March 21, 1938.

Payments to be made for cotton not sold prior to September 10, 1937 [now July 1, 1938]

53. Jones

H.J.Res. 491. To amend section 32, as amended, of the act entitled "An act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935.

Introduced and referred to the Committee on Agriculture, August 17, 1937.

"Amends the Agriculture Adjustment Act (U.S.C. Supp. II, 7: 612c), which provides an appropriation to encourage exportation and domestic consumption of agricultural products, by striking out the proviso 'that no part of the funds appropriated...shall be used for the payment of benefits in connection with the exportation of unmanufactured cotton.'

"Price-adjustment payments may be made from funds appropriated by said section with respect to the 1937 crops of producers who have complied with any agricultural conservation or adjustment program being administered during 1938. Such payments shall be based upon the aggregate normal yield of the year's acreage that was or could have been established under the 1937 agricultural conservation program less the aggregate normal yield of the maximum acreage for which a diversion-payment offer was made." - Digest of Public General Bills, No. 9.

54. Miller

S.J.Res. 242. Relating to the method of distribution of price-adjustment payments with respect to the 1937 cotton crop.

Introduced and referred to the Committee on Agriculture and Forestry, January 8, 1938.

"Soil conservation and domestic allotment payments under the 1937 program for cotton shall be made to a cooperating producer on all the cotton raised on 65 percent of his base acreage and to a noncooperating producer on 65 percent of his allotment." - Digest of Public General Bills, No. 15.

55. Pace

H.R. 8913. To amend the paragraph entitled "Price adjustment payment to cotton producers" in title 1 of the Third Deficiency Appropriation Act, fiscal year 1937, approved August 25, 1937 (Public No. 354, 75th Congress)

Introduced and referred to the Committee on Agriculture, January 11, 1938.

Designed to terminate the Secretary's power to determine the time and amount of cotton price-adjustment payments. Rate to be 3¢ per lb. Payment made immediately following producers' application to participate in the 1938 Agricultural Adjustment program.

56. South

H.J.Res. 610. Authorizing cotton-price adjustment payments with respect to cotton destroyed by fire or other unavoidable natural cause.

Introduced and referred to the Committee on Agriculture, March 9, 1938.

"When fire or other natural cause destroys a part of a producer's 1937 cotton crop after harvesting, he shall receive, if otherwise eligible, cotton price adjustment payments at the rate of 3 cents per pound on the same percentage of his normal base production established by the Secretary as in the case of other producers [adding to Public, No. 430, 75th Congress]" - Digest of Public General Bills, No. 15.

PRICE FIXING

Bills

57\. Burdick

H.R. 3297. To establish a labor-hour monetary system, to stabilize and standardize labor wages, to give labor assurance, to stabilize farm-crop and raw-material prices, to make interest on money illegal, to loan money at cost of service, to provide for a postal-check system, and for other purposes.

Introduced and referred to the Committee on Banking and Currency, January 19, 1937.

This bill is primarily a monetary measure, the underlying principle being the retirement of present money and the reissuance of the labor-hour-dollar monetary standard, the basis of which shall be one hour of unskilled or common labor at $1 per hour.

In explaining his measure Mr. Burdick said: "Until we discard all spurious standards of money and base our circulating medium on the very basis of all prosperity - labor, we will not accomplish the release of millions from the bondage of 'money'. When an hour's labor means a dollar and every dollar means an hour of labor, never changing, but eternal, and all commodities measured in terms of labor, there can be no financial disarrangement in this country." - Congressional Record, June 29, 1937, p. 6588.

Division II - Purpose according to the bill is "to arrange for a stabilization of values of farm products and raw materials, and economically comparable to the stabilization of wages for common or unskilled labor at $1 per hour as provided in division one of this Act, so that the prices of farm products and raw materials shall have a constant labor-hour monetary value unaffected by crop or raw-material shortages, bumper crops, or attempted market manipulations; and to provide means for producers to get ready money for their goods at all times without having to part with them at a sacrifice price due to speculation."

"The Secretary of Agriculture shall stabilize prices for nonperishable farm crops and raw materials, by establishing annually a price at which the Government will purchase all crops, etc., offered it. Prices shall be the average for the last 10 years plus 50 percent; and new prices on same basis shall be established each year until prices will net the farmers an income comparable to common labor at $1 per hour. The Secretary is also to make experiments with a view to stabilization of prices for perishable crops." - Digest of Public General Bills, No. 9.

58\. Jones

H.R. 5722. To reenact and amend provisions of the Agricultural Adjustment Act, as amended, relating to marketing agreements and orders. "Agricultural Marketing Agreement Act of 1937"

Introduced and referred to the Committee on Agriculture, March 17, 1937.

Reported without amendment (H.Rept. 468) March 24, 1937, and passed the House April 19, 1937.

Reported with amendments (S. Rept. 565) May 19, 1937, and passed the Senate May 24, 1937.

Signed by the President, June 3, 1937 (Public No. 137)

"The principal purposes of this bill are to reenact the marketing agreement and order provisions of the Agricultural Adjustment Act [Public No. 320, 74th Congress] to make certain changes in respect to the basis to be used in marketing agreements and orders for fixing prices to be paid milk producers and to authorize mediation and arbitration of certain disputes between the producers and handlers of milk." - S. Rept. 565.

Section 2f adds to section 8c of the Agricultural Adjustment Act as amended, two new subsections. The first "authorizes the Secretary of Agriculture to fix milk prices in accordance with the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk, and authorizes the Secretary to adjust such prices as conditions change." The second new subsection provides a referendum among producers to ascertain their sentiment relative to the Secretary issuing certain orders. The approval requirement is met if the results of the referendum disclose that "of the total number of producers, or the total volume of production as the case may be, represented in such referendum, the percentage approving or favoring is equal to or in excess of the percentage required under such provision."

59. McNary

S. 3454. To amend the provisions of the Agricultural Marketing Agreement Act of 1937.

Introduced and referred to the Committee on Agriculture and Forestry, Feb. 15, 1938.

"Orders of the Secretary of Agriculture, under the Agricultural Marketing Agreement Act of 1937 (50 Stat. 246), regulating the handling of agricultural commodities may be applicable to any commodity or product thereof, or to any regional or market classification of such commodity. The present law makes orders applicable to certain commodities and specifically exempts others." - Digest of Public General Bills, No. 14.

PRICE SPREADS

Bills

60. Lemke

H.R. 3697. To provide for the purchase and sale of farm products.

Introduced and referred to the Committee on Agriculture, January 26, 1937.

Similar to S. 848 (q.v.) (item 61).

61. Steiwer and Hatch

S. 848. To provide for the purchase and sale of farm products.

Introduced and referred to the Committee on Agriculture and Forestry, January 15, 1937.

Hearings held before Senate Committee. 280.3 Un37Pur

Creates the "Farmers' and Consumers' Corporation" with a capital stock of $100,000,000, for the purpose of providing a market for the sale of agricultural commodities, and, by eliminating as far as possible charges and commissions of middlemen, to increase the price received by the farmer and decrease that paid by the consumer.

Empowers the Corporation to acquire elevators and storage warehouses, buy, sell, and process agricultural products, act as agent for producers or dealers, and make secured advances for expenditures in the United States for financing the sale or exportation of such products.

Authorized to borrow up to five times the paid-in capital.

Hearings

62. U. S. Congress. Senate. Committee on agriculture and forestry. Purchase and sale of farm products. Hearing...Seventy-fifth Congress, 1st session on S. 848...March 2, 3, 10, and April 6, 1937... (141pp.) Washington, U. S. Govt. print. off., 1937. 280.3 Un37Pur

Senator Frazier: "This bill provides for setting up a corporation with authority to buy and sell farm commodities from the producer to the consumer." p. 3.

"The purpose...is to set up a Government corporation with authority to regulate prices of farm products from the producer to the consumer; and the hope is that we can get better prices for the consumer, whose price is based on cost of production, and at the same time, by narrowing the margin or spread between the price the producer gets and the price the consumer pays, we can furnish the products to the consumer, in many instances at least, cheaper than they are now." - p. 84.

M. W. Thatcher, representing the Northwest Farmers' Union and Legislative Committee of the Wheat Conservation Conference, Chicago, Ill., pp. 4-14: "The particular part of the bill that I wish to discuss, the essence of it, is what amounts to price fixing by paying a price to enable the farmers to enjoy an income so that they can pay their debts and live and I think it is only a matter of time until we are coming to that...

"It seems to me that the same rule must apply in the conduct of production and distribution and sale of agricultural products under our capitalistic system which has been proven in all other lines; that there must be due regard to the production, the warehousing, the distribution, and to hold the supply somewhere in line with the effective demand or plainly recognize that the excess supply, much of which might be needed by the country, frankly recognizes a program of relief, of subsidy, required to carry the extra surplus and keep it separate and apart from an operation such as this bill provides, and which bill contemplates there will be nothing but profits."

Mr. Thatcher discusses the need for adequate warehousing of agricultural commodities: "I think one of the fundamental jobs to be done by Congress in connection with farm programs, farm relief, is to have an understanding of the bad situation and conditions with respect to warehousing acts and...practices, and malpractices, and take all of these basic commodities... and protect them with adequate Federal laws for warehousing, inspection, and so forth...

"I therefore believe that one day we will come to the very thing that Senator Frazier seeks in this bill, and I think one day we will come to fixing a price, a basic price for agricultural commodities, with marketing rights...

"I think the bill should be supplemented or integrated with production control and surplus removal and corrected warehousing practices, and I think unless you have those supplemental programs going with it, it just will not work out." - pp. 4-14

Eric Englund, assistant chief, Bureau of Agricultural Economics, U. S. Department of Agriculture, pp. 14-22. Mr. Englund's testimony was largely concerned with raising questions as to the feasibility of the proposed plan. He first questioned the practicability of the financial provisions and then said: "There is another question which puzzles me also...In order to raise the price to the producer and to lower the price to the consumer it would be necessary to perform the essential services of transporting, processing, and marketing of the commodity, whether it be a large or small percentage of the total of all commodities, at lower charges than are now exacted by those who perform this service. Can we be sure that one great corporation set up to enter that field would be able to perform those services on lower margins than now required? Are we reasonably sure of that?" - p. 15.

Senator Gillette: "The thought I had in mind was this. You suggested, I believe, that with such a tremendous price for those services [see statement above] that the capital structure and the sources of revenue under this bill for the corporation would not be adequate to handle that volume of business?"

Mr. Englund: "I raised the question as to whether it would, and I don't know whether it would or not, but I believe I stated also that I didn't find in the bill that it necessarily implied that this corporation would replace all private enterprises."

Senator Gillette: "That is exactly the point."

Mr. Englund: "The effectiveness of...competition in bringing about reduced margins again goes back to the fundamental question, namely, whether this corporation can handle the job more cheaply than the others. Perhaps experimental attempts in that direction should be made in some particular line, and if an experimental attempt should be made, a study should be made of that very question by trial." - pp. 20-21.

Frederick V. Waugh, in charge Division of Marketing Research, Bureau of Agricultural Economics, U. S. Department of Agriculture, pp. 23-26: "I think there are possibilities of reducing the cost of marketing. I do not think that it necessarily would be done by setting up another corporation. I agree...that it can be done only by some practical research that will show you how particular situations should be handled. Just turning it over from one agency to another doesn't accomplish anything unless we know beforehand something that the agency can do better than is now being done. I will agree there possibly are real inefficiencies in the system...I think...it is a real question whether the efficiency with which the Government could market farm products would necessarily be greater than that which can be accomplished by private industry and whether improvement might not be brought about better through legislative regulation or by purely educational methods." - p. 23.

Dr. Corwin D. Edwards, Economic adviser, Federal Trade Commission, pp. 27-38. Dr. Edwards explained and summarized briefly the "Report on the Agricultural Income Inquiry" (173 F32Ag) of the Federal Trade Commission dealing with "a comparison of the income of farmers with the income of the principal manufacturers and distributors of farm products; the division of the consumer's dollar among the various people along the way from the farmer through the processing and distributing functions; the degree of concentration and control in different industries; the growth of capital, earnings and rates of return for processors and distributors; the channels of distribution through which commodities move to the consumer; the salaries of officials; tax avoidance, if any, on the part of these officials or of the corporations that they represent; the place occupied by producers cooperatives in the marketing of farm products; and certain special questions of the method of marketing grain, cotton, tobacco, and potatoes." - pp. 27-38.

Robert B. Dawkins, attorney, Federal Trade Commission, discussed citing numerous specific examples, the spread existing between the price for potatoes as received by the farmer and the price the consumer pays in the city. He said in conclusion: "I think frequently a very small share of the amount paid by the consumer goes to the producer." - pp. 38-41.

Benjamin C. Marsh appeared on behalf of the People's Lobby, Washington, D. C. in support of the bill. He pointed out that: "The proposed bill provides an opportunity to reduce the spread between prices farmers get and consumers pay, and to enable consumers to get more for what they pay. No other method seems feasible, for we have already had a large inflation, and seem destined to have more." - pp. 41-50.

Frederick C. Howe, special adviser to the Secretary of Agriculture in connection with the problems involved in the marketing of agricultural commodities stated: "a man is not a free man in his economic relations unless he has the freest possible contact with the outside world. The farmer has largely lost that since the Civil War...The farmer has rather lost out in that part of his job which relates to selling his things."

He described marketing methods in Europe where "the farmer is his own salesman or its equivalent" and emphasized in particular the progress made by Denmark. In conclusion he said: "I think the technique has to be adjusted to the volume, the distances and the nature of agriculture....the farmer must have his own outlet, whether it is a cooperative outlet or a government outlet or a regulated market." - pp. 51-60.

C. C. Talbott, president of the Farmers' Union of North Dakota discussed the cooperative movement in this country and the bearing of the proposed bill on that movement. He said in part "we lack the understanding of the cooperative movement in America, and it is clear that we are in ignorance of what possibilities there are in the cooperative movement. I am afraid our whole structure will break down before we can educate our people to that sensible way of marketing commodities. I should say if we could pass such a bill as the Senator has here it might be a bulwark of protection to the cooperative movement as we can acknowledge and we have demonstrated time and time again in private industry no matter how large the capital behind it, it cannot compete with the cooperative." - pp. 60-68.

Gardner Jackson, chairman of the National Committee on Rural Social Planning, said in part "I believe...that only by some such measure as that proposed [in this bill] for a Government marketing corporation of farm commodities will both the consumer and the producer really know what properly can be called justifiable costs of processing and distribution. If the yardstick principle is applicable to the power industry...I cannot see why the principle should not be applied in great food processing and distributing industries which are of even more vital concern to the consuming public." - pp. 72-79.

Donald E. Montgomery, Consumers' Counsel Agricultural Adjustment Administration, stated that "Under the amendments to the Agricultural Adjustment Act that were passed in August 1935, the Administration has price-fixing power only with respect to milk, and in the case of milk only with respect to the price that the distributors pay the producers. In no other field do we have the power to fix the prices to consumers, nor do we regulate the processing or distributing prices." His statement was concerned with the experience of the Department of Agriculture in this experiment in price fixing. - pp. 83-97.

Senator Gillette, during this testimony, suggested the following methods of correcting the marketing system to prevent the present tremendous and unnecessary spread: "One is by the development of the cooperative system of marketing; another is by Government regulation through the agencies that we now have, giving them increased power, and the other is what the Senator is trying to reach here through his bill, through setting up what will be, in effect, a yardstick." Following discussion Senator Gillette concludes that "a solution is based on one of these two things; either a supervisory control of the different marketing systems, such as cooperatives, or the setting up of a governmental agency, which in effect will operate as a yardstick and furnish the competition; instead of throttling competition...as is the tendency of congressional action." - pp. 83-97.

Charles W. Holman, Secretary, National Cooperative Milk Producers Federation, pp. 97-111, outlined a plan for agricultural relief, as a prerequisite of the proposed bill, which included provisions for import quotas, discontinuation of the trade agreement program, additional tariff legislation, and some form of surplus production control; which program he described as "a refinement by indirection...of the old principle of the McNary-Haugen type of operations."

Referring to the price fixing principle of the bill he said: "As to whether the Government should undertake to fix prices and spreads all the way down the line, is a question I am hardly able at the present time to answer. I do know this...that at the beginning of the Agricultural Adjustment Administration nearly all of our people took the position that if the Government was to fix the prices of farm products to the farmer, it owed it as a duty to the consumer, and also the farmer, to assume the responsibility of fixing the prices both to the wholesale trade and to the retail trade, and fix the prices which the chain stores also should charge for milk to the retail trade."

Edward E. Kennedy, Kankakee, Ill., representing "many individual farmers and several farmers' unions, State organizations" - pp. 111-116, said in part: "The thing that has not been brought out, to my knowledge, in the consideration of this bill, is that the cost of distribution of farm products between the producer and the consumer is more or less a fixed amount in dollars, regardless of what the price level may be. Naturally, when the price of farm products goes down, the percentage that the farmer receives of the consumer's dollar...is smaller. In other words, he is the one that takes the full penalty, in the percentage or ratio of the consumer's dollar that is received by the producer..."

"...Now...any program such as is contemplated in this bill... will have to recognize the fact that the only way the agricultural industry can exist is by a regulation of the marketing or by a yardstick under Government authority that would make it unlawful for any buyer, dealer, or handler of farm products to pay less than a general average cost of production income to the farmer... The actual cost of producing farm products is determined on the basis of what it would cost to operate a farm, or operate all the farms in the...United States determined on a basis with farms as a unit.

"...the basic reason why every plan that has been put in operation so far, dealing with relief for agriculture, has failed to accomplish its object is because it has failed to recognize that one fundamental principle of securing for the farmer the cost of production for his product."

PRICES - MISCELLANEOUS

Bills

63. Smith (South Carolina)

S. 3146. Authorizing the Commodity Credit Corporation to make certain purchases of cotton from producers, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, December 16, 1937.

Authorizes and directs the Commodity Credit Corporation to purchase cotton until the average price of 7/8 inch Middling cotton on the ten designated spot markets is 12¢ per pound or until 6,000,000 bales of the 1937 cotton crop have been purchased. Cotton so purchased may not be sold for less than 12¢ without presidential approval.

64. Stefan

H.R. 2262. To authorize and request appointment of a commission to study the "farm dollar".

Introduced and referred to the Committee on Agriculture, January 8, 1937.

Authorizes the President to designate a special commission to determine the factors causing the disparity between the price the farmer receives for his agricultural commodities and the price he must pay for other commodities; to report their findings; and to recommend "ways and means to restore and maintain an equitable and a stable purchasing power of the 'Farm Dollar.'"

