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AGRICULTURAL RELIEF MEASURES RELATING TO THE RAISING OF FARM PRICES - 71st CONGRESS, APRIL 15, 1929 to MARCH 3, 1931.

Ag 884 Ar

Compiled by Vajen H. Fischer
Library, Bureau of Agricultural Economics
U.S. Department of Agriculture.

Bills and a few pertinent resolutions and documents have been classified under the major subjects which were considered in this Congress. Titles of bills, etc., have not been repeated although it is recognized that some might be classified under more than one subject. Extracts from the hearings on these have been included under the same heading as the bills themselves except for one volume of general hearings which has been put at the end of the list.

For a brief historical account of agricultural relief measures see Agricultural Reform in the United States, by J. D. Black, published by McGraw-Hill Book Company, Inc., N. Y., 1929.

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Washington, D. C.
October 25, 1935.

BOUNTY

Bills

Frear

H.R.1641. To amend paragraph 501 of Schedule 5 of an Act entitled "An Act to provide revenue and regulate commerce with foreign countries and encourage the industries of the United States, and for other purposes", approved September 21, 1922.

Introduced April 22, 1929. Referred to Committee on Ways and Means.

"That on and after July 1, 1930, there shall be paid, from any money in the Treasury not otherwise appropriated, under the provisions of section 3689 of the Revised Statutes, to the producer of sugar testing not less than ninety-eight degrees by the polariscope, from beets, or sugar cane, or corn grown within the continental United States, a bounty of 2 cents per pound; and upon sugar testing less than ninety-eight degrees by the polariscope, a bounty of 1 1/2 cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe...

"No bounty shall be paid to any sugar producer whose net profits from sugar production during the last preceding year shall have exceeded 7 per centum of the capital invested.

"No bounty shall be paid to any person engaged in refining sugars which have been imported into the United States, or produced in the United States upon which the bounty herein provided for has already been paid or applied for, nor any person unless he shall have first been licensed as herein provided, and only upon sugar produced by such person from beets, or sugar cane, or corn grown within the continental United States."

Provides rates of duty on imports of sugar after July 1, 1930, and an additional one-tenth of 1 per cent per pound on all sugars testing by the polariscope above ninety degrees "when exported from or the product of any country when and so long as such country pays, or shall hereafter pay, directly or indirectly, a bounty on the exportation of any sugar of like polariscopic test which is greater than is paid on raw sugars of a lower saccharine strength".

H.R.963, introduced by Mr. Frear on April 17, 1929 is similar to this bill.

Selvig.

H.R.14277. To stabilize the price of wheat, and for other purposes.

Introduced Dec. 3, 1930. Referred to Committee on Ways and Means.

Amends Revenue Act of 1926.

Provides that there "shall be levied, assessed, collected, and paid upon flour manufactured, milled, or produced from wheat in the United States and sold by the manufacturer, miller or producer, or removed for consumption or sale, an internal-revenue tax of 1 cent per pound", etc.

"There is authorized to be appropriated for each fiscal year an amount equal to the amount of the tax collected... for the preceding fiscal year, less the amount of the tax on flour refunded pursuant to the provisions of section 1121 of the Revenue Act of 1926 during such year, to be

available for distribution by the Secretary of Agriculture to producers of wheat in the United States as hereinafter provided." Producer of wheat shall file certificate specifying number of bushels of wheat produced and sold by him and furnishing proof that wheat was actually produced by him. Secretary shall pay to each such producer "an amount bearing the same ratio to the sum appropriated as hereinbefore provided as the number of bushels of wheat represented by sales certificates approved by the Secretary for the preceding fiscal year."

EMBARGO

Bills

Burtness

H.R.15595. To place an embargo on certain agricultural products.

Introduced Jan. 5, 1931. Referred to Committee on Ways and Means.

Same as H.R.16468 except that dried edible beans, and eggs are not included.

Burtness

H.R.16468. To place an embargo on certain agricultural products.

Introduced Jan. 22, 1931. Referred to Committee on Ways and Means.