65. Thomas (Oklahoma)

S. 1990. For the regulation and stabilization of agricultural and commodity prices through the regulation and stabilization of the value of the dollar, pursuant to the power conferred on the Congress by paragraph 5 of section 8 of article I of the Constitution, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, March 25, 1937. This committee discharged from further consideration and the bill was referred to the Committee on Banking and Currency on December 1, 1937.

Hearings held before the House Committee on Agriculture.
284 Un362M (item 67)

Creates, within the Federal Reserve System, the Monetary Authority, with the power of adjusting, regulating and stabilizing the dollar so as to raise the general price level to the 1926 level and effect an equilibrium price level which will best serve the interests of the people. Gives the Authority complete control over reserve requirements, discount rates, eligibility of collateral, and open-market operations of members of the Federal Reserve System, and authorizes them to prepare and adopt, subject to approval of Congress, a system of statistics, to be known as the Monetary Authority Statistics.

66. Thomas (Oklahoma)

S. 3013. For the regulation and stabilization of agricultural and commodity prices through the regulation and stabilization of the value of the dollar, pursuant to the power conferred on the Congress by paragraph 5 of section 8 of article I of the Constitution, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, November 16, 1937.

Similar to S. 1990 q. v. (Item 65)

Hearings

67. U. S. Congress. Senate. Committee on agriculture and forestry. Monetary authority act. Hearings...75th Congress, first session on S. 1990...August 3-5, 10-13, 1937...322pp. Washington, U. S. Govt. print. off., 1937. 284 Un362M

Senator Thomas: "the objective the committee has before it, [is] the determining of a proper point of value for the dollar, which means a proper level of prices, and then, if that can be determined and to the extent it can be done, we desire to stabilize that price level so as to take out of the farmer's problem this unnecessary fluctuation of his prices." - p. 75.

The hearings were concerned with a discussion, by a number of leading economists, of the ways and means as well as the pros and cons in connection with accomplishing the purposes of the bill. Much of the discussion was of a general nature on the subject of money.

The following are selected statements from the various witnesses pointing out the relationship existing between the monetary and the agricultural relief problems.

Colonel Lawrence Westbrook: "...my experience with relief administration in Texas...has caused me to look at the farm problem... more in terms of the wages that are received by the farm workers than in terms of the prices that are paid for the farm commodities." pp. 75-89.

Colonel Westbrook discussed, using illustrative charts, the wage element involved in the agricultural situation applied particularly to the agricultural wage earner of the South.

James H. R. Cromwell: "...I don't believe in the control of production either as applied to industry or to agriculture. I don't believe that that is the problem. I think you gentlemen have the problem right in the bill. It is the problem of money; it is the problem of synchronizing the flow of our money with the flow of our goods." - pp. 90-98.

Robert M. Harriss: "As we know, the value of the dollr controls the general price level. When the dollar rises in value, naturally prices fall and when the value of the dollar falls, prices must rise. Therefore, it is evident that it is essential to the prosperity of agriculture that we have a Federal Monetary Authority that will maintain a money or currency system that will give our farmers equitable prices.

"Of course, in times of overproduction of commodities, prices will naturally fall. However, if we have the proper banking and currency system that will make available to our farmers long-term credits at low interest rates to enable them to carry their surplus major commodities, then our farmers need not sacrifice them. These long-term credits will enable the farmers to hold the surpluses until years of short crops when they can sell them advantageously. This will also serve as a natural and sound acreage control. In fact, the best national granary is the farmer himself provided he has the proper long-term credits at low-interest rates.

"In summary, the country's fundamental trouble is a tax, debt, or money problem. The only practical solution is to restore the commodity and general price level through sound, constructive monetary control or action, to where the farmer will receive an equitable price for his commodities and work..." - pp. 99-106.

Senator Thomas (interposing) "...with regard to stabilizing money for the benefit of the farmers, while this is a farm committee and we have farm stability, of course, always uppermost it is not at all the plan of the committee to just keep farm prices stable. We have just as much interest in keeping other prices stable as farm prices, and the system that will stabilize the value of the dollar for farm prices will likewise stabilize the value for everything else, and when the stabilization is completed, if it ever is, it should take into consideration, not only every major activity, but every minor activity, as much as possible, so that what we are trying to achieve is not farm stability, it is economic stability, and using the stabilized dollar to bring about general widespread economic stability." - pp. 190-191.

PRODUCTION CONTROL

Bills

68. Jones

H.R. 8505. To provide for the conservation of national soil resources and to provide an adequate and balance flow of agricultural commodities in interstate and foreign commerce.

Introduced Nov. 24, 1937. Referred to Committee on Agriculture. Reported without amendment Nov. 29, 1937 (H.Rept. 1645)

Passed House Dec. 10, 1937. Senate passed S. 2787 (item 69) with amendments Dec. 17, 1937 and the bill was printed as H.R. 8505 (S.Rept. 1295).

Conference Report (H.Rept. 1767) was agreed to in the House Feb. 9, 1938, and in the Senate Feb. 14, 1938.

Signed by the President, Feb. 16, 1938 (Public No. 430).

A comparative print of this bill as it passed the House, the Senate and as agreed to by the Conference Committee is cataloged under 2 Folio 281.12 Un38

For Hearings pertaining to this bill *see* item 139.

"Agricultural Adjustment Act of 1938."

"Declaration of policy: to continue the Soil Conservation and Domestic Allotment Act in order to conserve and improve national soil resources; to regulate interstate and foreign commerce in cotton, wheat, corn, tobacco, and rice in order to provide, by means of storage of reserve supplies, marketing quotas, etc., an orderly and balanced flow of these commodities and to effect for producers of these commodities parity prices and income.

Title I - "Amends the Soil Conservation and Domestic Allotment Act, as amended by (1) making clause (5) of Sec. 7(a) of the act applicable to programs of the Secretary, (2) prescribing a democratic method of local administration of the programs by farmers, (3) deleting the prohibition of the Secretary entering into contracts binding on producers, (4) prescribing bases for wheat and corn acreage allotments and normal yields, (5) safeguarding the interests of dairy farmers*, (6) regulating division of farm payments among landlords, tenants and sharecroppers, (7) increasing small payments and limiting the total payment to any person to $10,000, (8) protecting tenants from being adversely affected by the program (9) permitting farmers to assign payments, and (10) providing a formula for apportioning available funds for payments among agricultural commodities." - Budget and Finance Circular No. 85.

Title II - Freight rates, new uses and markets, and disposition of surpluses.

Authorizes the Secretary to make complaints to the interstate Commerce Commission relative to transportation rates, charges, etc., on farm products; to prosecute the same; to be heard on all complaints involving transportation of farm products; and to assist cooperative associations in making complaints to the Commission.

Authorizes the appropriation of $4,000,000 for four regional agricultural research laboratories to develop new uses and markets for agricultural products and by-products, and allocates $1,000,000 to the Commerce Department for the promotion of new foreign markets.

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*H.Con.Res. 31 (agreed to by the Senate, Feb. 14, 1938) amends the Agricultural Adjustment Act of 1938 by making a clerical correction in the second paragraph of subsection (d) of section 101. This subsection is known as the "Boileau-McNary amendment" which safeguards the interests of dairy farmers.

Amends Sec. 32 of the 1935 A.A.A. amendments by striking out the prohibition against payments with respect to exportation of cotton, and adding a provision to the effect that payments with respect to any one commodity shall not exceed 25% of the available funds. Continues the Federal Surplus Commodities Corporation until June 30, 1942.

Title III - Loans, parity payments, consumer safeguards, and marketing quotas.

Subtitle A - Definitions, loans, parity payments, and consumer safeguards.

Authorizes the Commodity Credit Corporation to make loans on agricultural commodities as follows:

Wheat: loans made (1) if the farm price on June 15 preceding the beginning of the marketing year is below 52% of the parity price on that date; (2) if the July crop estimate is in excess of a normal year's domestic consumption and export. Loans to cooperators to be not less than 52% nor more than 75% of parity price. Loans to non-cooperators to be 60% of the amount allowed cooperators.

Cotton: loans made to cooperators (1) if the average price on August 1 of 7/8" Middling spot cotton on the ten markets designated by the Secretary is below 52% of parity price on that date; (2) if the August crop estimate is in excess of the normal year's domestic consumption and exports. Loans to non-cooperators only when quotas are in effect and only on the portion of the crop which would be subject to penalty if marketed. Amount of loans same as for wheat.

Corn: loans to cooperators in commercial corn-producing area (1) if the farm price at the beginning of the marketing year is 75% of parity price; (2) if the November crop estimate is in excess of the normal year's domestic consumption and exports. Amount of loans fixed in accordance with a given schedule. Loans to cooperators outside the commercial area 75% of scheduled rates.

*Authorizes parity payments to producers of the five commodities named in the Act if and when appropriations are made.

Provides for consumer safeguards by authorizing the Secretary to maintain a continuous stable, and adequate supply of commodities at fair price.

Subtitle B - Marketing quotas

"Each portion of the Act dealing with marketing quotas for a specified commodity is prefaced by a statement designed to establish the constitutional basis and justification for the quota provisions. These statements point out that the greater part of each of the commodities or the products directly derived from them move to market in interstate or foreign commerce; that the fluctuations in supplies moving to market affect the operation of the

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*Appropriation for parity payments made in Pub. Res. 122. (H.J.Res. 679. Making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grant for public works projects. Title V - Price Adjustment Act of 1938) (See item 111) facilities of interstate commerce; that at times these facilities are burdened and at other times the movement is abnormally low; that excessive supplies result in low prices to producers which affects commerce by reducing the buying power of farmers with respect to the products of other industries; that agricultural producers are subject to such conditions that without federal assistance they are unable, either individually or collectively, to prevent the recurrence of surpluses and shortages with their attendant burdens on interstate and foreign commerce." - A summary of the Agricultural Adjustment Act of 1938 - prepared by the Agricultural Department, Chamber of Commerce of the United States, p. 9.

Provides that the Secretary shall annually make known his findings in respect to supplies of wheat, cotton, corn, tobacco, and rice and proclaim marketing quotas if the total supply exceeds the normal year's domestic consumption and exports as defined for each commodity by the act. The quota to be applied in the case of wheat when the prospective total supply exceeds the normal supply by 35%; for corn when the prospective supply exceeds the normal supply by more than 10%; for cotton when the supply for the current year exceeds the normal supply by more than 7%; for tobacco when the supply of the current year exceeds the reserve supply level (normal supply plus 5%); and for rice when the total supply exceeds the normal supply by more than 10%. "Normal supply" for each commodity defined in the Act.

The amount of the national quota for wheat to be equal to normal domestic consumption and exports, plus 30% minus estimated carryover and seed needs; for corn to "be such a percentage as, on the basis of the estimated average yield, will make available for the marketing year...a supply of corn equal to the normal supply"; for cotton the number of bales plus the carryover as of August 1 of the following year as will make available a supply equal to the normal supply; for tobacco such amount as will make available during the marketing year a supply equal to the reserve supply level (normal supply plus 5%) Special quotas provided for the different types of tobacco; for rice such amount as will make available a normal supply.

State and county marketing quotas and acreage allotments established on the basis of the average yield of a commodity during the ten years immediately preceding for wheat and corn and 5 years for cotton, [see item 100] tobacco and rice with adjustments for weather conditions, trends in production, etc. Formulas applicable to the different commodities are provided for individual farm allotments to be applied by local farmers' committees.

Producers' referendums provided; all quotas to be ineffective if opposed by more than 1/3 of those participating.

Commodities marketed in excess of farm quotas are subject to certain penalties.

Subtitle C - Administrative provisions

Provides that all acreage allotments and marketing quotas shall be kept freely available for public inspection. Authorizes any farmer dissatisfied with his quota to have it reviewed by a local review committee of farmers and thereafter by the Federal or State courts.

The Secretary is required to increase or terminate quotas if he has reason to believe that one of the following conditions prevails: (1) that the operation of any marketing quota then in effect will cause the amount of such commodities available for marketing to be less than a normal supply (2) that a national emergency exists (3) that a material increase has taken place in the export demand.

Subtitle D - Miscellaneous provisions and appropriations.

Cotton price adjustment payments - Defines those eligible to receive payments authorized by the Third Deficiency Appropriation Act of 1937 (Public No. 354, 75th Congress) Provides that any person having Commodity Credit Corporation loans on 1937 cotton crop and who has complied with the loan agreement may transfer the title of such cotton to the Corporation. Authorizes the Secretary to pay the producer 2¢ per lb. [see item 100]

Authorizes extension of the maturity date on notes to the Commodity Credit Corporation for loans on the 1937 cotton crop for one year to July 31, 1939.

Title IV - Cotton Pool Participation Trust Certificates

The sum of $1,800,000 is authorized to be appropriated to enable the manager of the Cotton Pool to purchase and cancel pool participation trust certificates at the rate of $1.00 per bale or such smaller amount as will equal the purchase price paid by the assignee or holder of such certificates, with interest at the rate of 4% from the date of purchase.

Title V - Federal Crop Insurance Act.

For abstract of the Federal Crop Insurance Act <u>see</u> item 18.

69. Pope-McGill

S. 2787. To provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Introduced by Mr. Pope (for himself and Mr. McGill) July 15, 1937. Referred to Committee on Agriculture and Forestry.

Reported favorably, with amendments, Nov. 22, 1937 (S.Rept. 1295)

Passed Senate with amendments, Dec. 17, 1937.

Indefinitely postponed, Jan. 5, 1938 as H.R. 8505 was passed instead. S. 2787 as amended by the Senate was printed as H.R. 8505.

For hearing held before the Senate Committee (281.12 Un3G Pts. 1-20) see item 139.

This bill as introduced is similar to H.R. 7577 q.v. with the following exception: producer referendums are required in connection with marketing quotas; said quotas not to apply if opposed by more than 1/3 of the farmers voting. If the quotas are not approved surplus reserve loans shall not be available until the second succeeding year.

The bill as reported by the committee was extended and changed in many respects and, together with H.R. 8505 as it passed the House, forms the foundation of the 1938 Agricultural Adjustment Act (Public No. 430)

In the following comparison of H.R. 8505, as it passed the House, S. 2787, as it passed the Senate as a substitute amendment to H.R. 8505, and as agreed to by the conference committee (this form becoming Public No. 430) the forms will be designated as the House bill, the Senate amendment, and the conference agreement.

Declaration of Policy: The substance of the provision in both the House bill and the Senate amendment was retained in the conference agreement, the latter emphasizing in addition the importance of consumer safe-guards in obtaining an adequate and steady supply of agricultural commodities at fair prices.

Amendments to the Soil Conservation and Domestic Allotment Act: The provisions relating to the basis on which conservation payments are made to effect parity of income for farmers, and the authority of the Secretary under the law are found in both bills. Senate amendment emphasized soil conservation practice as a factor in determining payments; the House bill water conservation as well. Both features were retained by the conference agreement.

Although differing in detail all of the bills provide for local administration of the Act by farmers' committees. Provision for cooperation between the Secretary and the producer-cooperatives in promoting marketing, etc., provided in the House bill is retained by the agreement. The Secretary's power to enter into contracts with producers is granted. The Conference agreement retains the provisions of the House bill (omitted from Senate amendment) providing for simple and direct benefit payments on the basis of (a) soil-depleting and (b) soil-building crops and practices, and all forms contain similar provisions as to benefit payment, use of diverted acreage, etc. Reduction in payments as provided in the Senate amendment is adopted, with changes, by the agreement, but the House rule, which differs broadly from the Senate amendment, for apportioning funds is used in the agreement.

Apportionment of acreage allotment and the rule determining normal yield per acre as provided by the House is retained by the agreement for wheat and corn which introduces new provisions for local allotment.

The landlord-tenant provisions of the House bill are written into conference agreement.

Definitions: The House bill defines "parity" of prices to apply to all commodities (Senate amendment applies to cotton, wheat, corn, tobacco, and rice) and both definitions provide for a price which will give the commodity its purchasing power during the base period. The conference agreement adopts the House provision.

The terms "total supply", "normal supply," "normal year's domestic consumption," "normal year's exports," "reserve supply level," etc., are similarly defined in all forms of the bill, the amounts to be based on "the latest available statistics of the Federal Government" rather than "of the Department of Agriculture" as provided in the Senate amendment.

Adjustment in Freight Rates: The agreement accepted the House provision with certain changes. The Senate amendment contained no comparable provisions.

New Uses and Markets: All three forms of the bill contain provisions authorizing an appropriation for the establishment of research laboratories. The Senate amendment divides the country by states into 4 regions and establishes a laboratory for each region and contains provision relative to the administration, and scope of the research work. The agreement adopts the substance of the Senate amendment but omits the details.

Amendment to Section 32 of 1935 AAA: The agreement adopts the House provision amending Section 32 limiting to 25% of the total the amounts of money that may be devoted to any one commodity under this Section (Section 32 appropriated 30% of annual customs receipts to be used for surplus purchases, and to stimulate domestic consumption and exports). The Senate amendment had no such provision.

Continuation of Federal Surplus Commodity Corporation: Continued indefinitely by the House provision; the agreement continued it until June 30, 1942. There was no comparable provision in the Senate amendment.

Loans on Agricultural Commodities: The House bill and the conference agreement utilize the Commodity Credit Corporation as the loan agency rather than the Surplus Reserve Loan Corporation as provided in the Senate amendment. The latter provides mandatory loans upon wheat and corn to cooperating farmers. Rate of loan on corn is fixed under a schedule and in accordance with the relationship of total supply to normal supply...(p.67)... inclusive, of parity. Provision is also made in the Senate amendment for loans on all other agricultural commodities on the security of stocks insured and stored under seal. Terms, etc., to be fixed by the Corporation. The conference agreement retains the general authority to make loans contained in the House bill. With certain exceptions the amounts, terms, and condition of the loans are fixed by the Secretary with the approval of the Corporation and the President. For abstract of loan provisions see H.R. 8505 (item 68).

Consumer Safeguards: The House bill provides that "due regard be given in carrying out the bill, to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both producers and consumers." The agreement adopts these provisions. Provisions are made for consumer safeguards in the Senate amendment by requiring the Secretary to take certain definite steps "whenever the current average price of cotton, wheat, corn, or rice is proclaimed to be more than 10% above parity." [See item 84]

Adjustment Contracts (Corn and Wheat): The Senate amendment requires the Secretary to tender adjustment contracts to farmers who produce corn or wheat for market. For abstract of general provisions as applied to all commodities see (H.R. 7577). Neither the House bill nor conference agreement provides for adjustment contracts.

Parity Payments: Senate amendment provides parity payment in case of wheat, corn, and cotton - the House bill has no such provision. Authorizes the Secretary to make parity payments to cooperators in lieu of soil conservation payments, at the close of the marketing year for each commodity. Rate of payment based on a schedule of relationship between total and normal supply. "The payment rate varies from 15% of parity when the total supply is 10% of the normal supply to 30% of parity when the total supply is 114% or more of normal supply. A different rule for computing parity payments is provided...where the difference between the current average farm price and the maximum income rate...is less than the applicable parity payment rate." Upon consent of farmer, payments may be made in the form of the commodity.

Ever-normal Granary and Acreage Diversion (Wheat and Corn): Senate amendment provides for acreage diversion and storage requirements, independent of marketing quotas and as part of the adjustment contracts. The House bill contains no such provision nor does the agreement. In the latter the effect of the amounts fixed for marketing is to provide a normal supply and to result in there being diversion of acreage in order to keep within quotas.

Base Acreages for Wheat and Corn: Senate amendment provides for national, state and farm base acreages upon which basis parity payments and acreage diversion are made (See abstract for item 84). There are no comparable provisions in the House bill or in the conference agreement except to the extent that in the case of corn, wheat and cotton, national acreage allotments are provided which will meet the requirements for marketing.

Marketing Quotas: Provisions for establishing marketing quotas for tobacco, wheat, field corn, cotton and rice are contained in all three of the bills. The fundamental provisions in regard to methods for establishing quotas, methods of making national, state and farm allotments, producer referendums, adjustments and suspension of quotas, penalties for excess marketing, publications and review of quotas, etc., are found in all of the bills and are applied to all of the commodities named above. There are numerous differences in the 3 bills in the methods and terminology to be used in establishing the quotas for the various commodities. The conference committee adopted provisions from both the House bill and Senate amendment making changes of a clarifying nature and also writing some new material into the bill.

For a detailed analysis of the different provisions in each bill as applied to the above named commodities see H.Rept. No. 1767, 75th Congress. Tobacco, pp. 73-77; field corn, pp. 77-84; wheat, pp. 84-86; cotton, pp. 87-90; rice, pp. 90-91.

Export Bounty on Cotton: The Senate amendment is unique in providing a bounty of $10 a bale in certain cases in lieu of all other awards for cotton producers.

Cotton Price Adjustment Payment: Provisions for these payments found in all of the bills. (See bills under subject Price Adjustment - items 49-56)

Cotton Loans, 1937-38: The conference agreement adopted, with certain clarifying changes, the Senate provision extending the loans on cotton made by the Commodity Credit Corporation on 1937-38 from July 31, 1938-July 31, 1939, and the provision relative to insurance on stored cotton.

Miscellaneous Provisions: The provisions concerning utilization of local agencies in the administration of the Soil Conservation and Domestic Allotment Act, personnel, separability appropriations found in the Senate amendment and House bill differ in many details. The conference agreement has rewritten these sections adopting and combining provisions from both bills.

Cotton Pool Certificates: The House bill contains no comparable provision, the conference agreement adopting this section from the Senate amendment.

Crop Insurance: This title was taken by the conference committee from the Senate amendment and written into the law with few changes. The House bill contained no provision for crop insurance. Provision for a study of a plan for crop insurance for fruits, vegetables, etc., found in Senate amendment was omitted from the agreement.

70. Lee

Amendment in the nature of a substitute to S. 2787. To provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Submitted on November 29, 1937.

Many of the provisions in this amendment are covered by the Agricultural Adjustment Act of 1938 (Public No. 430), H.R. 8505, and S. 2787 (items 68 and 69).

Title I - Domestic Allotments and Payments for Cotton, Wheat, and Corn. Domestic allotments shall be established by the Secretary of Agriculture for these commodities by State, county, or other administrative areas, and by farms. At the close of the marketing year, farmers cooperating under this, and the Soil Conservation and Domestic Allotment Act shall receive parity payments. Payments shall be made on the smaller of the following: (1) the domestic allotment for the farm, or (2) the amount shown to have been actually produced. Notwithstanding these provisions, the parity payments shall be computed at rates announced by the Secretary under the conservation program in connection with farm goals for cotton, wheat, and corn, in case such rates, are greater than the aforementioned. The amount paid any farmer under this act shall be deducted from amounts payable to him under the Soil Conservation and Domestic Allotment Act. Payments are also made to farmers, who, by reason of crop failure have produced less than 50% of their allotment. Payments to farmers shall be divided among the landowners, tenants and share croppers in the same proportion that they share the crop on which payments are made. Provisions are made for reduction in payments, provided they exceed stated amounts.

Title II - Tobacco. When on Nov. 15, the Secretary finds that the supply of tobacco at the beginning of the marketing year then current exceeds the reserve supply level, he shall proclaim a national marketing quota, proclamation to be made not later than Dec. 1. If, after a referendum, two-thirds of the voting farmers approve the quota, it shall become effective. Quotas are apportioned among the several States on the basis of the total production during the preceding five years (taking other things into account, and making necessary adjustments)

The tobacco marketing quota for any farm shall not be less than the smaller of (1) two thousand four hundred pounds or (2) "the average tobacco production for the farm during the preceding three years, not exceeding the normal production of the average of the base acreages or goals for tobacco established for the farm under agricultural adjustment and conservation programs during any of such preceding three years." Exceptions are made for farms producing tobacco for market for the first time in ten years.

Title III - Marketing Quotas for Rice. Not later than Dec. 31, the Secretary shall proclaim the domestic allotment for rice for the United States, its Territories and Cuba (taking into consideration the Cuban tariff rate on rice), which shall be apportioned among the rice producing States on a basis specified in the bill.

The Secretary is authorized to make soil conservation payments at a rate not to exceed five-tenths of 1 cent per pound of rough rice, to producers allowing one acre of land previously used for rice to remain idle.

Referendums shall be conducted by the Secretary to determine if farmers are in favor of or opposed to a national marketing quota.

Title IV - Definitions, Findings, and Administrative Provisions. On the first business day of each month the Secretary shall proclaim the parity price and the current average farm price for each agricultural commodity. Within forty-five days after the beginning of the marketing year for each commodity, he shall proclaim the current average farm price for the commodity during the preceding marketing year, to be weighted in accordance with the quantity of the commodity marketed. Within such forty-five day period the Secretary shall also ascertain and proclaim the total supply of such commodity as of the beginning of the marketing year.

Payments under this Act may be made, subject to the consent of the farmer, in the form of the commodity with respect to which the payment is made.

Title V - Surplus Reserve Loan Corporation. Establishes the Surplus Reserve Loan Corporation, which Corporation is directed to make loans on cotton, wheat, corn, tobacco and rice, and on all agricultural commodities to farmers who cooperate with the Soil Conservation and Domestic Allotment Act. Whenever the current average farm price for cotton, wheat, corn, tobacco or rice, as proclaimed by the Secretary, exceeds the parity price, the Secretary shall try to stabilize at parity such farm price by calling loans; release stocks of the commodity held under marketing quota restrictions; and dispose of the stocks of the commodity acquired by the Corporation in connection with loans.

Title VI - Amendments to Soil Conservation and Domestic Allotment. Section 8 (b) of the Soil Conservation and Domestic Allotment Act enumerates four measures by which the amount of the payments to agricultural producers shall be determined, the fourth being a combination of any of the others. In lieu of that, this Act proposed that the Secretary shall determine their - the producers - equitable share of the national production of any commodity or commodities required for domestic and exports "adjusted to reflect the extent to which their utilization of cropland on the farm conforms to farming practices which the Secretary determines will best effectuate the purposes specified in section 7(2) [promotion of the economic use and conservation of land] or (5) [reestablishment...of the ratio between the purchasing power of the net income per persons on farms and that of the income per persons not on farms that prevailed during the five-year period August 1909-July 1914, etc.]" The factors to be considered by the Secretary in determining the amount of the payments to be made are described in the bill.

In section 8(b) of the Soil Conservation and Domestic Allotment Act the Secretary is given power to enter into any contract binding upon any producer or to acquire any land or any right or interest therein. This section is amended so that the Secretary shall <u>not</u> have the power to acquire any land, etc.

Section 8(c) of the Soil Conservation and Domestic Allotment Act reads: "Any payment or grant of aid made under subsection (b) shall be conditioned upon the utilization of the land, with respect to which such payment is made, in conformity with farming practices which the Secretary finds tend to effectuate the purposes specified in clause (1), (2), (3), or (4) of section 7(a)." This section is amended by striking out "specified in clause (1), (2), (3), or (4)."

Title VII - Cotton Pool Participation Trust Certificates. Authorizes an appropriation whereby the Secretary may make available such sums as are necessary to enable the cotton pool manager to purchase, take up, and cancel (subject to certain restrictions) pool participation trust certificates, form C-51, "where such certificates shall be tendered to the manager, cotton pool, by the person or persons shown by the records of the Department to have been the lawful holder and owner thereof on February 1, 1937, the purchase price to be paid for the certificates so purchased to be at the rate of $1 per five-hundred-pound bale or fractional part thereof represented by the certificates C-51."

The Secretary is authorized to continue in existence the 1933 cotton producers' pool as long as may be required to effectuate the purposes of this title.

71. McAdoo

Amendment in the nature of a substitute to S. 2787, to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

Submitted on Dec. 7, 1937.

To be cited as "The Agricultural Equality Act of 1937."

Similar to H.R. 7475 (item 2) and S. 2732 (item 6), the McAdoo-Eicher bill.

Differences noted between this amendment and the McAdoo-Eicher bill follow: The amendment specifies that the major agricultural commodities with which the bill is concerned are cotton, wheat, corn, hogs, tobacco and rice, while the McAdoo-Eicher bill states "nonperishable agricultural commodities having an exportable surplus."

The amendment creates the Farmers' Surplus Corporation, and the Corporation establishes such receiving agencies for agricultural products as it deems necessary. In the McAdoo-Eicher bill, agencies to which producers deliver their commodities are specified by the Secretary of Agriculture.

In the amendment the Corporation is directed to dispose of stored commodities in such manner, and at such prices as it deems most advantageous, including the use of commodities for relief purposes without compensation. This provision does not appear in the McAdoo-Eicher bill. Another provision which appears in the amendment only gives the Farmers' Surplus Corporation authority to provide for the processing or fabrication of commodities acquired by it when it considers such action necessary to dispose of such commodities advantageously.

72. Bankhead

S. 3836. Relating to the manner of securing written consent for the reconcentration of cotton under section 383 (b) of the Agricultural Adjustment Act of 1938.

Introduced and referred to Committee on Agriculture and Forestry, April 14, 1938.

Reported without amendment (S. Rept. 1663), April 28, 1938.
Passed Senate, May 5, 1938.
Reported to the House with amendment (H.Rept. 2312), May 7, 1938.
Approved by the President, June 16, 1938 - Public No. 660.
"Requires separate written consent (not to be made a condition of granting loans) of the producers or borrowers to the reconcentration of cotton held as security for loans heretofore or hereafter made or arranged by the Commodity Credit Corporation. This provision shall not apply where there is congestion and lack of storage facilities." - Digest of Public General Bills, No. 15.

73. Barkley

S. 3655. Amending section 312 of the Agricultural Adjustment Act of 1938.
Introduced and referred to the Committee on Agriculture and Forestry, March 11, 1938.
Reported without amendment (no S. Rept. printed) and passed the Senate, March 11, 1938.
Reported without amendment (H.Rept. 1963) March 17, 1938 and passed the House, March 18, 1938.
Signed by the President, March 26, 1938 (Public No. 452)
Amends Sec. 312 of the Agricultural Adjustment Act of 1938 (Public No. 430, 75th Cong.) so as to provide for marketing quotas on the 1938 crop of burley tobacco, subject to approval by two-thirds of the producers voting in a referendum.

74. Barton

H.R. 9529. To repeal the Agricultural Adjustment Act of 1938.
Introduced and referred to the Committee on Agriculture, Feb. 16, 1938.

75. Barton

H.Con.Res. 55. To create a special joint congressional commission to investigate the probable effects of the Agricultural Adjustment Act of 1938.
Introduced and referred to the Committee on Rules, June 6, 1938.

76. Bilbo and Black

S.Con.Res. 19. That it is the sense of Congress that a permanent agricultural program should be the first legislation to engage the attention of the Congress upon its convening in January 1938.
Referred to the Committee on Agriculture and Forestry and reported with amendments, Aug. 12, 1937.
Indefinitely postponed, Aug. 14, 1937.

77. Boren

H.R. 10458. To amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto.

Introduced and referred to the Committee on Agriculture, April 28, 1938.

Similar to S. 3918 (item 103).

78. Cannon (Missouri)

H.J.Res. 591. Making appropriations available for the control of outbreaks of insect pests.

Approved by the President, March 2, 1938. Public Res. 81.

Appropriates, out of unexpended funds appropriated under the Soil Conservation and Domestic Allotment Act, not to exceed $5,000,000 for administering the Agricultural Adjustment Act of 1938.

79. Caraway

S. 3924. To provide for the immediate reapportionment of certain cotton acreage allotments.

Introduced and referred to the Committee on Agriculture and Forestry, April 28, 1938.

"Directs the Secretary of Agriculture to make an immediate survey to determine if any part of the acreage allotments to which farms in any county are entitled is not to be planted to cotton. The part of any allotment which is not to be so planted shall become available for apportionment to other farms in the county." - Digest of Public General Bills, No. 15.

Proposed amendment to the Agricultural Adjustment Act of 1938.

80. Case (S. Dakota)

H.J.Res. 720. To prescribe the acreage allotments for wheat for 1939.

Introduced and referred to the Committee on Agriculture, June 14, 1938.

"There shall be no reduction in allotments of wheat for 1939 below the adjusted 1928-37 average acreage for any type of wheat of which there is no surplus." - Digest of Public General Bills, No. 15.

Proposed amendment to the Agricultural Adjustment Act of 1938.

81. Ellender

S. 3012. To provide an adequate and balanced flow of tobacco in interstate and foreign commerce, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, Nov. 16, 1937.

"'Tobacco Act of 1937' - Similar to H.R. 8185 (item 85) except that 'normal supply' includes a carry-over of 175 percent instead of 180 percent of current consumption and 65 percent instead of 50 percent of exports." - Digest of Public General Bills, No. 15.

82. Ellender

S. 3666. To amend the Agricultural Adjustment Act of 1938.

Introduced and referred to the Committee on Agriculture and Forestry, March 15, 1938.

"The minimum allotment to farms on which cotton has been planted during any one of the previous 3 years shall be the smaller of (1) 7 1/2 (now 5) acres, or (2) the highest number of acres planted in cotton (plus acres diverted under conservation programs)." - Digest of Public General Bills, No. 9.

83. Flannagan

H.R. 7532. To provide an adequate and balanced flow of tobacco in interstate and foreign commerce, and for other purposes.

Introduced and referred to the Committee on Agriculture, June 15, 1937.

"Tobacco Act of 1937"

The provisions in this bill are similar to those found in H.R. 7577 (item 84) (q.v.) except they are applied only to tobacco rather than to all "major agricultural commodities."

84. Flannagan

H.R. 7577. To provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce and for other purposes.

Introduced and referred to the Committee on Agriculture, June 18, 1937.

Hearings held before House Committee 281.12 Un32G (item 140)

"Agricultural Adjustment Act of 1937"

Declaration of policy: to maintain both parity of price paid to and parity of income for farmers; to provide an ever-normal granary; and to conserve national soil resources.

Authorizes the Secretary of Agriculture to prepare and tender to farmers, producing agricultural commodities for market, adjustment contracts under which a cooperating farmer (one who agrees to divert certain acreage for conservation purposes) shall be eligible for (1) Soil Conservation Act payments; (soil-building type), (2) surplus reserve loans, and (3) parity payments. Said contracts to cover farming operations for commodities planted to be harvested in 1938, 1939, and 1940 - new contracts for subsequent years.

Substitutes parity payments under the adjustment contracts for soil-conserving (Class I) payments under the Soil Conservation and Domestic Allotment Act with respect to cotton, wheat, corn, rice, or tobacco for cooperating farmers.

Establishes within the Department of Agriculture the Surplus Reserve Loan Corporation the management to be vested in a board to consist of three employees of the Department. Authorizes an appropriation of $100,000,000 for capital stock to be subscribed to by the United States.

Authorizes the Corporation to make surplus reserve loans to to cooperating farmers on the basis of rates prescribed in schedule A of the Act on security of stocks of the commodity stored until the end of the marketing year by the farmer under seal. Amount stored not to exceed 20% of the crop harvested.

Authorizes the Secretary of Agriculture to make parity payments at the close of each marketing year to cooperating farmers producing any major agricultural commodity (except flue cured, Maryland, and Burley tobacco) based on the parity price fixed at the beginning of the year.

When the current average farm price for any major agricultural commodity is more than 10% above the parity price the Secretary of Agriculture is authorized to stabilize the price at parity by (1) calling surplus reserve loans (2) releasing stocks of the commodity stored under seal (3) releasing stocks of the commodity held under marketing-quota restrictions, and (4) disposing of stocks of the commodity acquired by the Corporation in connection with surplus reserve loans. Also authorizes adjustments in rates of duty upon said commodities in order to maintain parity price.

Establishes for each farm (whether a cooperator or not) a soil-depleting base acreage and a normal yield per acre for each agricultural commodity, and a national soil-depleting base acreage. This acreage to be allotted to the various States and counties on the basis of acreage devoted to production of the commodity during the preceding 10 year period plus adjustment for acres diverted under the Agricultural Adjustment Administration and conservation programs and for abnormal weather conditions. Local allotment to be by farmers' committees.

Authorizes the Secretary to proclaim, after the total supply of any major agricultural commodity has been estimated and after hearings have been held (1) the ever-normal granary (that part of the supply of a commodity in excess of the normal supply, but not more than 10% thereof, as is needed to meet domestic and export needs in years of drought, flood, etc.) and (2) the percentage of the soil-depleting base acreage to be diverted during the marketing year.

Authorizes the Secretary to proclaim, after public hearings, marketing quotas when it appears that the total supply of any commodity will exceed the normal supply by more than 15% for cotton, 20% for wheat, 10% for field corn, tobacco, and rice. Local farm committees to establish individual farm quotas according to a formula given in the Act. Secretary may increase quota after hearings are held in case of an emergency.

Declares the marketing of a commodity in excess of the farm marketing quota as unfair agricultural practice, and provides an excess-marketing penalty of 50% of the parity price for all commodities except tobacco for which a penalty of 50% of the selling price is provided.