Hearings held before House Committee. 286 Un393Em

"That the following articles shall not be imported from a foreign country into the United States or any of its possessions, (except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam), or if imported before or after the effective date of this Act, shall not be withdrawn from bond for domestic consumption: Wheat, wheat flour, semolina, crushed or cracked wheat, and similar wheat products; corn or maize, including cracked corn, corn grits, meal, and flour, and similar products; oats, hulled or unhulled, ground oats, oatmeal, rolled oats, oat grits, and similar oat products; rye, rye flour and meal; barley; bran, shorts, by-product feeds obtained in milling wheat or other cereals; hulls of oats, barley, buckwheat, or other grains, ground or unground; mixed feeds, consisting of an admixture of grains or grain products with oil cake, oil-cake meal, molasses, or other feedstuffs; screenings, scalpings, chaff, or scourings of wheat, flaxseed, or other grains or seeds; butter, and oleomargarine and other butter substitutes; dried edible beans; eggs of poultry in the shell; whole eggs, egg yolk, and egg albumen, frozen or otherwise prepared or preserved, whether or not sugar or other material is added; dried whole eggs, dried egg yolk and dried egg albumen, whether or not sugar or other material is added."

Hearings

U. S. Congress. House. Committee on Ways and Means. Embargo on certain agricultural products. Hearings... Seventy-first Congress, third session on H.R.16468... February 18 and 19, 1931. Washington, U. S. Govt. print. off., 1931. 153pp. 286 Un393Em

Statement of Hon. Olger B. Burtness, a Representative in Congress from the State of North Dakota: p.7-39.

Mr. Burtness said, "In determining what should be included in this bill, I have proceeded to apply two general fundamental propositions. First, we have included nothing in the bill of which we do not have either an exportable surplus or ample production within the United States to take care of all the needs of the people of this country. That is one fundamental that I adopted as a basis, before including any item.

"The second question that I asked in determining what should or should not be included, was this: What is the price situation at the present time? Is it depressed? Is it depressed to a lower basis than generally exists with reference to products throughout the United States, and more particularly with reference to agricultural products?

"I believe that both of these principles are recognized in connection with all of the items inserted.

"Again, I emphasize that it is proposed simply as an emergency proposition to take care of the emergency which is so well referred to by Mr. Legge, chairman of the Federal Farm Board, in the letter that was read here a few minutes ago.

"In a general way, the present situation with reference both to agricultural commodities in general as well as specifically to the commodities proposed in this bill is what I shall address myself to now...

"This general picture, then, of prices as shown by these tables and shown by these charts, it seems to me, throws a good deal of light upon what is the trouble to-day not only in the farm sections but in the industrial sections as well, for it is this trend of prices which has forced many people away from their farms, brought about foreclosures of mortgages, and many other deplorable aspects of that kind.

"...you can readily realize with that situation existing as to the purchasing power of agriculture, the effect thereof finally reached the industries of this country; and that it was a very important factor, at least, in bringing on the present depression which exists to-day in industry as well as in agriculture."

Statement of Hon. Alexander Legge, Chairman of the Federal Farm Board: p.43-58.

"Mr. LEGGE... On this question of wheat that we are talking about our aim is - and I believe it is slowly working - to see the American wheat growers adjust their production to a domestic basis. I think they will do that.

"Mr. CRISP. I approve of your policy which you are advocating as to cotton, which is my commodity, as well as the others - to reduce acreage and prevent producing these large surpluses; but where you have these large surpluses of agricultural products I can not see where the tariff is effective."

Statement of Chester H. Gray, Washington, D. C., Representing the American Farm Bureau Federation: p.58-77.

"Mr. ESTES. I think one of the fortunate things in this period of depression to the men that have been out of work is that there has been a reduction in prices on meats and foodstuffs, and I do not know what the people out of employment would have done if the price had been maintained at the level that it was in 1929 or in the beginning of 1930.

"Mr. GRAY. I would go back further than that for the genesis of the unemployment. What caused the men to be out of work? It is because great groups of our population were not making anything in this American market. That is what caused it. I would, as I say, go back further than that for the genesis of the situation; I would seek the cause of it, and the cause is that great groups of the population, agriculture being one, for several years have been reduced in their purchasing ability, and that has resulted in throwing men out of work....

"Mr. GRAY. When I answered the Congressman a while ago that the depression began two years ago, I was thinking of the national group as a whole, but for agriculture the depression began five years ago, or thereabouts, and since that time, just as the Congressman from Illinois has indicated by his questions, the buying power of the American farm group has gradually fallen down and diminished until now I believe it is as low as it has been in any period for the last 25 years, and that has reacted in time on the manufacturing groups and on the financial groups, on the banks and on the entire economic structure of the Nation."