85. Flannagan

H.R. 8185. To provide an adequate and balanced flow of tobacco in interstate commerce, and for other purposes.

Introduced and referred to the Committee on Agriculture, August 9, 1937.

"Tobacco Act of 1937"
The general provisions of this bill are similar to those found in Title V of H.R. 8246 (item 99) (q.v.)

86. Flannagan
H.R. 9817. To amend section 312 of the Agricultural Adjustment Act of 1938.
Introduced and referred to the Committee on Agriculture, March 10, 1938.
Reported without amendment (H.Rept. 1964) S. 3655 (item 73) passed in lieu. S. 3655 became Public No. 452.

87. Gearhart
H.R. 10887. To amend section 334 (h) of the Agricultural Adjustment Act of 1938 to prescribe cotton acreage allotments for farms.
Introduced and referred to the Committee on Agriculture, June 10, 1938.
"Cotton acreage allotments for 1938 and 1939 shall be increased by such amount as is needed to provide an allotment to each farm of not less than 60 percent [now 50 percent] of its acreage planted in cotton in 1937 plus its acreage diverted from cotton in 1937 under conservation programs..." - Digest of Public General Bills, No. 15.

88. Gillette
S. 3509. To amend the Soil Conservation and Domestic Allotment Act as amended, with respect to the use of diverted acres.
Introduced and referred to the Committee on Agriculture and Forestry, February 21, 1938.
"Substitutes for the amendment to the Soil Conservation and Domestic Allotment Act (included in the Agricultural Adjustment Act of 1938), which conditioned payments with respect to farms on which the number of cows had been increased above normal, an amendment which conditions payments with respect to farms on which the number of livestock or poultry has been increased, on the nonuse of the land normally used for the production of soil-depleting crops but which as a condition of payment is not permitted to be so used, for the production of agricultural commodities for market." - Digest of Public General Bills, No. 15.

89. Gwynne
H.R. 10716. To provide a minimum farm acreage allotment for corn under the Soil Conservation and Domestic Allotment Act, as amended, and under the Agricultural Adjustment Act of 1938, as amended.
Introduced and referred to the Committee on Agriculture, May 20, 1938.
"Minimum farm acreage allotment for corn shall not be a smaller percentage of the farm's seeded and diverted acreage during the preceding 5 years than the percentage which the county allotment is of the acreage on which it is based." - Digest of Public General Bills, No. 15.
Proposed amendment to the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938.

90. Hatch

S. 320. To amend the Soil Conservation and Domestic Allotment Act.

Introduced and referred to the Committee on Agriculture and Forestry, January 6, 1937.

"Extends provisions of Soil Conservation and Domestic Allotment Act to lands owned or controlled by the Federal, State, or local governments (amending section 7 (a), Public, No. 461, 74th Congress) and adds a new subsection to section 8 authorizing grants at discretion of the Secretary to agricultural producers operating under leases, permits, etc., on above lands." - Digest of Public General Bills, No. 9.

91. Hildebrandt

H.R. 7404. To amend the Agricultural Adjustment Act, and for other purposes.

Introduced and referred to Committee on Agriculture, June 7, 1937.

"Levies taxes on the first sale of agricultural products at the following rates: Wheat, 50 cents a bushel; corn and rye, 40 cents; oats and barley, 30 cents; hay, $5 a ton; cotton, tobacco, and rice, 5 cents a pound; cattle, hogs, and sheep sold for slaughter, 3 cents a pound." Tax to be paid by seller and collected and remitted by buyer.

Payment of taxes noted above, membership of a county soil conservation association and transference of 75% of acreage assigned for soil building entitles a person to benefit payments to be made according to a percentage of the tax paid equal to the percentage of acreage transferred into soil-building uses (but not to exceed 110% of the amount of tax paid) Amount paid to cotton and tobacco producers to be partly in cash ("the amount to be that percent of the total benefit that the total cotton crop of the previous year sold on the domestic market bears to the total cotton production during the current year") and partly in export debentures in the amount of 5¢ per pound on any cotton or tobacco exported.

Provides for the establishment of (1) a soil-depleting base acreage and a normal yield per acre for each major agricultural commodity for each farm, and (2) a national soil-depleting base acreage which shall be the national average yield which will equal the supply required for domestic consumption and export.

Provides for (1) an allotment of this base acreage among the States upon the basis of acreage under production during the preceding ten years, and (2) local allotment.

Provides for an "ever-normal granary" for the major agricultural commodities, the amount used being that part of any crop which "in the preceding 10 years failed to meet the then existing annual domestic and export requirements."

Farm Credit Administration authorized to make loans for one year (renewable under certain conditions) to cooperating producers in the amount of the parity price of the commodity as fixed by the Secretary of Agriculture and defined in this bill. "Such loans shall be made from the proceeds of the sale of debentures issued by the Secretary of the Treasury..."

Producers may file claims for crop insurance benefits, in lieu of other benefits. The basis of crop insurance benefits shall be the tax upon the particular commodity in the amount of 50 percent of the average 10-year production on the producers' farms.

Imposes a 5 cents a pound duty on imports of finished cotton or tobacco products in addition to any other tariff.

92. Hitchcock

S. 2790. To amend the Agricultural Adjustment Act, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, July 22, 1937.(item 91)

Similar to H.R. 7404./ Provides for the continuation of the soil conservation benefits for curtailment of acreage financed through a tax to be paid by the farmer on the first sale of agricultural commodities, and establishes an ever-normal granary by providing for loans by the Farm Credit Administration on the security of commodities stored under seal.

93. Hobbs

H.J.Res. 518. Proposing an amendment to the Constitution of the United States, granting the Congress the power to regulate the production of any and all farm products and to buy and sell all such products as are capable of being stored for an indefinite period of time without material deterioration.

Introduced and referred to the Committee on the Judiciary, November 23, 1937.

Gives Congress "full and complete power to regulate the production of any and all farm products and to buy and sell such of the same as are capable of being stored for an indefinite period of time without material deterioration."

Sufficient currency shall be issued by the Government to buy these farm products, "such currency to be based upon and backed by the deposit with the Government of the products so purchased." The price at which such products shall be purchased during each harvesting season "shall be a parity price for each product to be determined and fixed periodically by the Secretary of Agriculture, but to be not less in any case than the cost of production plus a reasonable margin of profit."

The Government shall dispose of these products either by barter or sale, at home or abroad, and as the money realized from this source is received, the issue of "farm-products currency" used for the purchase of the products, shall be retired.

Qualified agents shall be employed to supervise the export trade in each of the farm products so purchased, and the services of the consular agents in every foreign nation shall be at their disposal.

Congress is authorized to appropriate funds to defray the expenses of putting this system into operation and to pay such losses as may be sustained in its operation.

94. Johnson (Luther A.)
H.J.Res. 616. To provide funds to enable the Secretary of Agriculture to carry into effect the provisions of title IV of the Agricultural Adjustment Act of 1938, approved February 16, 1938 (Public No. 430)

Introduced and referred to the Committee on Appropriations, March 11, 1938.

Hearings held before House committee. 284 Un38Ap (item 36a)

"Appropriates $1,800,000, to be available until June 30, 1939, to enable the Secretary of Agriculture to carry out the provisions of Title IV of the Agricultural Adjustment Act of 1938 [Public, No. 430, 75th Congress], which provides for the purchase of cotton pool participation trust certificates." -- Digest of Public General Bills, No. 15.

95. Johnson (Oklahoma)
H.R. 8581. Providing for parity and crop insurance with respect to cotton, wheat, and corn; providing an adequate and balanced flow of certain agricultural commodities in interstate and foreign commerce, and for other purposes.

Introduced and referred to the Committee on Agriculture, December 2, 1937.

The provisions of this bill are largely covered, amplified and extended by H.R. 8505 (item 68) (Public No. 430) q.v.

Provides for a domestic allotment for producers of cotton, wheat, corn and, in a separate title, rice. The normal years domestic consumption to be allotted among the states and counties or other administrative units on the basis of the annual average production of those commodities during the preceding ten year period with adjustments for abnormal weather conditions, trends in production, and acreage diversion. Local allotment, on the same basis, to be through local farmers' committees. The minimum to be no less than (1) the amount of the average production of the commodity during the preceding 10 year period; (2) or the amount having the combined value of $300 computed at which ever is the least.

Provides parity payments for farmers having domestic allotments and who have cooperated under the soil conservation program; payments to be equal to the amount by which the average parity price exceeded the current average farm price.

As a crop insurance measure it authorizes the Secretary to pay producers who, due to crop failure, produce less than 50% of their domestic allotment, the value of their deficiency based on average parity price.

Establishes marketing quotas for tobacco and rice; the provisions in respect to national and local allotment, adjustments to maintain the normal supply, referendums, penalties for excess marketing, consumer safeguards, etc., are all similar to those in H.R. 8505.

Creates the Surplus Reserve Loan Corporation to act as the loan agency (H.R. 8505 uses the Commodity Credit Corporation) and in this respect is similar to H.R. 7577 (item 84) q.v. The provisions for loans on security of commodities stored under seal (thus establishing an ever-normal granary) are briefly suggested rather than worked out in detail as in H.R. 8505.

Title VII authorizes appropriation for purchase of cotton pool participation trust certificates as similarly provided in H.R. 8505.

96. Jones

H.R. 3687. To extend the period during which the purposes specified in section 7(a) of the Soil Conservation and Domestic Allotment Act may be carried out by payments by the Secretary of Agriculture to producers.

Introduced and referred to the Committee on Agriculture, January 26, 1937.

Reported without amendment (H.Rept. 379) March 10, 1937, and passed the House, April 5, 1937.

Reported without amendment (S.Rept. 456) May 3, 1937, and passed the Senate amended, May 19, 1937.

Signed by the President, June 28, 1937 (Public No. 170)

Extends by 4 years, i.e., until January 1, 1942, the period during which the Secretary of Agriculture may make payments to agricultural producers (viz, until State plans have become effective) under the Soil Conservation and Domestic Allotment Act.

97. Jones

H.R. 4905. To extend the period during which the purposes specified in section 7(a) of the Soil Conservation and Domestic Allotment Act may be carried out by payments by the Secretary of Agriculture to producers.

Introduced and referred to the Committee on Agriculture, February 18, 1937.

Extends period by two years, otherwise similar to H.R. 3687 (item 96).

98. Jones

H.R. 7972. To provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce, to provide revenue, and for other purposes.

Introduced and referred to Committee on Agriculture, July 22, 1937.

"Agricultural Adjustment Act of 1937"

Declaration of policy: to maintain both parity of price paid to and parity of income for farmers; to provide an ever-normal granary; and to continue the policy of the Soil Conservation and Domestic Allotment Act.

Amends Soil Conservation Act by (1) empowering Secretary of Agriculture to reestablish, at the 1909-14 level, the ratio between purchasing power of farmers and nonfarmers; (2) authorizing the Secretary to utilize county committees in administering program, and to consult individual farmers in their selection; (3) reducing payments under the conservation program as follows: 25% on payments from $2000 to $5000 and 50% on payments in excess of $10,000. No payments to exceed $10,000 (an exception made where land-lord shares with tenant) and (4) authorizing the Secretary to make payments to farmers measured by "their equitable share of the normal national production of any commodity required for domestic consumption."

This bill is similar to H.R. 7577 (item 84) in many respects but in place of the adjustment contracts provided in that bill, this continues the soil conservation payments. For abstract of provisions relative to the Surplus Reserve Loan Corporation; consumer safeguards, base acreages and yields, marketing quotas, and an ever-normal granary see H.R. 7577 (item 84).

Soil conservation payments to be made to a farmer upon compliance with the following conditions: (a) Limitation of his production of any major agricultural product to his basic acreage; (b) Diversion from production of his percentage of the soil-depleting acreage (he must also engage in soil-building practices on acreage diverted); (c) Storage under seal such portion of his stock of any major agricultural commodity, of which the total supply is above normal and the current average farm price unreasonably low, as the Secretary may prescribe to improve this condition. Surplus reserve loans to be made on such stored commodity; (d) Marketing of any major agricultural commodity according to the established quota.

Authorizes the Secretary to conduct producer referendums to determine whether or not marketing quotas shall be established. Two-thirds the number of producers voting must signify approval.

Authorizes the Secretary to make complaints to the Interstate Commerce Commission relative to transportation rates, charges, etc., on farm products; to prosecute the same; and to be heard on all complaints involving transportation of farm products.

Authorizes necessary appropriations $10,000,000 of which to be used for the establishment and maintenance of laboratories and other research facilities to develop new uses and markets for farm commodities.

Processing taxes - When the Secretary determines at the beginning of the marketing year, that the total supply will exceed the normal supply of cotton by 15%, wheat by 20%, and corn and rice by 10%, taxes (to be paid by the processor) shall be levied on the first domestic processing of cotton at the rate of 2¢ per lb., and on wheat and rice at the rate of 10¢ per bu. Compensating taxes to be levied on competing commodities. Provides a compensating tax equal to the processing tax on any imported competing commodity. Taxes collected on articles imported from United States' possessions to be used by those governments for agricultural benefits. Tax to be refunded in case product is exported. Payment of tax waived on satisfactory evidence that the commodity is to be exported. Provision made for collections, filing of returns, refunds, etc.

Title IV - Tax on tobacco. In case the Secretary determines at the beginning of the marketing year that the total supply of tobacco will exceed the normal supply by more than 10% he is authorized to levy upon the first sale of such a tax at the rate of 20% of the selling price. The tax to be refunded in case the tobacco is exported and payment is waived on satisfactory evidence that the tobacco is to be exported. Authorizes the Secretary to conduct a referendum among producers to determine whether the tax is favored and to report the results to Congress, that body to determine whether the tax should be continued.

99. Jones

H.R. 8246. To provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce, to provide revenue, and for other purposes.

Introduced and referred to Committee on Agriculture, August 16, 1937.

Similar to H.R. 7972 (item 98). In addition to the provisions of that bill it authorizes the Secretary of Agriculture to apply the provisions of the bill to any class, type or grade of a single commodity.

It proposes to have a title (IV) containing special provision in respect to the marketing of corn but the title is not written.

Title V - Contains special provisions for marketing tobacco.

Declaration of policy in respect to tobacco: to maintain parity of prices paid to farmers; to provide a surplus reserve and to conserve national soil resources.

Designates "kinds of tobacco" as the type classified in U. S. Department of Agriculture, Bureau of Agricultural Economics Service and Regulatory Announcement No. 118.

Authorizes the Secretary of Agriculture, when it appears at the beginning of the marketing year that the total supply of any type of tobacco will exceed "the surplus reserve supply", to proclaim a national marketing quota. Provides a referendum to be held among producers within 30 days after the quota is announced, and requires approval by two-thirds the number voting.

The marketing quota is to be apportioned among the States on the basis of the total production of the various types of tobacco in such States during the preceding 10 years with adjustments for adverse weather conditions, etc. Local apportionment provided through local farm committees "on the basis of the base tobacco production last established...for the farm" under the agricultural adjustment program with certain adjustments to make for an equitable allotment. Not more than 5% of a State's marketing quota may be allotted to farms producing tobacco for the first time during the last 10 years and to farms with a base production of less than 2400 lbs. "The marketing quota for any kind of tobacco for any farm shall not be less than the smaller of either (1)

2400 lbs. or (2) the base tobacco production for the farm for such kind of tobacco."

Secretary of Agriculture authorized to increase the quota in case a normal supply is not available or may increase or suspend the quota in the event of drought, war or other emergency.

Provides a penalty for purchase of tobacco marketed in excess of quota to be paid by the purchaser.

Requires all purchasers of tobacco to keep records and report same to the Secretary, failure to do so deemed a misdemeanor carrying a fine of $500.

Authorizes local committees to file lists of marketing quotas for each farm, provides that any farmer dissatisfied with his quota may have his case reviewed by a farmers' review committee, and provides legal procedure to be taken by the farmer in case he is dissatisfied with the determination of that committee.

Appropriation authorized.

100. Jones

H.R. 9915. To amend the Agricultural Adjustment Act of 1938, and for other purposes.

Introduced and referred to the Committee on Agriculture, March 17, 1938.

Reported with amendment (H.Rept. 1985) March 21, 1938. Passed the House amended, March 23, 1938.

Senate amended the bill by substituting the text of S. 3668.

Senate agreed to the conference report (H.Rept. 2071) March 31, 1938. House agreed to the conference report, April 4, 1938.

Signed by the President, April 7, 1938 (Public No. 470)

"Miscellaneous amendments to the Soil Conservation and Domestic Allotment Act and the Agricultural Adjustment Act of 1938, among the more important of which are the following: (1) The Secretary shall allot a minimum of 5,000 acres to each State in which at least 3,500 bales of cotton were produced in any 1 of the 5 preceding years; (2) when fire or other natural cause destroys a part of a producer's 1937 cotton crop he shall receive, if otherwise eligible, cotton-price-adjustment at the rate of 3¢ per pound on the same percentage of his normal base production established by the Secretary as in the case of other producers; (3) payments under the Soil Conservation and Domestic Allotment Act for 1938 shall not be less than 90% of the rates announced by the Secretary prior to the enactment of the Agricultural Adjustment Act of 1938; (4) cotton acreage allotments for 1938 and 1939 are increased by 4% in those States in which the number of small farms to be granted the minimum acreage is great enough to reduce their allotments to a point where adequate allotments cannot be made to other farms; and in addition to this increase there shall be a further increase in these years of such amount as is necessary to provide an allotment to each farm of not less than 50 percent of its acreage planted in cotton in 1937 plus its acreage diverted from cotton in 1937 under conservation programs, provided however, that a farm shall not receive under such increases an allotment in excess of 40% of its acreage tilled annually or in regular rotation; (5) acreage allotments for cotton shall not include in computation of diverted acreage that acreage which is devoted to sugarcane production for sugar; and all proclamations made prior to these amendments of the Agricultural Adjustment Act of 1938 are validated.

101. Jones

H.J.Res. 710. To prescribe the acreage allotments for wheat for 1939.

Introduced and referred to the Committee on Agriculture, June 6, 1938. Reported without amendment (H.Rept. 2655) June 7, 1938.

"The national acreage allotment for wheat in 1939 under the Agricultural Adjustment Act of 1938 shall be not less than 52,000,000 acres." - Digest of Public General Bills, No. 15.

102. Keller

H.R. 9833. To provide a minimum State cotton allotment, under the Agricultural Adjustment Act of 1938, of not less than 8,000 acres in certain cases.

Introduced and referred to the Committee on Agriculture, March 11, 1938.

103. Lee

S. 3918. To amend the Agricultural Adjustment Act of 1938, as amended, to provide for the reapportionment of cotton acreage allotments not planted by farmers entitled thereto.

Introduced and referred to the Committee on Agriculture and Forestry, April 28, 1938.

"Where a farmer indicates, in the prescribed manner, that he does not desire to plant his entire acreage allotment to cotton, that part not planted shall be available for apportionment to other farmers in the State who have indicated a desire for an additional allotment." - Digest of Public General Bills, No. 15.

104. Lee and Caraway

S. 3949. To amend the Agricultural Adjustment Act of 1938.

Introduced and referred to the Committee on Agriculture and Forestry, May 2, 1938.

Reported with amendments (S. Rept. 1688) May 3, 1938. Passed Senate, May 4, 1938.

Reported with amendments (H.Rept. 2311) May 7, 1938. Passed House amended, May 20, 1938.

Signed by the President, May 31, 1938 (Public No. 557)

"Amends the Agricultural Adjustment Act of 1938 (Public No. 430, 75th Cong.) so as to: (1) Authorize reapportionment of cotton acreage allotments which will not be planted; (2) increase the marketing quota for flue-cured tobacco by 2 percent in addition to the previous 2-percent increase, and (3) increase the marketing quota for fire-cured and dark air-cured tobacco and for Burley tobacco by 2 percent." - U. S. Department of Agriculture. Office of Budget and Finance. Budget and Finance Circular No. 85.

105. McGill

S.J.Res. 308. To prescribe the acreage allotments for wheat for 1939.

Introduced and referred to the Committee on Agriculture and Forestry, June 13, 1938.

Passed Senate amended, June 13, 1938.

Passed House, June 13, 1938.

Signed by the President, June 20, 1938. Public Res. 118.

106. Massingale

H.R. 10484. To amend the Agricultural Adjustment Act of 1938, as amended.

Introduced and referred to Committee on Agriculture, May 2, 1938.

"In making allotments for cotton there shall be deducted from tillable land the acreage devoted to production of wheat, tobacco, rice, or peanuts produced for market or for feeding to livestock for market, broomcorn or potatoes in excess of home needs (except in extreme southern areas or on irrigated land, where it is a farm practice to produce cotton and such vegetables on the same land during the year). Acreage allotted which is not to be used shall be pooled and proportioned among producers who have specified a desire for additional allotments." - Digest of Public General Bills, No. 15.

107. Russell

S. 3753. To amend subsection (e) of section 312 of the Agricultural Adjustment Act of 1938, as amended.

Introduced and referred to the Committee on Agriculture and Forestry, March 30, 1938.

"Marketing quotas in effect during the marketing year beginning in 1938 (under the 1938 Agricultural Adjustment Act) shall not be applicable with respect to tobacco produced in Georgia [amending Public No. 430 of 75th Congress]" - Digest of Public General Bills, No. 15.

108. Smith (South Carolina)

S. 3668. To amend the Agricultural Adjustment Act of 1938.

Introduced and referred to the Committee on Agriculture and Forestry, March 15, 1938.

Reported with amendments (S. Rept. 1530)

Senate struck out all after the enacting clause of H.R. 9915 (item 100) substituted the text of S. 3668 as amended and passed H.R. 9915 as amended, March 25, 1938.

Indefinitely postponed, March 25, 1938.

109. Smith (South Carolina)

S. 4031. To reimburse the producer members of cotton cooperative associations for losses occasioned by the Federal Farm Board's stabilization operations and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, May 17, 1938.

"Appropriates $25,000,000 to be used by the Farm Credit Administration to reimburse cotton cooperative associations and their members for losses resulting from the 16-percent loans during 1929-30 and the 90-percent loans during 1930-31 made for stabilizing cotton prices." - Digest of Public General Bills, No. 15.

110. Smith (South Carolina)

S.Res. 158. [That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to conduct investigations and draft legislation to maintain both parity of prices paid to farmers for agricultural commodities marketed by them for domestic consumption and export and parity of income for farmers marketing such commodities; and, without interfering with the maintenance of such parity prices, to provide an ever-normal granary for each major agricultural commodity... so as to consider S. 2787, the committee shall report to the Senate, the result of its investigations.]

Presented and referred to the Committee to Audit and Control the Contingent Expenses of the Senate, July 23, 1937. Agreed to as amended, Aug. 10, 1937.

Senate Hearings 281.12 Un3G Pts. 1-20. (item 139)

111. Taylor (Colorado)

H.J.Res. 679. Making appropriations for work relief, relief, and otherwise to increase employment by providing loans and grants for public works projects.

Introduced and referred to the Committee on Appropriations, May 9, 1938.

Reported with amendment (H.Rept. 2317) May 10, 1938.

Passed House amended, May 12, 1938.

Reported to the Senate with amendments on May 21, 1938 (S. Rept. 1812)

Passed Senate amended, June 3, 1938.

Conference report (H.Rept. 2745) agreed to by the House, June 14, 1938.

Senate and House agreed to supplemental conference report (H.Rept. 2786)

Signed by the President, June 21, 1938. Public Res. 122.

Hearings held before the Senate Committee. 283 Un313W 1938

Title V - Price Adjustment Act of 1938.

Appropriates the sum of $212,000,000 for making parity payments by the Secretary of Agriculture, one-half to be apportioned among the commodities in accordance with the provisions of the Agricultural Adjustment Act of 1938 and one-half to be apportioned among the commodities in accordance with the provisions of the Soil Conservation and Domestic Allotment Act.

Hearings

111a. U. S. Congress. Senate. Committee on appropriations. Work Relief and Public Works Appropriation Act of 1938. Hearings...Seventy-fifth Congress, third session on H.J.Res. 679. 327pp. Washington, U. S. Govt. print. off., 1937. 283 Un313W 1938

Statement of Hon. Henry A. Wallace, Secretary of Agriculture, pp. 80-104: In discussing parity payments as provided in the Agricultural Adjustment Act of 1938 the Secretary said in part: "There is a provision in the farm bill for parity payments that might be made to cotton or wheat farmers from a processing tax or other source. But no processing tax or other source of funds has been provided. The farm bill can help wheat and cotton prices by stabilizing them from year to year through stabilizing supplies and through the commodity loans; that is, making it possible for farmers to hold their crops from the good years to the bad years. But unless provision is made for parity payments the only increases to cotton and wheat income in 1938 will be by way of soil conservation payments and commodity loans. The commodity loans should benefit both producers and consumers by helping to eliminate wide fluctuations in price." - (p. 89)

Bills

112. Taylor (Tennessee)

H.R. 1971. To provide for the general welfare by establishing a system of Federal subsidies which will enable each State to better cooperate in a Nation-wide program of soil conservation and preservation.

Introduced and referred to the Committee on Agriculture, January 6, 1937.

"Authorizes $500,000,000 for the fiscal year 1937, and such amount thereafter as may be deemed necessary until 1940, for payment to States with statewide, state-aided, mandatory plans for soil conservation, agreed to by all the participants, and approved by the Secretary of Agriculture.

"Plans must provide (1) for States to hold in escrow not exceeding one-sixth of any one participant's land for not less than 4 years with the right to control crops on such lands, and (2) for resting other land of participants for 1 out of 4 years; and (3) for a central administrative agency with a set-up endorsed by the Department.

States are to be paid from the appropriations $10 per annum, per acre for accepted A grade lands, and $5 for B grade lands." - Digest of Public General Bills, No. 9.

113. S. Doc. 150. The Agricultural Adjustment Act of 1938.
Remarks of Senator Henrik Shipstead in the Senate of the United States February 14, 1938 relative to the conference report on the bill (H.R. 8505) to provide for the conservation of natural soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce. 12pp.
February 14, 1938.
Senator Shipstead said: "From a study of the bill in relation to the general economic system of the country, I have come to the conclusion that the farm problem cannot be solved merely by voting on an agricultural bill. Some other things are necessary to bring the farmer the economic security to which he is entitled, and to which the bill says he is entitled." Following this statement he gave a brief history of what agriculture has done, and how it "has suffered from a constant attack upon its income by the nonagricultural population and by industry." He presented a series of charts (prepared by the Bureau of Agricultural Economics) which deal with the economic life of the country. In his concluding remarks he said in part: "I think the bill, as it comes from conference, is in some respects a better bill than the bill which left the Senate. I think it is better as regards the details of the conservation payments and the management features. There is some provision in the bill for the insurance of wheat crops. The insurance feature is an interesting experiment, and I hope it will be successful. However, the bill involves commitment to a policy of industrial economics which I believe is destructive of our economic life, and which, if continued, will undermine our system of government, not because of the bill, but because of the economic forces which are at work in this country undermining our economic life."

SUGAR QUOTA SYSTEM

Bills

114. Brown (Michigan)
S.J.Res. 214. To modify the Sugar Act of 1937.
Introduced and referred to the Committee on Finance, August 20, 1937.
"Provisions of section 301 (e), Sugar Act of 1937, [prescribing conditions as to soil conservation, wage rates, and marketing, precedent to payments to sugar producers] shall not apply to sugar-beet or sugar-cane crops harvested prior to July 1, 1938." - Digest of Public General Bills, No. 9.

115. Jenckes (Indiana)
H.R. 5968. To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of

those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Introduced and referred to the Committee on Agriculture, March 29, 1937.

"Sugar and Corn Act of 1937 - similar to S. 1757 (item 119) except that (1) sugar produced from corn is included; (2) if any producing area fails to produce its allotment of sugar, the deficit shall be assigned to producers of sugar from corn; (3) the payments to producers of corn sugar (instead of being 70 cents per 100 pounds of sugar produced, as in the case of beet and cane sugar) will be 70 cents per 100 pounds of corn produced in continental United States from which sugar can be made; (4) an additional $500,000,000 is appropriated for corn producers." - Digest of Public General Bills, No. 9.

116. Jones

H.R. 5326. To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Introduced and referred to Committee on Agriculture, March 4, 1937.

Companion bill to S. 1757 (item 119)

Hearings before the House Committee 281.365 Un3S (item 124)

117. Jones

H.R. 7667. To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Introduced and referred to the Committee on Agriculture, June 24, 1937.

Reported with amendments (H.Rept. 1179) July 2, 1937. Passed House, August 6, 1937.

Reported with amendments (S. Rept. 1157) August 10, 1937. Passed Senate, August 13, 1937.

Conference report (H.Rept. 1611) agreed to by both Senate and House, August 19, 1937.

Signed by the President, September 1, 1937 (Public no. 414)

Hearings held before Senate Committee. 286.365 Un32 (Item 123)

"Sugar Act of 1937"

Title I - Definitions applicable to the entire bill, except Title IV.

Title II - Quota Provisions. Authorizes the Secretary of Agriculture to determine, for each calendar year, the requirements of consumers of sugar on the basis of distribution figures for direct-consumption sugar during a stated period, with adjustments for a deficiency or surplus in inventories and changes in consumption. Secretary may make such additional allowances in his estimates so that the available supply will not result in excessive prices to consumers.

Secretary authorized to establish quotas and prorate same to the various domestic areas and foreign countries; the amount for each area to be equal to the percentage specified in the bill for it of the Secretary's adjusted estimate of consumption. "In the case of the mainland areas these quotas are the amounts which may be marketed in interstate or foreign commerce...In the case of off-shore areas, the quotas are the amounts which may be brought into continental United States for consumption." - H. Rept. 1179 - 75th Congress.

Appeals from the allotment may be taken to the Court of appeals for the District of Columbia.

Secretary authorized to establish quotas for local marketing in Hawaii and Puerto Rico.

Provides for the redistribution to other domestic areas and to Cuba of that quantity of sugar which any such area is unable to supply.

Title III - Conditional-Payment Provisions. "[These] are no different in their principle from a tariff applied to imports. Both constitute a Federal method of fostering interstate and foreign commerce and preventing ruinous competition in it." - H. Rept. 1179 - 75th Congress.

Authorizes the Secretary to make payments (60 cents per 100 pounds for first 500 tons and graduated downward to 30 cents for production in excess of 30,000 tons) to producers who comply with production quotas, employ no children under 14 (except in the immediate family), pay fair wages, protect sharecroppers, etc.

Provides for a crop deficiency payment on one-third of the normal yield in case of abandonment and in case of deficiencies in harvested acreage, not in excess of 80% of the normal yield over that harvested.

Title IV - Excise taxes with respect to sugar. Imposes an import and manufacturers' tax of 1/2 of one cent per pound on sugar and articles made from sugar. Tax on domestic sugar to be refunded if exported or shipped to any possession of the United States, except Puerto Rico, or used for livestock feed or for distillation of alcohol.

Title V - Miscellaneous Provisions. Authorizes an appropriation of $55,000,000.

Repeals sugar provisions of the Agricultural Adjustment Act and the Jones-O'Mahoney Act (Public Res. No. 109, 74th Congress).

Act expires December 31, 1940.

118. Mouton

H.R. 5231. To protect domestic producers of sugar beets and sugarcane and to encourage the domestic production thereof by the regulation of foreign and interstate commerce in sugar; to provide for the fixing and revision of yearly quotas of sugar that may be imported into, transported to, or received in continental United States; to maintain a continuous and stable supply of sugar in continental United States for the benefit of both producers and consumers; and for other purposes.

Introduced and referred to the Committee on Agriculture, March 2, 1937.

Similar to S. 1428 (item 121)

119. O'Mahoney and Adams

S. 1757. To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Introduced and referred to the Committee on Finance, March 2, 1937.

Sugar Act of 1937. Directs the Secretary of Agriculture each December (subject to revision in August) to determine the amount of sugar needed to meet the requirements of consumers for continental United States, Hawaii, and Puerto Rico, on the basis of the direct-consumption sugar first distributed in each such area for the preceding twelve months period ending October 31, with adjustments for population changes, demand conditions, and inventories of sugar.

The Secretary is directed to establish import sugar quotas for various producing areas on the basis of production as specified for these areas in this Act. The total amount of sugar which may be brought into the United States is indicated, and the quantity imported for "direct consumption", (i.e. without further refining) from Hawaii, Puerto Rico, Philippines, and Cuba is limited to 22 per cent of quota. Limits quantity of domestic beet and cane sugar which manufacturers may transport in interstate commerce.

Whenever necessary to prevent disorderly marketing or importation of sugar, the Secretary is authorized to make sugar-cane, sugar beet, or sugar marketing allotments on the basis of past production, marketing, or importation, and the ability to produce, market or import.

The Secretary is authorized to make payments (70 cents per 100 pounds) to producers, including tenants, adherent planters, and share croppers who comply with certain conditions.

Title IV - Excise Taxes With Respect to Sugar. Imposes an import and manufacturers' excise tax on direct-consumption and liquid sugar, at the rate of 3/4 cent per pound.

120. O'Mahoney and Adams

S. 2706. To regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; to raise revenue; and for other purposes.

Introduced and referred to Committee on Finance, June 24, 1937.

Similar to H.R. 7667 (item 117).

121. Overton

S. 1428. To protect domestic producers of sugar beets and sugarcane and to encourage the domestic production thereof by the regulation of foreign and interstate commerce in sugar; to provide for the fixing and revision of yearly quotas of sugar that may be imported into, transported to, or received in continental United States; to maintain a continuous and stable supply of sugar in continental United States for the benefit of both producers and consumers and for other purposes.

Introduced and referred to the Committee on Finance, February 8, 1937. On February 23, 1937, Mr. Overton submitted an amendment in the nature of a substitute.

Sugar Act of 1937. On February 1 of each year the Secretary of Agriculture shall determine the sugar consumption requirements for continental United States on the basis of distribution of sugar for consumption in the United States during the preceding year. After deducting a reserve of 5 per cent from the estimate of the consumption requirement, the Secretary shall deduct as a continental United States quota an amount, not in excess of 33 1/3 per cent of said estimate of consumption requirements for the continental United States, the remaining balance of said consumption estimate to be the total quota for the current year for all sugar-producing areas other than continental United States, the allotments for the various areas being specified in the bill. If continental United States exceeds its quota then the ratio of supply shall be apportioned as follows: not less than 74% for beet-sugar-producing States; 22% for the State of Louisiana, and 4% for Florida.

On September 1, and on December 1, the Secretary shall revise and adjust estimates made on February 1.

The Secretary is directed to establish and allot separate quotas on imported sirup and molasses, not to exceed the average annual imports, or consumption for the years 1931-1935. He may also establish separate quotas on high-test blackstrap not used for human consumption.

The Secretary may make sugar-quota-marketing allotments in any producing area whenever he finds it necessary to assure an orderly flow of sugar in the channels of interstate and foreign commerce and to prevent disorderly marketing or importation of sugar.

Public No. 213, Seventy-third Congress, known as the Jones-Costigan amendments to the Agricultural Adjustment Act as approved May 9, 1934, and as amended August 24, 1935, and Public Resolution No. 109, Seventy-fourth Congress, approved June 19, 1936, and all Acts or parts of Acts, in conflict with the provisions in this Act are repealed.

Title II - Conditional Payments. Amends the Soil Conservation and Domestic Allotment Act by adding new sections. Empowers the Secretary to make additional payments or other grants of aid to producers of sugarcane and sugar beets in amounts not less than the difference between the last tariff duty on Cuban sugar recommended by the U. S. Tariff Commission, and the duty which is applied through the reciprocal trade agreement.

122. Woodruff

H.R. 269. To protect domestic producers of sugar beets and sugarcane and to encourage the domestic production thereof by the regulation of foreign and interstate commerce in sugar; to provide for the fixing and revision of yearly quotas of sugar that may be imported into, transported to, or received in continental United States; to maintain a continuous and stable supply of sugar in continental United States for the benefit of both producers and consumers; and for other purposes.

Introduced and referred to the Committee on Agriculture, January 5, 1937.

"Directs the Secretary of Agriculture each February (subject to revision in September and December) to estimate sugar-consumption requirements (based on previous consumption) and sugar production (based on previous production or on 135 percent of undistributed sugar on hand) in continental United States - total imports thereafter to be limited to excess of consumption requirements over domestic production (5 percent allowed for reserves). This excess shall be allotted to various countries and possessions... subject to adjustment should any country fail to fill its quota. Imports for direct consumption, however (i.e., without further refining), shall not exceed...[certain specified] percentages of quotas...(Sugar import subject to draw-back of duty shall not be charged against a country's quota.)