Mr. Gray submitted a "Statement of Knox Boude, Sebastopol, Calif., Chairman Tariff Committee National Poultry Council, an organization representing 88 State poultry breeders and State baby chick associations, concerning the Burtness proposed embargo bill." This brief stated: "We believe the time has now come for Congress to provide either an embargo or an adequate tariff upon dried-egg products and thus create an outlet for America's surplus egg production."

Statement of Hon. August H. Andresen, a Representative in Congress from the State of Minnesota: p. 84-89.

Mr. Andresen included a letter from the Land O'Lakes Creameries (Inc.), January 23, 1931, which reads, "all dairy products should be included in the bill."

"We have fully demonstrated that the farmers of the United States can produce all the dairy products of every nature that will be required in many years to come for home consumption. The bill should also include poultry and poultry products."

Mr. Andresen said, "I believe that if we increase the purchasing power of the people residing in the agricultural sections, we are going to help out a great deal in the general condition of unemployment throughout the United States."

Mr. Burtness, in his additional statement before the committee (p.94-103) included a wire from the Farmers' National Grain Corporation, February 11, 1931 which reads: "Agriculture believes itself entitled to domestic market on all commodities of which it produces a sufficient supply. We heartily approved your bill."

Statement of Hon. L. J. Dickinson, a Representative in Congress from the State of Iowa: p.105-115.

"I know of nothing that would be more helpful to this country to stabilize it economically than to have the buying power of the farmer reestablished, because he is the man who, as a group, forms the basis of our economic stability."

"I know that embargoes are very far-reaching, and that we rather shudder when we approach the question of an embargo. But it does seem to me that upon a commodity like wheat, if we could bridge over a period - the length

of time for this committee to determine - with an embargo, it would be very helpful in the restoration of our economic stability, provided we can do it without serious injury to our economic relations with the rest of the world."

EXPORT DEBENTURE

Bills, Document,
Joint Resolution

S.Doc.5. Export debenture plan for agricultural relief.

Letter from the President of the United States to the chairman of the Committee on agriculture and forestry, United States Senate, submitting his conclusions on the export debenture plan, together with an analysis of the plan by the Secretary of the Treasury (Apr. 19, 1929) and Secretary of Agriculture and Secretary of Commerce. (Apr. 20, 1929)

May 2, 1929.

In conclusion President Hoover said, "Altogether from the above reasons, it is my belief that the theoretical benefits would not be reflected to the American farmer; that it would create profiteering; that it contains elements which would bring American agriculture to disaster."

Connally

S.J.Res.203. To provide for the issuance of agricultural export debentures.

Introduced June 26, 1930. Referred to Committee on Agriculture and Forestry.

Same as H.R.17164 except that it is not an amendment to the Tariff Act of 1930.

Jones of Texas

H.R.15553. To provide for the issuance of agricultural export debentures.

Introduced Dec. 20, 1930. Referred to Committee on Agriculture.

Same as S.J.Res.203 except that percentum of reductions in debenture rates, in case of increase in production, vary. Has additional sections providing definitions and providing for circumstance where any provision of act is declared unconstitutional.

Johnson of Texas

H.R.17164. To amend the Tariff Act of 1930 to authorize export-debenture certificates on agricultural products.

Introduced Feb. 18, 1931. Referred to Committee on Ways and Means.

Whenever the Federal Farm Board finds it advisable the Secretary of the Treasury shall "issue export debentures to any farmer, cooperative association, stabilization corporation, or other person with respect to such quantity of the commodity or any manufactured food product thereof or any product manufactured from cotton or tobacco, if the cotton or tobacco out of which it is manufactured if exported in the raw material would have been entitled to receive a debenture therefor, as such person may from time to time export from the United States to any foreign country.. An export debenture, when presented by the bearer thereof within one year from the date of issuance, shall be receivable at its face value ... in

payment of duties collectible against articles imported by the bearer... Debenture rates in effect at any time with respect to any agricultural commodity shall be one-half the rate of duty in effect at such time with respect to imports of such commodity, except that so long as no import duty is imposed on cotton the debenture rate thereon shall be 2 cents per pound." Debenture rate on manufactured food products and percentages of reductions in debenture rates in case of undue increase in production are provided.

FEDERAL FARM BOARD

Abolish

Bill

Ellis

H.R.12969. To repeal the agricultural marketing act.

Introduced June 14, 1930. Referred to Committee on Agriculture.

Appropriation

Bill

Wood

H.R.15359. Making an additional appropriation to carry out the provisions of the agricultural marketing act, approved June 15, 1929.

Introduced Dec. 17, 1930. Referred to Committee on Appropriations.

Reported without amendment Dec. 18, 1930. House Rept. 2115 submitted.

Passed House Dec. 18, 1930.

Reported to Senate Dec. 19, 1930.

Passed Senate. Dec. 20, 1930.

Signed by the President, Dec. 22, 1930. Public no. 551.

Hearings held before Senate Committee. 280.3 Un372

Hearing held before House Committee. 280.3 Un373

Equalization Fee

Bill

Cannon

H.R.190. To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture.

Cited as the "Surplus Control Act".

Provides for creation of a Federal Farm Board, and for creation by the board of commodity advisory councils.

Authorizes the board to make loans out of a revolving fund provided by an appropriation of \$400,000,000, to cooperatives for purpose of

controlling the surplus produced in the U. S. in excess of domestic requirements, and of "developing continuity of cooperative services from the point of production to and including the point of terminal marketing services". The board may refuse to make loans for purchase of any commodity if acreage has been increased.

The board may assist in the establishment of clearing house associations and terminal market associations; "shall arrange for marketing any part of the commodity by means of marketing agreements with cooperative associations engaged in handling the commodity or corporations created and controlled by one or more cooperative associations"; shall establish a stabilization fund for each agricultural commodity as to which marketing agreements are made by the board; and enter into agreements for insurance of cooperative associations against price decline.

"Sec. 9. (a) In order to carry out marketing and nonpremium insurance agreements in respect of any agricultural commodity without loss to the revolving fund, each marketed unit of such agricultural commodity produced in the United States shall, throughout any marketing period in respect of such commodity, contribute ratably its equitable share of the losses, costs, and charges arising out of such 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. It shall be the duty of the board to apportion and collect such fee in respect of such commodity as hereinafter provided...

"(e) Under such regulations as the board may prescribe, the equalization fee determined under this section for any agricultural commodity produced in the United States shall in addition be collected upon the importation of each designated unit of the agricultural commodity imported into the United States for consumption therein, and an equalization fee, in an amount equivalent as nearly as may be, shall be collected upon the importation of any food product derived in whole or in part from the agricultural commodity and imported into the United States for consumption therein."

The term processing is defined for grain, cotton, and livestock and the terms sale and transportation for grain, cotton, livestock and tobacco, and in the case of other agricultural commodities the board shall "further specify the particular type of processing, sale, or transportation in respect of which the equalization fee is to be paid and collected."

Export Debenture*

Bills

Caraway

S.368. To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced Apr. 22, 1929. Referred to Committee on Agriculture and Forestry

*See also S.1 under Federal Farm Board, McNary-Haugen Bills and also subject Export Debenture

Cited as the Federal Farm Board Act. S.368, and H.R.79, H.R.190 and H.R.713 have the same declared policy "to promote the orderly marketing of agricultural commodities in interstate and foreign commerce, and to that end, through the execution of the provisions of this Act, to provide for the control and disposition of surpluses of such commodities, to preserve advantageous domestic markets for such commodities, to prevent such surpluses from unduly depressing the prices obtained for such commodities and from causing undue and excessive fluctuations in the markets for such commodities, to minimize speculation and waste in marketing such commodities, and to further the organization of producers of such commodities into cooperative associations."

Provides for the creation of a Federal Farm Board to consist of 12 members to be appointed by the President and the Secretary of Agriculture as ex officio member.

Provides for the creation of commodity advisory councils of 7 members each; and loans to cooperatives to assist in controlling the surplus of commodities and in acquiring facilities to be used in the storage, processing, or sale or other disposition of the commodity.

Sec. 7. Provides that on and after the date so fixed for the commencement of a debenture period the board shall issue, as provided in the bill, to any cooperative association, "or to any authorized agent of such association, debentures in an amount equal to the export price of the commodity produced by such association (or its members) and exported by such association or agent.

"(b) As used in this section, the term 'export price' means the price at which a commodity is sold, or agreed to be sold, for export by or for the account of the cooperative association producing such commodity...

"(e) The holder of any such debenture shall be entitled to import into the United States free of duty articles equal in value (as defined in section 402 of the Tariff Act of 1922) to the face value of the debentures so held, irrespective of the nature or amount of duty otherwise collectible against such articles."