"Violations shall be penalized by a fine of not more than $5,000 and forfeiture of three times current price of sugar illegally imported, etc. Repeals inconsistent provisions of Agricultural Adjustment Acts." - Digest of Public General Bills, No. 9.

Hearings

123. U. S. Congress. Senate. Committee on finance. Sugar. Hearings...Seventy-fifth Congress, first session, on H.R. 7667...August 7 and 9, 1937, revised. 199pp. Washington, U. S. Govt. print. off., 1937. 286.365 Un32

The Hearings include a "Memorandum re establishing proportionate shares of the Louisiana Cane Sugar Quota to Producers" (pp. 47-58) from the Department of Agriculture from which the following statement is quoted: "...the producer shall receive two crop payments and/or crop deficiency payments...the amount and time of all such payments...to be determined by the Secretary. These payments shall be in amounts, which, added to the amount equal to a fair price for sugarcane to be determined by the Secretary, shall result in a price equal to the parity price per ton of sugarcane as determined by the Secretary in accordance with section 2 (1) of the act for each ton (and proportionately for each fraction of a ton computed to the nearest tenth) produced on and delivered from this farm in that crop year, less the pro rata share per ton of the administrative expenses for that crop year, of the Parish Sugarcane Production Control Association. The amount of such payments shall be such as will result in the price per ton of sugarcane received by the producer equalling the parity price per ton of sugarcane established by the Secretary less the pro rata share per ton of the administrative expense of the Parish Sugar Cane Control Association." - p. 54.

Statement of Ellsworth Bunker, Chairman of the United States Cane Sugar Refiners' Association, pp. 71-96: "The quota system limits the freedom of all sugar groups and protects them within those limitations. The system denies the continental cane-sugar refining industry the fundamental right of obtaining raw sugar wherever and in what amounts it chooses. It is restricted to quota raw material from the specific quota areas, chiefly the islands. This restriction on the refiners brings prosperity to the raw-sugar plantations by enhancing raw-sugar prices. These higher raw-sugar prices are supplemented by Federal cash bounties. Consequently, an integral principle of any just quota system is that the raw-sugar producers shall not deprive the continental refining industry of their raw material." - p. 72.

Statement of D. E. Montgomery, Consumers' Counsel, Agricultural Adjustment Administration, pp. 149-151: "If the measure was to contain protection to consumers looked at from the consumers' point of view I suppose it would provide that the quotas would be so established that the price in this country would not exceed the world price of sugar by more than the difference in cost of production as found by the Tariff Commission. That would be approaching the matter entirely from a consumer point of view." - p. 151.

Statement of Joshua Bernhardt, Chief of the Sugar Section of the U. S. Department of Agriculture, pp. 152-172: "In other words, the quota system in itself, the mere adjustment of supplies under the quota system automatically establishes a premium in price which contains a protection to producers in the United States for this commodity, which is not true of most other commodities. I know of no other commodity, in fact, so protected. So that there is in effect a minimum price to producers in the bill. It must be borne in mind that the price paid producers from the market is supplemented by the conditional payments in title 3, in the conditional payment section of the act." - p. 155.

The following statements are quoted from Secretary Wallace's press release on sugar dated March 15, 1937, pp. 172-177: "Two general lines of approach have been suggested with respect to the present problems. One is to continue the quota system and to complement it adequately by the enactment of an excise tax on sugar and by making provision for conditional payments to sugar beet and sugarcane producers. The other is that the quota system be discontinued and that the problem of protecting the domestic sugar industry be met through a return of the traditional tariff system but with such modifications in the form of preferentials as would be required to assure expansion of the foreign market for American exports.

"Although the tariff approach would appear to promise unlimited marketing opportunities to those domestic producing areas which have found sugar crops profitable under the quota system and consequently desire to expand their production, experience has shown that a limitation of domestic production is inherent in the tariff system as well as in a quota system. The difference is in the form of the limitation. Under a tariff system domestic production is eventually limited by the disappearance of profit as a consequence of the tendency of agricultural costs to increase and prices to decline as production is expanded. Under a quota system the production of sugar beets and sugarcane is limited by the restriction of marketings. The important difference between the tariff system and the quota system to domestic sugar producers is not found in the factor of restriction but in the amount of profit that can be maintained. The profit from domestic production under a quota system can be preserved through the maintenance of prices. But under a tariff system, profits cannot be assured over a long period of time on account of the possibility that the supply placed on the market by either domestic or foreign producers may reduce the price to a point to which production is no longer profitable." - pp. 174-175.

124. U. S. Congress. House. Committee on agriculture. Sugar. Hearings before a special subcommittee of the Committee on agriculture, House of representatives, Seventy-fifth Congress, first session, on H.R. 5326...March 15-20, 22, 1937. Serial B. 373pp. Washington, U. S. Govt. print. off., 1937. 281.365 Un3S

SURPLUS DISPOSAL

Bills

125. Fulmer

H.R. 6098. To authorize the Secretary of Agriculture to procure bagging not to exceed the product of 100,000 bales of cotton and to sell such bagging for covering bales of cotton.

Introduced and referred to the Committee on Agriculture, April 2, 1937.

As a surplus disposal measure this bill would have the effect of increasing the consumption and sale of cotton by encouraging the selling of cotton on a net-weight basis.

126. Fulmer

H.R. 8527. To authorize the Secretary of Agriculture to procure bagging not to exceed the product of 100,000 bales of low-grade cotton and to sell such bagging for covering bales of cotton to be sold on a net-weight basis.

Introduced and referred to the Committee on Agriculture, November 29, 1937.

Similar to H.R. 6098 (item 125)

127. Fulmer

H.J.Res. 195. Authorizing the distribution of 1,000,000 bales of nontenderable grades cotton to the American National Red Cross and other organizations for the relief of needy and distressed people and for other purposes in the flooded areas and elsewhere in the United States to be purchased from the 12-cent loan cotton holdings and/or on the cotton markets of the United States.

Introduced and referred to the Committee on Agriculture, February 5, 1937.

As a means of reducing cotton surpluses the Secretary is authorized to purchase from the 12-cent loan cotton holdings and/or on the domestic cotton market, and distribute 1,000,000 bales of nontenderable grades of cotton to the American Red Cross and other designated agencies to be manufactured into or exchanged for clothing, bedding, etc., for relief purposes.

Authorizes the manufacture of 100,000 bales into cotton bagging to be sold at present prices to cotton farmers.

128. Fulmer

H.J.Res. 520. Authorizing the distribution of 500,000 bales of low-grade cotton, 35,000,000 bushels of wheat, and 25,000,000 bushels of corn to the American National Red Cross and other organizations as designated by the President of the United States for the relief of needy and distressed people and for the feeding of livestock in distressed areas.

Introduced and referred to Committee on Agriculture, November 29, 1937.

Authorizes the Secretary to purchase from the domestic market 500,000 bales of cotton, 35,000,000 bu., of wheat, and 25,000,000 bu., of corn to be delivered to the American Red Cross, etc., to be made into (or exchanged for) clothing and food for the needy, or, in the case of grain, for feeding of livestock in distressed areas.

129. Gillette

S. 1304. To provide for an adequate survey and classification of the soil resources of the United States; to provide for an ever-normal granary; to provide for a system of commodity loans; to provide for disposal of excess production of agricultural products; to provide for the regulation of imports of farm products; and for other purposes.

Introduced Feb. 2, 1937. Referred to Committee on Agriculture and Forestry.

"Agricultural Act of 1937"

Title IV - Creates within the Farm Credit Administration a nonprofit corporation known as the Excess Commodities Corporation, the board of directors to consist of twelve members, one from each of the Federal land-bank districts.

Authorizes the Corporation to buy from any agency or sub-agency of the Farm Credit Administration any unprocessed basic crop, held by them by means of loans, storage contracts or otherwise which is in excess of the amount needed for current domestic use and an adequate reserve, paying "a price equivalent to the amount invested therein or loaned thereon by such agency or sub-corporation, plus interest, storage, and other accumulated charges."

Provides for the disposal by the Corporation of these basic crops and commodities in the following ways: "(1) By sale in the export or open world markets, accepting in payment therefor the then current open world-market price for same; (2) by sale to domestic industries for conversion by them into industrial alcohol, plastics, or other products of manufacture, accepting in payment therefor such price as may be warranted by the competitive relationship of such products to other products; or (3) by gift, devise, or grant for charity, for human relief, or to meet any form of emergency resulting from the hazards of nature or acts of God."

Prohibits, except by direct order of the President in case of emergency, the sale by the Corporation of any basic foodstuffs in the domestic market except as noted in item (2) above.

To protect the credit integrity of the Farm Credit Administration and to "maintain a parity income price level within the United States for all basic crops and products derived therefrom, whether produced within the United States or imported," the corporation may license all importers of raw material or processed products competing with basic crops; licensees to pay a fee equal to the difference between the landed cost of each shipment and the delivered domestic parity income price of an equal amount of material.

Authorizes an appropriation of $100,000,000 as an initial advance of capital for the operations of the Corporation.

Also "creates a National Soil Conservation Board of 12 members, one from each Federal land-bank district, with authority: (1) to conduct a Nation-wide survey of the soil resources of the United

States; (2) to establish classifications of land according to its adaptability to the production of various crops; (3) to establish grades for and to classify each individual farm in the United States; (4) to designate basic crops which shall in each year include wheat, corn, oats, cotton, and tobacco; (5) to prescribe standard land-use practices; (6) to fix amounts to be paid as benefits to farmers who comply with the recommendations of the Board with respect to soil building crops or cereal crops, or for areas terraced, tiled, or otherwise reclaimed.

"Governor of Farm Credit Administration is to make payments, loans, etc., and to check compliance with the act." - Digest of Public General Bills, No. 9.

130. Harrington

H.R. 4712. To authorize the purchase and distribution of livestock feed to farmers and stock growers in the drought area.

Introduced and referred to the Committee on Agriculture, February 12, 1937.

Authorizes an appropriation of $20,000,000 for the purpose of enabling the Federal Surplus Commodities Corporation to divert surplus hay, corn, and other livestock feeds from the normal channels of trade and commerce, and distributing them in counties designated by the Department of Agriculture as "areas of primary drought."

131. Knutson

H.R. 1651. To guard and protect the people of the United States against famine and shortage of food, to provide for the purchase and safe-keeping by the Government of stocks of wheat, rye, corn, oats, and barley for use and consumption in times of economic distress due to shortage of food supplies, and for other purposes.

Introduced and referred to the Committee on Agriculture, January 5, 1937.

"Authorizes the Secretary of Agriculture (when and as directed by the President): (1) To purchase and store in government elevators, etc., up to 500,000,000 bushels of wheat, rye, corn, oats, and barley produced within the States and Territories, as a precaution against food shortage, and as a means of controlling agricultural surpluses and promoting orderly marketing in interstate commerce; (2) to sell such grain in case of food shortage or economic distress, upon such terms as the President deems fair and equitable, or when necessary or advisable for the proper maintenance of such stock, to prevent spoilage, etc." - Digest of Public General Bills, No. 9.

132. Maverick

H.R. 4410. To provide for an adequate survey and classification of the soil resources of the United States; to provide for a system of soil conservation; to provide for the prevention of interstate floods; to provide for an ever-normal granary; to provide for a system of commodity loans; to provide for disposal of excess production of agricultural products; to provide for the regulation of imports of farm products; and for other purposes.

Introduced Feb. 5, 1937. Referred to Committee on Agriculture.

Identical with S. 1304 (item 129) except for a provision also authorizing a survey of drainage areas likely to cause floods, and the classification of lands according to their adaptability to prevent floods.

133. Pope

S. 2439. To extend the time for purchase and distribution of surplus agricultural commodities for relief purposes and to continue the Federal Surplus Commodities Corporation.

Introduced and referred to the Committee on Agriculture and Forestry, May 17, 1937.

Reported without amendment (S.Rept. 568) May 20, 1937.

Passed the Senate, May 24, 1937.

Reported from the House Committee on Agriculture (H.Rept. 909) May 28, 1937.

Approved June 28, 1937. Public No. 165

Hearings held before the House committee 281.12 Un32F (item 136)

Continues until June 30, 1939 the Federal Surplus Commodities Corporation [incorporated Oct. 4, 1933 as Federal Surplus Relief Corporation] as an agency of the Government and permits Secretary of Agriculture to transfer sums appropriated by section 32 of Act of August 24, 1935 (Public No. 320, 74th Congress) for purpose of effectuating clause 2, of section 32 [i.e., encouraging domestic consumption of agricultural commodities by diversions from normal channels of commerce] Permits use of transferred funds, together with other funds of Corporation, for purchasing, exchanging, processing, distributing, disposing, transporting, storing, and handling of agricultural commodities and products thereof and inspection costs, commissions, and other incidental costs and expenses, without regard to existing law governing expenditure of public funds and for administrative expenses and employment of persons (in accordance with provisions of law applicable to employment by A.A.A.)

In carrying out section 32 (2) funds appropriated by said section, may be used for purchase (without regard to existing law governing expenditure of public funds) of agricultural commodities and products thereof, and such commodities, as well as those purchased under preceding paragraph, may be donated for relief purposes.

134. Thomas (Oklahoma)

S.J.Res. 115. Providing for the disposition of certain cotton held by the Commodity Credit Corporation.

Introduced and referred to the Committee on Agriculture and Forestry, March 29, 1937.

"Directs the Commodity Credit Corporation to purchase at one-half cent per pound from the borrowers, all their interest in cotton held by the Corporation as collateral security for loans made in 1934-35. Beginning February 1, 1938, the Corporation is to sell 100,000 bales monthly except from September to December until all such cotton is sold." - Digest of Public General Bills, No. 9.

135. Withrow

H.R. 5235. For the relief of dairy farmers, and for other purposes.

Introduced and referred to the Committee on Agriculture, March 2, 1937.

Authorizes an appropriation of $30,000,000 to the Secretary of Agriculture for the following purposes: (1) Elimination of diseased dairy and beef cattle; (2) not more than $15,000,000 to be advanced by the Secretary to the Federal Surplus Commodities Corporation for the purchase of dairy products for distribution for relief purposes.

No processing tax shall be levied on dairy and/or beef products for the purpose of obtaining revenue for reimbursement of expenditures authorized by this Act.

135a. Gillette (by request)

S. 2668. To amend the act cited as the Farm Credit Act of 1933, as amended, to improve and safeguard the financial integrity of the Farm Credit Administration by effecting a better coordination of Federal lending and marketing activities, and for other purposes.

Introduced and referred to the Committee on Agriculture and Forestry, June 17, 1937.

For a statement by Mr. Harrington on the "Gillette-Harrington Farm Bill" see Congressional Record for January 12, 1939, Appendix.

"The Governor of the Farm Credit Administration is designated as custodian and administrator of all funds and credits authorized by Congress to be loaned to farmers, with power to fix the terms and conditions of such loans. He shall also be responsible for handling and disposing of excess stocks of basic crops (wheat, corn, oats, cotton, tobacco, and rye; barley and rice in his discretion).

"Creates the Excess Commodities Corporation to take over the Commodity Credit Corporation and the Federal Surplus Commodities Corporation. When any agency of the Farm Credit Administration holds quantities of an unprocessed basic crop in excess of 35 percent of a normal year's yield, the Excess Commodities Corporation shall buy such excess and sell it in foreign commerce or for domestic manufactures, or make gifts of it for relief. Only on order of the President during times of necessity, may it otherwise dispose of the excess in the domestic market. Operations of the Excess Commodities Corporation shall be financed by the Intermediate Credit Bank by advancing cash against securities pledged to it.

"Importers of basic commodities, or products competing therewith, shall pay a fee equal to the difference between the landed cost of such commodities and the domestic parity income price.

"The Production Credit Corporation shall supervise the granting of credits and make loans to individual farmers on basic crops in storage (but no loan shall be less than 75 percent of the then current parity price as indicated by the 1926 commodity index), and make regulations concerning loans and release of crops from storage.

"The Bank for Cooperatives shall grant credits and make loans against warehouse certificates issued against nonperishable goods and products made from milk, fruit, vegetables and root crops, and poultry stored under cooperative pooling arrangements. Such credit transactions shall be financed [as is now the case] through the sale of securities of the Intermediate Credit Bank which in turn will lend its funds upon securities advanced." - Digest of Public General Bills, No. 9.

135b. Harrington

H.R. 8178. To amend the act cited as the Farm Credit Act of 1933, as amended, to improve and safeguard the financial integrity of the Farm Credit Administration by effecting a better coordination of Federal lending and marketing activities, and for other purposes.

Introduced and referred to the Committee on Agriculture, August 6, 1937.

For a statement by Mr. Harrington on the "Gillette-Harrington Farm Bill" <u>see</u> Congressional Record for January 12, 1939, Appendix.

Similar to S. 2668 (item 135a)

Hearings

136. U. S. Congress. House. Committee on agriculture. Federal surplus commodities corporation. Hearing...75th Congress, first session, on S. 2439...June 11, 1937. Serial D. 29pp. Washington, U. S. Govt. print. off., 1937. 281.12 Un32F

<u>Statement of Dr. H.R. Tolley, Administrator, Agricultural Adjustment Administration, Department of Agriculture, pp. 2-3:</u> "Under section 32 of the Agricultural Adjustment Act as amended, approved August 24, 1935, 30 percent of the customs receipts were appropriated for the purpose of diverting from the normal channels of trade surplus agricultural commodities. The Comptroller General at the time ruled that the legislation as passed by Congress did not permit the use of these funds for purchasing agricultural commodities for relief purposes. That difficulty...was eliminated by an amendment in the appropriation bill last year [Public 440, 74th Congress], and one of the things that this bill proposes to do is to make possible the continuation of that activity.

"The other thing which this bill proposes to do is to continue the Federal Surplus Commodities Corporation which, as the law now stands, will pass out of the picture at the end of this fiscal year, on June 30, 1937." - p.2.

Statement of J. W. Tapp, President, Federal Surplus Commodities Corporation, Department of Agriculture, Washington, D. C., pp. 3-26. Mr. Tapp described at length the operation of the Corporation in removing surplus agricultural commodities from the regular trade channels. The following selected statements point out the price stabilization features of the bill.

Mr. Mitchell: "Your purchase is to establish a price?"

Mr. Tapp: "Of course, that is the object of these operations under the Federal Surplus Commodity Corporation; that is the purpose of section 32 funds...Certain low-grade fruits like prunes, and certain other dried fruit can be handled on a small scale for diversion purposes..." - p. 12.

In answering Congressman Mitchell's question concerning the necessity for continuing this legislation Mr. Tapp pointed out that due to the indefinite weather factor surpluses are unpredictable and when they occur "you are left with two alternatives: Either allow the producer's price to go down to a point where he gets nothing out of it, or try to find some means to dispose of the surplus..."