Provides for the establishment of a revolving fund, the appropriation of \$250,000,000 for this purpose, and an appropriation of \$500,000 for administrative expenses.

Bankford of Georgia

H.R.79. To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agriculture commodities in interstate and foreign commerce.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture..

Provides for the creation of a Federal Farm Board to consist of 12 members appointed by the President and the Secretary of Agriculture as ex officio member.

Provides for the creation of commodity advisory councils of 7 members each; loans to cooperatives to assist in controlling the surplus of commodities and in acquiring facilities to be used in the storage, processing, or sale or other disposition of the commodity; assist cooperatives in the establishment and registration of clearing house and terminal market associations; making marketing agreements providing for the withholding,

or for the purchase, and for the withholding and disposal of the commodity so purchased, by a cooperative of any part of the surplus of any agricultural commodity; the establishment of a stabilization fund for each agricultural commodity as to which marketing agreements are made by the board; and the appropriation of \$400,000,000 to be used as a revolving fund.

Provides for issuance by the Secretary of the Treasury of export debentures in amounts computed at the debenture rates (specified in the bill) to the board in respect of debenturable agricultural commodities specified in the bill as follows: wheat, corn, rice, fruit, swine, cattle, poultry, cotton, tobacco, and any other agricultural commodity which is designated by the President under section 10b, etc. Section 10b provides that the President may designate any agricultural commodity of which there is a surplus as a debenturable commodity and may prescribe the export debenture rate for the commodity if he finds that the cost of producing such commodity in the U. S. is greater than the cost of producing such commodity in competing foreign countries, and that the domestic prices for such commodity is unduly depressed by world prices. Provision is also made for manufactured products. Provides that the President may prescribe an increase or decrease in the existing export debenture rate when he finds that the increase is necessitated by the change in the tariff rate under section 315 of the Tariff Act of 1922 or by the conditions which are responsible for such change in the tariff rate. The President shall prescribe increases or decreases in existing export debenture rates when he finds that the existing rate does not equalize the difference in the cost of production in the U. S. and in competing foreign countries. President shall prescribe reductions in export debenture rates, according to percentages prescribed in the bill, whenever he finds that the probable production of any debenturable agricultural commodity during the crop year will exceed the average annual production of such debenturable commodity for the preceding five years.

This is cited as the "Surplus Control Act". See S.368 for declared policy of bill.

Investigations

Resolutions

Nye

S.Res.221. [Authorizing the Committee on Agriculture and Forestry or a subcommittee to conduct investigations to determine whether or not (1) the Farm Board has been fairly interpreting the agricultural marketing act, etc. (2) the so-called "grain trade" has conspired to destroy the purpose and effectiveness of such act, etc. (3) the so-called "grain trade" has been aided in its activities by banking or credit institutions, etc.]

Introduced Mar. 3, 1930. Referred to Committee on Agriculture and Forestry.

McKellar

S.Res.455. [Providing for a committee of five Senators to investigate the Farm Board's dealings with the entire cotton situation]

Submitted Feb. 18, 1931 and ordered to lie on the table.

"Whereas in hearings recently held before the Appropriations Committee of the Senate, evidence was offered showing that the prices of farm products have constantly declined since the institution of the Farm Board;" etc.

Provides for a committee of five Senators to investigate "the subject of the Farm Board's dealing with the entire cotton situation."

McNary-Haugen Bills

Bills, Document

McNary

S.1. To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Introduced Apr. 18, 1929. Referred to Committee on Agriculture and Forestry.

Reported Apr. 23, 1929 without amendment. Senate Report 3 submitted.

Considered Apr. 23, 1929. Inserted after enacting clause in H.R.1 and passed May 14, 1929.

Hearing held before Senate Committee. 281 Un31Far

S.1. is somewhat similar to H.R.1, and in addition contains a section providing for export debentures. Cited as Agricultural Surplus Control Act.

S.Rept.3 accompanying the bill S.1, states, "The economic disadvantage of agriculture as compared with other industries has since 1920 been the subject of extensive study and discussion. Congress itself has through its committees conducted numerous hearings and presented several reports. As a result, the need for legislation to aid in restoring agriculture to its rightful position in the economic life of the Nation is so generally recognized that further discussion of it is unnecessary in this report.

"The seriousness of this need was freely admitted in the recent presidential campaign, ..."