Mr. Mitchell: "Of course, unless we get into the export business and in our efforts here that is what we are doing, subsidizing agricultural commodities; that is the effect of the legislation in diverting these commodities into relief channels."

Mr. Tapp: "Yes."

Mr. Mitchell: "At least, subsidizing the commodities or fixing the commodity price."

Mr. Tapp: "Is not the whole theory of the appropriation of the 30 percent of customs receipts from import tariffs based on an effort to offset the subsidy that is given to other industries? ...And this is a means of measuring the compensatory benefits to agriculture." - p. 17.

Mr. Hope: "Mr. Tapp, do you feel that as a result of the activities of this corporation, and the use of these purchases for relief, you have materially helped and stabilized the price of these particular commodities which you have been handling?"

Mr. Tapp: "Yes; I think in the case of the drought cattle and eggs, and the butter and dairy products, and fruit, there has been a very substantial benefit. There are certain limitations, of course. Take wheat, for example: If we should have a big surplus production of wheat, we would not feel that we would get very far in benefiting the wheat producer through buying wheat for relief distribution. Such a program is more adapted for the special type of commodity, such as some of these commodities for which there is a demand that is more elastic." - p. 19.

Statement of J. Hardin Peterson, a Representative in Congress from Florida, pp. 27-29: "...Our particular problem is marketing, and the question of how to prorate the shipment, of course, is difficult...But the fact that the Corporation can go in there and buy so much for canning grapefruit does stabilize the price, and it stabilizes it around the price needed to pay for the cost of production, and the canners paid that price and paid it for all they were able to use and made their purchases on that basis...

"And the same situation with reference to celery; they came in and helped to maintain the price. And the cabbage situation illustrated also what could be done; they agreed to either use the program or purchase, and they did not have to purchase because the price went up and the market was such that they did not have to buy." - p. 28.

THREE-WAY BILL

137. Woodruff

H.R. 271. To aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities, to provide for the issuance of export debentures, to secure to farmers a price for their commodities at least equal to the cost of production, and for other purposes.

Introduced and referred to the Committee on Agriculture, January 5, 1937.

Directs the Secretary of Agriculture to make, on his own initiative or upon request of cooperative associations or other organizations of producers of any agricultural commodity, investigations relative to the supply and marketing situation of such agricultural commodity. Upon finding (a) that a national surplus in excess of orderly marketing or domestic requirements exists for any agricultural commodity, (b) that production cost of such commodity exceeds prevailing market price, and (c) that the durability of the commodity warrants controlled marketing, the Secretary may secure to producers the cost of production for the portion of the commodity sold in the domestic market by the Equalization Fee Plan; the Debenture Plan; and the Allotment Plan.

Title I - The Equalization Fee Plan

Authorizes the Secretary of Agriculture to enter into marketing agreements with financially sound cooperative associations providing for the withholding and/or purchase and withholding of said cooperatives' commodity and/or its food products for an agreed period. Payments of losses, costs, and charges to be made from the stabilization fund for the particular commodity and from a revolving fund of $250,000,000 hereinafter described.

Provides that each marketed commodity unit shall contribute to the stabilization fund its equitable share of the losses, costs, and charges, arising out of the marketing agreements. "Such contributions shall be made by means of an equalization fee apportioned and paid as a regulation of interstate and foreign commerce in the commodity." Said fee to be assessed (a) on the transportation, processing, or sale of each marketed unit of the commodity and (b) on the importation of such commodity or its food products. The equalization fee to be determined on the basis of estimates made by the Secretary relative to probable losses, costs, and charges to be paid under marketing agreements for each commodity to be collected during the marketing period.

Establishes a stabilization fund for each agricultural commodity for which marketing agreements are made to which shall be credited (1) advances from the revolving fund (2) profits arising out of marketing agreements (3) repayments of advances for financing the purchase, withholding or disposal of the commodity (4) equalization fees collected on the commodity. Withdrawals may be made (1) for payments required by marketing agreements in respect of the commodity (2) necessary salaries and expenses (3) repayments in the revolving fund together with interest.

Authorizes an appropriation of $250,000,000 to be used as a revolving fund.

Title II - The Debenture Plan

Authorizes the Secretary of the Treasury "to issue to any farmer, cooperative association, or other person, on application therefor, export debentures with respect to such quantity of any debenturable commodity or any manufactured product thereof as such person may...export..."

A "debenturable commodity" is any agricultural commodity which the Secretary of Agriculture, under authority of section 2 finds upon investigation (a) that there exists a national surplus in excess of orderly marketing or domestic requirements (b) that said commodity's production cost exceeds prevailing market price, and (c) that the durability of the commodity warrants controlled marketing.

Provides that the export debentures may be cashed at their face value by any collector of custom within one year of issuance.

Debenture rates "shall be one-half of duty in effect at such time with respect to imports of such commodity" with the exception of the following commodities for which the rates are listed: corn or maize, rice, wheat, cotton, tobacco. Debenture rates for products manufactured from any debenturable commodity "shall be an amount sufficient...to equal the debenture that would be issuable upon the exportation of the [raw product]."

Reduction of debenture rates provided on a percentage basis when "the production of any debenturable agricultural commodity during any crop year has exceeded annual production of such... commodity for the preceding five years..."

Title III - The Allotment Plan

Authorizes and directs the Secretary of Agriculture to determine the amount of any agricultural commodity needed for domestic consumption, and allows this amount to enter interstate commerce at a price per unit of not less than the cost of production... as ascertained by the Secretary of Agriculture for the year during which such commodity was produced. The surplus "shall be exported, withheld from market or otherwise disposed of as directed by the Secretary of Agriculture."

Authorizes the Secretary of Agriculture to limit importation of any commodity if it "materially affects...the sale in the domestic market of such...commodity at a price not less than the cost of production...

"Authorizes the Secretary of Agriculture to license the purchase, importation, or storage of any agricultural commodity in order to carry into effect the purposes of this Act", and prohibits the purchase, by any licensee, of "that portion of any agricultural commodity needed for domestic consumption at a price less than the cost of production..."

HEARINGS (GENERAL)

138. U. S. Congress. Senate. Committee on agriculture and forestry. Agricultural Adjustment Act of 1937. Hearings...Seventy-fifth Congress, first session...May 18, 19, 20, 21, and June 11, 1937. 139pp. Washington, U. S. Govt. print. off., 1937. 281.12 Un3Agr

Mr. Edward O'Neal, President of the American Farm Bureau Federation, made a brief statement regarding the preparation of the bill. He said "the farm organizations since their meeting on February 9 have been busy trying to formulate a bill to carry out the policies agreed on in that meeting. This bill is the result...We have had several conferences on the bill as we developed various features from February 9 up to now." He explained that the Grange, Farmers Union, and Wheat Cooperative Council had representatives at the meetings, with the exception of the last meeting. Mr. O'Neal said also, "The general principle on which the bill is based was agreed on by the farm group. Now, the specific bill has not been passed on except by the representatives of the Farm Bureau."

Statement of Earl Smith, Vice President of the American Farm Bureau and President of the Illinois Agricultural Association, pp. 10-21. Mr. Smith made a general statement on the bill which is given in part: "We believe this bill forms the basis for a much more permanent solution [than suggestions made previously for an emergency situation] of the farm problem in general as addressed to the basic commodities mentioned, cotton, corn, wheat, rice, and tobacco. It is addressed primarily toward the control of supply, not the control of production. It is the purpose of this bill to first have an adequate supply which is interpreted in the bill as that necessary to meet normal domestic and export requirements, plus a carry-over, which we term a normal carry-over, before there could be geared in any type of production control.

"In stabilizing prices, it is intended in the case of corn to end certain conditions resulting in surpluses. In the case of cotton and rice to carry these surpluses from without the usual market channels under a system of loans, the surpluses being held intact on the farm or, in the case of wheat, it might be in a terminal elevator but would require the owner thereof to have a warehouse receipt representing the surplus, which would not flow in market channels, upon which the loan would be made available. And this, we believe, will stabilize the price of the commodity flowing into market channels at close to parity levels.

"Acreage diversion or production control could never be exercised to an extent greater than that necessary to provide an outlet for these surpluses of the previous crops that were held by the producers in their respective areas, and already on their respective farms. When there is diversion of acreage this bill does not provide for acreage payment. In fact it takes away from the producers of these five groups the participation in class 1 payment under the Soil Conservation Act.

"In lieu thereof the cooperating farmers agree to allotted acreage and to adjust production down to a normal supply, which I repeat is that necessary for the normal market demand, whether domestic or export plus a normal carry-over. He is assured of parity payment on such production.

"Now if this type of control of acreage breaks down because of too large a percentage of noncooperators or because of weather conditions, there is positive control provided in this legislation which is known as the marketing quota, which would give to every producer, whether a cooperator or noncooperator, the right to participate in his marketing privileges on an acreage basis but would dam up definitely on his property his excess production which would break prices if not stored or controlled.

"Now, to get relief from the excess supply he can do one of three things. He can, the following year, reduce his acreage an amount which will be equivalent at normal yield to the excess supply he possesses and upon compliance therewith immediately have his excess released. Or, he could hold it on his farm until the total supply was brought down to normal level or thirdly, if he insisted on marketing it, he could market it and pay the penalty tax provided in this bill. It does not force anybody to do anything under any conditions relative to production. It does stop everybody from putting into market channels their excess supplies and breaking the price level for all of us. That is the only force that is in this bill that I know anything about."

Statement of O. O. Wolf, President of the Kansas Farm Bureau, Ottawa, Kans., explaining how the program under this bill would work on wheat, pp. 22-31.

Statement of Frederic P. Lee, Washington, D. C., Special Counsel of the American Farm Bureau Federation on the constitutionality of the bill, pp. 33-45.

Statement of J. E. Winslow, Greenville, N. C., President of the North Carolina Farm Bureau Federation, explaining provisions of the bill as they affect tobacco, pp. 60-73. Other similar statements were made as follows: By Mr. R. E. Short, Brinkley, Ark., President of the Arkansas Farm Bureau, and Vice president of the Arkansas Farm Growers Cooperative Association, on rice, pp. 73-76; Mr. C. H. Day, Plainview, Tex., Vice President, Texas Agricultural Association, on cotton, pp. 77-89.

Statement of Secretary of Agriculture, Henry A. Wallace, pp. 115-138. Senator Thomas questioned Secretary Wallace regarding his opinion of the effect of the value of the dollar on agricultural prices. A brief part of their dialogue follows:

Senator Thomas: "...Let me ask this question: Are there not two factors that inevitably and positively control the prices the farmers receive - first, the value of the dollar; and second, the amount of production?"

Secretary Wallace: "It seems to me like a sound observation."

Senator Thomas: "To me it is absolutely sound, and I am glad to have you agree with it. Now, if the value of the dollar does control prices, when the dollar goes up in value, prices fall; and when the dollar goes down in value, prices rise. Do you agree to that?"

Secretary Wallace: "It sounds obvious."

Senator Thomas: "Then a farmer is subject to that influence, and over that influence he has no control. So, at the given moment the dollar may be going up and prices may be falling, which of course, if the dollar goes up prices do fall. Now there is one element over which the farmer has no control, the fluctuation in the value of the dollar.

"Number two: It is obvious that when the farmer produces an over-supply of cotton, corn or any other commodity, prices fall and when he produces an under supply, or if we have an under supply through drought or pestilence,...conditions over which the farmers have no control. Now, there are two factors that influence prices and control prices, that at the present time the farmer has absolutely no control over, the fluctuation in the value of the dollar and the amount of production. Now, if we can reduce those two factors do you not think it is advisable for us to try to do it?"

Secretary Wallace: "I certainly do, Senator. I agree with you wholeheartedly."

Senator Thomas: "I am glad you agree with me. Now, take the value of the dollar. Do you not believe that it is possible for the Government...to arrive at a fixed value for the dollar where it will serve the best interest of all, debtors on the one side, creditors on the other; consumers on the one side and producers on the other - fix that value at that point where it will serve the best interests of both sides?"

Secretary Wallace: "I cannot answer that question. I will say that I would hope it would be possible..."

Senator Thomas: "If it is possible, do you not think it should be done?"

Secretary Wallace: "If it is possible it would be a good thing if it were done."

Secretary Wallace expressed approval of the general principles of the bill, but said he was not in accord with the provisions for lowering the tariff on certain farm products in case the price would go beyond a certain level and, in like manner, raising the tariff in case the price on corn products would go beyond a certain level.

139. U. S. Congress. Senate. Committee on agriculture and forestry. General farm legislation. Hearings...Seventy-fifth Congress second session pursuant to S.Res. 158...October 15-Nov. 1, 1937. 20 pts. (4633pp.) Washington, U. S. Govt. print. off., 1937. 281.12 Un3G

Regional hearings on general farm legislation were held during the fall of 1937, prior to the introduction of the Agricultural Adjustment Act of 1938, at the 2d session [Special] of the 75th Congress. Of the 20 parts of the hearings (each of which was held in a different place), parts 1-9 cover cotton, rice, and tobacco; parts 10-18, corn and wheat; and parts 19-20, include all the commodities - cotton, tobacco, rice, corn and wheat. Following is a list of the dates and places where hearings were held:

Parts 1-9, Cotton, Rice, and Tobacco
Louisville, Ky., Oct. 15, 1937
Winston-Salem, N. C., Oct. 18, 1937
Oklahoma City, Okla., Oct. 18, 1937
Columbia, S. C., Oct. 19, 1937
Atlanta, Ga., Oct. 20, 1937
Montgomery, Ala., Oct. 21, 1937
New Orleans, La., Oct. 22, 1937
Houston & Dallas, Tex., Oct. 25 and 26, 1937
Memphis, Tenn., Oct. 28, 1937

Parts 10-18, Corn and Wheat
Spokane, Wash., Sept. 30, and Oct. 1, 2, 1937
Boise, Idaho, Oct. 4, 5, 6, 1937
Great Falls, Mont., Oct. 9, 1937
Grand Forks, N. Dak., Oct. 12, 13, 1937
St. Paul, Minn., Oct. 15, 16, 1937
Sioux City, Ia., Oct. 18-20, 1937
Topeka and Dodge City, Kan., Oct. 22, 23, 25, 26, 1937
Columbus, Ohio, Oct. 29, 30, 1937
New York City, Nov. 5, 6, 1937

Parts 19-20, Cotton, Tobacco, Rice, Corn, and Wheat
Springfield, Ill., Oct. 29, 30, 1937
Jefferson City, Mo., Nov. 1, 1937

140. U. S. Congress. House. Committee on agriculture. General farm legislation. Hearings...Seventy-fifth Congress, first session. May 17-21, 25, 27-28, and June 8 and 10, 1937. Serial C. 230pp. Washington, U. S. Govt. print. off., 1937. 281.12 Un32G

For the most part these Hearings are concerned with an agricultural bill suggested by the representative farm organizations. The draft under consideration was a committee print. Many of the features of the bill were included in the Flannigan bill (item 84), the Pope-McGill bill (item 69) and other bills of this type and eventually became a part of the Agricultural Adjustment Act of 1938 (item 68)

Statement of Earl C. Smith, President, Illinois Agricultural Association, and Vice President, American Farm Bureau Federation, Chicago, Ill., pp. 8-23: "The proposed bill deals with five basic commodities: Corn, tobacco, rice, wheat, and cotton. It is primarily addressed to the production of our normal requirements, plus normal carry-over but controlling the normal requirements, which we term "surplus production." The bill adopts the principle of maintaining at all times an adequate supply to meet our normal demand, whether domestic or export market, together with our normal carry-over. Production control is not authorized except to the extent supplies are greatly increased over that normal supply and then there are several steps made available for the control of production. In other words, we are addressing ourselves to an economy of plenty and certainly could not be criticized for supporting an economy of scarcity. This proposal provides for an adequate supply with an adequate plan to control surplus production.

Mr. Smith continued by explaining the setting up of a national base acreage for the respective commodities and then says: "There are no payments for...acreage diversion. This bill takes away from the producer of the five basic crops any rights to participate in any class I payments under the Soil Conservation Act, and instead he will have the assurance, in certain instances, of parity price for his allotted production; with higher supplies, a reduction downward in the percentage of the parity that each farmer would receive of the total. This is all set forth in the schedule."

<u>Mr. Andresen</u>: "What benefits would a farmer receive directly from the Government if he complies with the requirements?"

<u>Mr. Smith</u>: "He would receive the difference between the current average farm price and the parity if the total production was in balance, with the normal supply. He would receive the difference between the average current price and 95% of parity if the supplies were still higher...

"There is just a word...I desire to say, with reference to the ever normal granary. While I am not going to undertake a discussion of it, I do want to say that I do not think any section of this country is justified, and nobody is justified in asking the farmers to produce a surplus when they know that such surplus will break the price of the commodity, unless they are going to harness and control the surplus production and thus remove its bearish influence on price. That is what this bill does. It keeps the price from being disrupted if there is a production of a surplus. Now in that question we have got to face one of two things: You must either reduce the surplus or that surplus will break the price unless it is properly controlled. This bill provides for a normal supply, with a normal carry-over, after considering the domestic and foreign demand, and provides a way to get the total supply down to requirements to meet these needs..."

<u>Mr. Hoffman</u>: "I understand that you fix what you call the parity price, expecting to sell these crops, or a large portion of them, to the domestic consumer?"

Mr. Smith: "That is correct."

Mr. Hoffman: "Now, in fixing that price, has any consideration been given to wages for factory workers?"

Mr. Smith: "That determines the parity price."

Mr. Hoffman: "How is that taken into consideration?"

Mr. Smith: "The price of all commodities marketed, including labor, and things of that kind, determine the price."

Mr. Hoffman: "In fixing the price of these five crops you take into consideration wages?"

Mr. Smith: "Including wages, everything that goes into the parity price...Parity is definitely determined by all commodity price levels, including labor."

Statement of Frederic P. Lee, Munsey Building, Washington, D. C., pp. 29-54. After discussing the marketing quota provisions Mr. Lee explained the loan features of the bill as they relate to prices. He said in part: "The measure proposes to see that farmers get parity price for that which they produce. In order to maintain that parity price certain machinery has to be set up. For instance, one of the provisions is the loan which, in the case of corn if the supply is approximately normal, would be at the rate of 85 percent of parity price. At the end of the year, if the market price has not been sufficient to give the farmer parity for his corn he will receive a payment of the difference between the market price and parity." - p. 39.