The principal elements of weakness in the farmer's bargaining power are enumerated as follows: (1) lack of organization, (2) insufficiently developed leadership in conducting business on a large scale, (3) difficulty of adjusting production in agriculture to changing price levels, (4) dependence on the foreign markets, and (5) fluctuations in price due to variations in yield. These five weaknesses are discussed.

An analysis of the bill is given and discussed. "General considerations pertaining to a long-time agricultural policy" is the title of a section. The following elements of a long-time agricultural policy are enumerated: (1) minimizing fluctuations in the general price level, (2) formulating sound land policy, (3) improving foreign markets for farm production, (4) promoting industrial utilization of farm products, (5) extending the market news service, (6) strengthening price analysis, (7) reducing costs in farming, (8) minimizing hazards in agriculture, (9) extending farm-credit facilities, (10) improving transportation, and (11) strengthening research. A letter from President Hoover to Senator McNary, dated April 20, 1929, in which he summarized the weaknesses of the export debenture plan, is included in the report.

The amendment of Mr. Wagner in the nature of a substitute, introduced May 2, 1929, provides certain research and advisory functions for the Farm Board relative to supply and demand, transportation, credit, taxation, classification of land, submarginal land, and model farms. It provides for calamity reinsurance, and for a Federal Farm Products Corporation.

The amendment of Mr. Brookhart in the nature of a substitute, introduced April 26, 1929 is cited as the "Farmers' Export Cooperative Act of 1928." Provides for creation of the Farmers' National Export Cooperative, the general purpose and business of which "shall be to purchase from the farmers of the United States enough of agricultural products to include the entire exportable surplus and so much for interstate commerce as the board may determine, and to pay therefor the average cost of production plus a margin of profit sufficient to yield 5 per centum per annum upon the farmers' capital investment; also to process and to store and to market said products and to export such as can not be marketed in the United States, and to acquire by purchase, condemnation, or construction, the necessary facilities for such processing, storage, and marketing...

"Sec. 11. That for the purposes herein specified in handling and export of the surplus in agricultural commodities said board of directors shall establish a commodity 'advisory board' for each commodity having an exportable surplus...

"Sec. 13. Selecting from those recommended by the respective advisory boards, the board of directors shall establish a 'Federal farm operating board' for each commodity to be composed of three members...

"Sec. 15. The Federal farm operating boards shall have active charge of the handling and export of all agricultural commodities and of their exchange in interstate commerce and of exercising all the powers of the cooperative as hereinafter defined and as prescribed by the rules and regulations of the board of directors."

Losses occurring from export of agricultural commodities sold in the world markets at a lower price than the basic price shall be paid from the United States Treasury until they reach the total sum of \$600,000,000.

The amendment of Mr. Copeland, introduced April 24, 1929, provides for the equalization instead of the export debenture, and for establishment of a stabilization fund "for each agricultural commodity as to which marketing agreements are made by the board," and deposit of equalization fees, etc. therein.

Haugen

H.R. 1. To establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture.

Reported without amendment, Apr. 17, 1929. House Report 1 submitted.

Passed House Apr. 18, 25, 1929.

Passed Senate May 14, 1929. (See S. 1)

Conference report (H.Rept. 18) agreed to in House June 7, 1929.

Conference report rejected in Senate.

2nd Conference report (H.Rept. 21) agreed to by House and Senate June 14, 1929.

Signed by the President June 15, 1929. Public no. 10.

An analysis of the act (Public 10) follows:

The declaration of policy as stated in the act is "to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, so that the industry of agriculture will be placed on a basis of economic equality with other industries, and to that end to protect, control, and stabilize the currents of interstate and foreign commerce in the marketing of agricultural commodities and their food products- (1) by minimizing speculation. (2) by preventing inefficient and wasteful methods of distribution. (3) by encouraging the organization of producers into effective associations or corporations under their own control for greater unity of effort in marketing and by promoting the establishment and financing of a farm marketing system of producer-owned and producer-controlled cooperative associations and other agencies. (4) by aiding in preventing and controlling surpluses in any agricultural commodity, through orderly production and distribution, so as to maintain advantageous domestic markets and prevent such surpluses from causing undue and excessive fluctuations or depressions in prices for the commodity.

"(b) There shall be considered as a surplus for the purposes of this Act any seasonal or year's total surplus, produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly distribution of the agricultural commodity or is in excess of the domestic requirements for such commodity."

A Federal Farm Board of 8 members to be appointed by the President is created. Authorizes the board to establish advisory commodity committees of 7 members each; stabilization corporations and clearing house associations to make loans to cooperatives and stabilization corporations; and to enter into agreements for the insurance of cooperatives against loss through price decline.

Loans to cooperatives are for purpose of assisting in "(1) the effective merchandising of agricultural commodities and food products thereof;

"(2) the construction or acquisition by purchase or lease of physical marketing facilities for preparing, handling, storing, processing, or merchandising agricultural commodities or their food products;

"(3) the formation of clearing house associations;

"(4) extending membership of the cooperative association applying for the loan by educating the producers of the commodity handled by the association in the advantages of cooperative marketing of that commodity; and

"(5) enabling the cooperative association applying for the loan to advance to its members a greater share of the market price of the commodity delivered to the association than is practicable under other credit facilities."

Special powers of the board are outlined as follows:

"(1) to promote education in the principles and practices of cooperative marketing of agricultural commodities and food products thereof.

"(2) to encourage the organization, improvement in methods, and development of effective cooperative associations.

"(3) to keep advised from any available sources and make reports as to crop prices, experiences, prospects, supply, and demand, at home and abroad.

"(4) to investigate conditions of overproduction of agricultural commodities and advise as to the prevention of such overproduction.

"(5) to make investigations and reports and publish the same, including investigations and reports upon the following: Land utilization for agricultural purposes; reduction of the acreage of unprofitable marginal lands in cultivation; methods of expanding markets at home and abroad for agricultural commodities and food products thereof; methods of developing by-products of and new uses for agricultural commodities; and transportation conditions and their effect upon the marketing of agricultural commodities."

H.Rept.21, the conference report to accompany H.R.1, dated June 14, 1929, said: "The Senate amendment struck out all of the House bill after the enacting clause. The House recedes from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment. The essential differences between the House bill and the Senate amendment, and the nature of the corresponding provisions of the substitute agreed upon by the conferees, are set forth in the following discussion:" etc.

H.Rept.1 accompanying the bill says, "That the condition of agriculture requires legislative intervention in its behalf, we think we may assume. The platforms of both great political parties concede the necessity of action, and the President has called the Congress in special session to provide relief."

The summary of the report reads: "We believe that this program avoids the difficulties on which past legislation has been wrecked. It is so clearly constitutional that we feel it unnecessary to attach a brief to that effect. It offers no subsidy, direct or indirect; the Government is not placed in business; there is no hint of price fixing or arbitrary price elevation; it requires no elaborate machinery and creates no powerful bureaucracy; it imposes no tax upon the farmers; it contains no economic unsoundness.

"It does propose to furnish temporarily the capital upon which agriculture can organize to own and control its own business. It embraces all agriculture without assuming control over the farmer. It offers the maximum help the Government can give. It contemplates the stabilization of prices. It requires the initiation of all action by the farmers through their own organizations and gives the board only advisory powers except at their request. It is in accordance with sound economic law. It is the best program that has yet been offered for the relief of agriculture, not only from temporary emergency but from the threat of future disaster. It is- and should be- more than any government has offered in behalf of any industry.

"Wisely administered, it should assure to agriculture complete economic equality with other industry, and preserve its economic independence."

Subheads of the report are as follows: The Structure of Modern Industry; What the Government Has Done for Industry; The Structure of Agriculture as an Industry; What the Government Has Done for Agriculture; and Analysis of the Bill.

S.Doc.73. Agricultural marketing.

Report submitted to the Federal Farm Board by George E. Farrand, its Chief Counsel, relative to the Agricultural marketing act.

Jan. 27, 1930.

Mr. Farrand said, "Agriculture is a subnormal industry. Many crops are produced at a loss or without enough profit to give the farmer and his family the ordinary comforts to which, and more, they are entitled. Agitation for 'farm relief' has been and is pressing. Numerous plans have been proposed and considered. The President convened the Congress in special session April 15, 1929, to consider farm relief and agricultural and related tariff schedules. Congress passed the agricultural marketing act...

"The act is constitutional. It is based on the 'commerce clause' of the Constitution, which gives Congress the right to regulate interstate commerce. Congress can appropriate public funds and expend them for the general welfare and public good. Its judgment in doing so can not be questioned by the courts. Congress appropriated the money. The Farm Board is directed to carry out the details and to get the results. Methods wisely are left to its discretion."