Statement of Dr. O. O. Wolf, Ottawa, Kans., President, Kansas Farm Bureau Federation, pp. 55-79. Dr. Wolf explained why the farmer needs this type of legislation "...we are not interested primarily in a parity price solely for the purpose of the farmer's commodity which he produces so much as we are in maintaining the proper relationship between that price and the price of other commodities,...the price of the farm commodities and the commodities of industry...We are just asking an even break with the other groups." - p. 56.

Dr. Wolf's testimony was concerned largely with the subject of wheat "in its relation to this measure and what it might accomplish, as to its main benefits to the wheat farmer particularly."

Mr. Biermann: "Now to make this bill work...we have got to have absolute control over the American market. In other words, we have got to have a tariff wall so that it would not let a single bushel of wheat come in to compete with our wheat until the price is a little too high. But assuming that the price is below 110 percent of parity we have got to keep out every single bushel, every bit of the five basic commodities that are mentioned in this bill.

Mr. Wolf: "No; it does not establish any embargo on any of the commodities, for that matter. If the world price for that commodity, like the world price today, is much lower than the American price, they could pay the tariff and come in.

Mr. Biermann: "But say that the world price was so much lower than the parity price that it would pay the farm countries to ship into this country, we would have to undertake to establish parity for every bushel of wheat that might be shipped in.

Mr. Wolf: "Until it reaches parity, provision is made in this measure for adjusting the tariff to protect the domestic market to a point 10 percent over parity, either above or below, and if the price gets too high, under this measure, you can take the tariff off and let it come in, and when it gets too low it can be raised to a point to protect the market, 10 percent of parity, either way." - p. 72.

Mr. Coffee: "Mr. Wolf, do you think it is necessary to in some way attempt to provide a dual price on wheat, that is a price level for domestically consumed wheat, and perhaps another price level for wheat, what might be termed a subsidy for exportation of the surplus; that might be only 10 million bushels, but enough to get it out of this country, get it off of the domestic market; do you not think that something should be done in this bill to make it possible for the Secretary to lift this surplus out of the domestic market and put it in competition with the rest of the world?"

Mr. Wolf: "Under this measure you can use the funds provided under the Agricultural Adjustment Act, whereby the import duties can be used for that purpose. At the present time I think there is $120,000,000 in that fund. We have no objection to that being used for a small surplus of any commodity..." - pp. 75-76.

J. E. Winslow, Greenville, N. C., President, North Carolina Farm Bureau Federation explained the provisions of the bill as they relate to tobacco, pp. 86-93.

N. C. Williamson, Lake Providence, La., President, American Cotton Cooperative Association discussed the features of the bill relating to cotton prices - pp. 99-110.

Mr. Williamson: "...here is a thing that this bill provides - and we believe that on the whole it will do that - a comparatively stable price, at a level that will give the efficient farmer a fair income."

Mr. Mitchell: "This we have got under present conditions, under the law of supply and demand and the restrictions put into force.

Mr. Williamson: "...the thought I have in mind is this: ... I do not see any way for the cotton farmers, particularly, who have to get the world's price when they sell their commodity and buy their goods in a protected market, of ever being in position of accumulating anything unless we have some way of stabilizing the value of the commodity which they buy, from which they receive their income, so that the efficient farmer will have a fair income. All we have to do is to consider history to see the results of this supply and demand law; it does not work always as thoroughly as might be indicated." - p. 105.

Statement of Hon. Edward C. Eicher, a Representative in Congress from the State of Iowa, pp. 111-133. Mr. Eicher's bill H.R. 2731 (item 1) was printed in the Hearings, and he explained the provisions of his bill at length. The following are selected statements:

Mr. Eicher: "Before I go into the details of comparing... the differences in principle between this bill and the bill on which the committee has been conducting hearings...I want to give you a bird's-eye view of how my bill would operate. In many respects it dovetails into the machinery that is sought to be set up by the committee bill, which you are now considering. The Secretary of Agriculture would ascertain and proclaim before the beginning of the crop year, the estimated production for that year of all agricultural products expected to yield an exportable surplus. He would also ascertain and proclaim the probable percentage of each such crop required for domestic consumption during that year; he would also ascertain and proclaim the average cost of the production of each such commodity during the previous 5 years, reckoning each farm as a business unit and reckoning that cost of production in the same manner and by use of the same methods as are used by industry in ascertaining its cost." Mr. Eicher explained the bill further by citing specific illustrations. - pp. 116-117.

The Chairman (Mr. Jones): "Of course, the proponents of this measure claim that it does not undertake to control production; that its purpose is to control the surplus above the allocated production and thus indirectly only would have the effect of controlling production. But the control, at least, is sought to be applied in the form of marketing quotas without any limitation on production. I was interested in the question of just how the gentleman would prevent flowback from foreign countries."

Mr. Eicher: "Through the flexible tariff provision."

The Chairman: "Through embargo?"

Mr. Eicher: "In some instances I can see that an embargo might be necessary to protect the domestic market, and my bill, although not in the artistic language that would have to be adopted in the final draft, covers that principle; I recognize that has to be considered."

The Chairman: "Anything that undertakes to fix the price of wheat here, even though it is limited to the domestically consumed percentage of that particular commodity, if that price is materially above the world price, must have some protection."

Mr. Eicher: "But my contention is, Mr. Chairman, that so far as protection is concerned my bill would make the existing tariff effective for agriculture."

The Chairman: "But if you are going to raise the price to maintain a schedule this would not be sufficient."

Mr. Eicher: "If the difference in cost of production here and abroad has been the tariff-making formula, our agricultural products would be protected at least up to the point of existing tariffs..."

The Chairman: "But you have no assurance that the other countries are going to guarantee the cost of production. And it seems to me that in order to safeguard such a program it would be necessary to authorize, in many instances, a considerable increase in the tariff or an embargo provision or a quota provision, or some sort of control over the importation of competing farm products. Of course if you are going into that then you could assure the domestic price. You could do it, probably in the simplest way, by a method of taxation. If you are going to have a wall built all around so that it is going to stop the flow from the outside, then you could have control over production simply by requiring, in the form of a tax on all commodities, the difference between the cost-of-production prices and the price actually paid." - pp. 121-122.

Mr. Boileau: "As I understand...your bill provides for a guarantee of the cost of production only for that part of production that goes into domestic markets?"

Mr. Eicher: "That is all...The farmer will get the world price for the surplus, but for what he produces for the domestic market he gets the cost of production." - p. 127.

Mr. Coffee: "Your objective is primarily to maintain a dual price level?"

Mr. Eicher: "That is true." - p. 129.

Statement of Hon. Henry A. Wallace, Secretary of Agriculture, pp. 135-183: "The two fundamental purposes of this bill are first to safeguard the Nation's food supply and second to protect farm income. Under the terms of the bill, its aims would be attained through a system of loans to farmers to protect their prices and storage of reserve supplies against years of short crops, coupled with supplementary means to guard against accumulation of ruinous surpluses.

"The most vital parts of this bill are those calling for the establishment of an ever-normal granary in the great food crops of corn and wheat." - p. 135.

"The purposes of the bill might be stated to be (1) to protect consumers against the disasters of such drought years as 1934 and 1936; (2) to minimize wide fluctuations in the prices of basic farm commodities in the interests of both consumers and producers; and (3) to stabilize farm income so far as possible at a fair level." - p. 136.

"The South greatly needs such a farm program as this, because it will encourage more farmers to get away from the one cash crop method which results in a heavy soil loss. More stabilized supplies of cotton and tobacco, more production of home feed and food, and more soil-building practices will help southern farmers to attain a higher standard of living. Cotton and tobacco growers will rely less than corn and wheat growers on the loan and storage features of this bill and more on its provisions for payments to encourage proper adjustments of supplies and diversion of land out of soil-depleting crops into soil-building crops and practices. But economic justice, and interest of the Nation in saving and rebuilding the soil fertility of the South, justify emphasis upon its usefulness to growers of cotton and tobacco as well as the other crops named in the bill." - p. 138.

"Now I have pointed out to the farm groups, from time to time, that it might simplify matters if they would, while retaining their allegiance to the objectives of parity income and parity prices, approach this problem from the standpoint of getting what might be called a workable price instead of parity price; a workable price under the present situation. That would involve in drafting a bill leaving more discretion in the hands of the executive branch of the Government with respect to the loans which back up the ever-normal-granary feature, and more discretion, perhaps, with regard to the parity-price payment." - p. 183.

Statement of J. E. McDonald, Commissioner of Agriculture, State of Texas, Austin, Tex., pp. 187-201: "I have favored a two-price program for our cotton. I think that is what the tariff has given to industry. I think manufactured things are being sold to the American people at a higher price than they are sold abroad. I think that it is going to be necessary, if we successfully compete with foreign countries in growing cotton and have proper labor conditions at the same time, so they can live under American standards, that we must have some such program. It is necessary, as I remarked a moment ago, for us to subsidize agriculture as we have subsidized manufacture, so we can pay higher wages and live by American standards and at the same time more successfully compete with foreign producers." - pp. 188-189.

To Mr. Andresen's statement that he was advocating the old McNary-Haugen bill Mr. McDonald replied: "I have always thought the McNary-Haugen bill was a good bill. I thought it undertook to remove the inequities between agriculture and industry..."

Mr. Andresen: "Do you feel that we should continue to have controlled production in this country?"

Mr. McDonald: "I think the domestic-allotment plan, where the production is based on each farm, not through some contract system of production but allotting to each particular farm its equitable prorata of the American market upon which the farmer would receive a subsidy and the amount which he produces for export would go into the export market at the world price, would give us a most effective, most practical production control...

"And I think also that the domestic-allotment plan, as I am sponsoring it, would act as crop insurance, because if you establish production on a pro-rata basis for each farm and the farmer knows that he is going to get only the world price for the excess over his pro-rata part...he would naturally want to reserve a part of the excess production when he had a large yield to apply on his pro rata in event of crop failure..." - pp. 191-192.

Mr. McDonald mentioned four ways of financing his plan: (1) the processing tax, (2) general manufacturer's tax, (3) import duties, (4) funds from the general treasury. - pp. 193-194.

Statement of Ed. E. Kennedy, Special Legislative Representative, Seven State Organizations of Farmers' Unions, Kankakee, Ill., pp. 211-230: "I should like to state first that we appreciate...the opportunity of discussing...the Massingale bill, H.R. 1612." (item 7)

"The bill provides for three main propositions of the exercise of the three powers of government. The first one is to ascertain...and determine the average cost of production price level, for the purpose of allowing farmers an income that would equal and cover the cost of producing farm commodities.

"The second general section...provides for the regulation of marketing farm products in interstate commerce. And the third...provides for the regulation of foreign commerce...

"Now, what we intend to do here in H.R. 1612 is to employ that same power [i.e. Federal regulation of interstate commerce] in the regulation of minimum prices; you may call it fixing, but after all it is a regulation of the minimum prices and also finally the regulation, by regulating foreign commerce, the maximum price so that no one commodity will go too high or get out of line."

A brief comparison was made of the Eicher and Massingale bills and Mr. Biermann pointed out that "In the Eicher bill the purchaser instead of being compelled to pay the world price is permitted to issue a receipt for the world part of his production...And then when he sells the stuff high the producer gets the world price..." Mr. Kennedy agreed that this was the essential difference between the two bills. - pp. 222-223.

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No. 1. Agricultural economics; a selected list of references. January 1925. Revised, September 1927; February 1929; April 1930; January 1934; January 1936; January 1938.

No. 2. Flour milling and bread making; selected list of references. February 1925. Revised, June 1927; April 1931.

No. 3. A beginning of a bibliography of the literature of rural life. March 1925.

No. 4. Price spreads; a selected list of references relating to analyses of the portion of the consumer's price accruing to various agencies. March 1925.

No. 5. Long-time agricultural programs in the United States - national, regional, and State. June 1925.

No. 6. Aids to writers and editors; a selected list of books on the preparation of manuscripts and the mechanics of writing, for use in the Bureau of Agricultural Economics. June 1925.

No. 7. Livestock financing; a selected list of references relating to the financing of the livestock industry in the United States. September 1925. (Superseded by No. 62)

No. 8. The peach industry in the United States; a selected list of references on the economic aspects of the industry including some references relating to Canada. October 1925.

No. 9. Selected list of references on grain sorghums, grass sorghums, and broom corn. December 1925. Supply exhausted.

No. 10. Research in rural economics and rural sociology in the Southern States since 1920; a list of the published, unpublished, and current studies. January 1926.

No. 11. Economic periodicals of foreign countries published in the English language; a selected list. February 1926. Revised, March 1930.

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No. 17. Farm youth; a selected list of references to literature issued since January 1920. October 1926. (Supplemented by No.65)

No. 18. Price fixing by governments 424 B.C. - 1926 A.D.; a selected bibliography, including some references on the principles of price fixing, and on price fixing by private organizations. October 1926.

No. 19. The apple industry in the United States; a selected list of references on the economic aspects of the industry together with some references on varieties. June 1927.

No. 20. Bounties on agricultural products; a selected bibliography. July 1927.

No. 21. Oklahoma; an index to the State official sources of agricultural statistics... including a list of the unofficial sources of Oklahoma agricultural statistics. August 1927. Supply exhausted.

No. 22. A list of international organizations interested in agriculture. November 1927. Supply exhausted.

No. 23. Control of production of agricultural products by governments; a selected bibliography. December 1927.

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No. 26. Labor requirements of farm products in the United States; a list of references to material published since 1922. April 1929.

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No. 29. Valuation of real estate, with special reference to farm real estate. November 1929. (Superseded by No.60)

No. 30. Large scale and corporation farming; a selected list of references. November 1929. (Supplemented by No.69)

No. 31. California; an index to the State sources of agricultural statistics. Part I. - Fruits, vegetables and nuts; an index to the official sources. Sections 1 and 2. January 1930; Part II. - Crops other than fruits, vegetables and nuts; an index to the official sources. June 1930; Part III. - Livestock and livestock products; an index to the official sources. January 1931; Part IV. - Land, farm property, irrigation, and miscellaneous items; an index to the official sources. April 1931; Part V. - An index to some unofficial sources. February 1930.

No. 32. Rural standards of living; a selected bibliography. August 1930. (Superseded by Miscellaneous Publication 116)

No. 33. Wheat; cost of production, 1923-1930. References relating to the United States and some foreign countries. January 1931.

No. 34. Business and banking periodicals reviewing the business situation. August 1931.

No. 35. Switzerland; a guide to official statistics on agriculture, population, and food supply. March 1932.

No. 36. The grape industry; a selected list of references on the economic aspects of the industry in the United States, 1920-1931. March 1932.

No. 37. Advantages and disadvantages of country life. May 1932.

No. 38. List of State official serial publications containing material on agricultural economics. July 1932.

No. 39. Greece; a guide to official statistics of agriculture, population, and food supply. October 1932.

No. 40. Barter and scrip in the United States. February 1933.

No. 41. The domestic allotment plans for the relief of agriculture. February 1933.

No. 42. Measures taken by foreign countries to relieve agricultural indebtedness. March 1933.

No. 43. Part-time farming; a brief list of recent references. February 1933. Supply exhausted.

No. 44. Uses for cotton; selected references in the English language. November 1932.

No. 45. State measures for the relief of agricultural indebtedness in the United States, 1932 and 1933. March 1933.

No. 46. Group and chain farming in the United States, January 1930-March 1933; with some references to group farming in foreign countries. March 1933. (Superseded by No.69)

No. 47. Farm mortgages in the United States; selected references... January 1928-April 1933. May 1933.

No. 48. Price analysis; selected references on supply and demand curves and related subjects, January 1928-June 1933. September 1933.

No. 49. Rumania; a guide to official statistics of agriculture, population and food supply. October 1933.

No. 50. Agricultural relief; a selected and annotated bibliography. August 1933.

No. 51. Business and agriculture, 1920-1933; a partial bibliography of material on the interdependence of business and agriculture. November 1933.

No. 52. The American farm problem. April 1934.

No. 53. State measures for the relief of agricultural indebtedness in the United States, 1933 and 1934. June 1934.

No. 54. Measures of major importance enacted by the 73d Congress, March 9 to June 16, 1933 and January 3 to June 18, 1934. November 1934.

No. 55. List of periodicals containing prices and other statistical and economic information on fruits, vegetables and nuts. January 1935.

No. 56. Consumption of fruits and vegetables in the United States. An index to some sources of statistics. January 1935.

No. 57. Economic development of the cotton-textile industry in the United States, 1910-1935. September 1935.

No. 58. Price studies of the U.S. Department of Agriculture showing demand-price, supply-price, and price-production relationships. October 1935.

No. 59. Farm tenancy in the United States, 1925-1935; a beginning of a bibliography. November 1935. (Superseded by No. 70)

No. 60. Valuation of real estate, with special reference to farm real estate. December 1935. (Supersedes No.29)

No. 61. Financing American cotton production and marketing in the United States. November 1935.

No. 62. Livestock financing in the United States; selected references to material published 1915-1935. December 1935. (Supersedes No.7)

No. 63. Government control of cotton production in the United States, 1933-1935. A selected list of references. January 1936.

No. 64. Agricultural labor in the United States, 1915-1935; a selected list of references. December 1935. (Supplemented by No.72)

No. 65. Farm youth in the United States; a selected list of references to literature issued since October 1926. June 1936. (Supplements No.17)

No. 66. Measures of major importance enacted by the 74th Congress, January 3 to August 26, 1935 and January 3 to June 20, 1936. July 1936.

No. 67. Crop and livestock insurance; a selected list of references to literature issued since 1898. November 1936.

No. 68. Incidence of the processing taxes under the Agricultural Adjustment Act; a selected list of references. January 1937.

No. 69. Large scale and corporation farming; a selected list of references. April 1937. (Supplements No. 30; supersedes No.46)

No. 70. Farm tenancy in the United States, 1918-1936; a selected list of references. June 1937. (Supersedes No. 59)

No. 71. List of periodicals containing prices and other statistical and economic information on dairy products. October 1937.

No. 72. Agricultural labor in the United States; a selected list of references. March 1938. (Supplements No.64)

No. 73. Income; selected references on the concept of income and methods of obtaining income statistics. May 1938.

No. 74. The soybean industry; a selected list of references on the economic aspects of the industry in the United States, 1900-1938. October 1938.

No. 75. The tobacco industry; a selected list of references on the economic aspects of the industry, 1932-date. September 1938.

No. 76. Agricultural relief measures relating to the raising of farm prices - 75th Congress, January 5, 1937 to June 16, 1938. February 1939.