In conclusion he said, "To those who are not so minded a word of caution and warning is given, that when distress and distrust in a country become generally prevalent and when the rural population of the country unites in that feeling of discontent with the men who toil in the cities, if they come to feel that the Government has come to deal unkindly and unjustly with them and that justice is denied to the poor (and there is much evidence to show that there is in this country a complete denial in the courts of justice to the poor, which problem alone outranks in importance the solution of the farmer question), have in mind that these groups acting together constitute a majority of the electorate and that they can and will through the ballot box reorganize the Government under which they live and the rules of the game at which they play and give us an entirely new problem to think about. The wonder is that they have so long failed to use the weapons already in their hands."

"Enlightened self-interest, if nothing else, requires that all persons, whether farmers or otherwise, to-day devote themselves sympathetically to a consideration and study of the problem of farm relief."

Hearings

U.S. Congress. Senate. Committee on Agriculture and Forestry. Farm relief legislation. Hearings... Seventy-first Congress, first session, relative to establishing a Federal Farm Board to aid in the orderly marketing, and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce. March 25 to April 12, 1929. Washington, U.S. Govt. print. off., 1929. 840pp. 281 Un31Far

Statements of Hon. Smith W. Brookhart, a Senator from Iowa: pp.5-27, 302-314.

Senator Brookhart said, "The American people are about one-third farmers... They formerly owned about one-third of the property values, but since the deflation it has been reduced in proportion to other values until it is only about one-fifth. And the farm population are getting about one-tenth of the national income..."

"The particular thing we are considering here is in reference to the exportable surplus of agriculture. I think every bill that has been introduced is upon the theory that there must be some sort of control of

the exportable surplus. About one-tenth of what the farmer produces is surplus and must be sold in the competitive markets of the world. As marketing affairs are arranged now the price is fixed by that competitive sale...

"While that is true as to the farmers, the protected industries have the Government's aid in the form of the protective tariff. That enables them to fix the price of every product at their factory without foreign competition. Then, the patented industries have the protection of the law, which enables them to fix the price of their product under the patent protection without any competition, either foreign or domestic...

"Now, the bill I have presented, with a few corrections, is in a general way the remedy that I propose for this situation...

"In a general way, its plan and operation is based upon the old Norris bill, I believe, the first bill that was ever introduced before this committee. And it is based, to a considerable extent, upon the old McNary bill, which was the next bill introduced in this committee. It has a suggestion in it that the cost of production should be the basis of the price that should be paid to the farmers for their products. That is not new and original with me in any sense; that was the plan followed by President Hoover when he managed the Wheat Corporation and to some extent the Food Administration. The prices of wheat, as determined and paid by that corporation, were based upon the theory of cost of production. So that is not new with me.

"Then, again, I have provided in this bill for changing this stabilizing corporation, or cooperative, as I call it, which is created by the bill, into farmer-owned and controlled cooperatives. But that is not my idea. That is the idea of the Wilson administration in the Federal Land Bank, and it has followed the Federal Land Bank precedent quite closely...

"And the tariff then should be raised, or put at a level of all the farm products, and that would protect this cost-of-production price. It would not make any particular difference if it were higher than this price, because in this case in the operation of this cooperative we are telling the people what they will have to pay for farm products. I want to lay down this proposition, that since we are using the public money to market these farm products, we owe it to the public to say to them what we are going to charge them for those products. And that is one reason why I want this cost of production determined. It is not price fixing. It is simply figuring up cost of production in the same way that Henry Ford does on the cost of his car, or that General Motors does, or that any other industry does."

In answer to the question of Senator Thomas, "Does your bill propose a plan for taking care of and holding in check these increasing surpluses?" Mr. Brookhart quoted the "report of the National Industrial Conference Board on this question of overproduction," part of which follows: "The average farmer and his family under present conditions are working so hard, and the overhead charges for interest and taxes are so high, that stabilization or even moderate increases in prices would hardly be likely to stimulate any considerable general overexpansion of acreage or production..."

"Senator Brookhart. I do not believe in the restriction of production, and I do not believe it is necessary on these facts at all. I think that we can go ahead and stimulate production all we can and still our population will outgrow the production and the relative production will be

less all the time. In 25 or 30 years we will not have a surplus, except as to cotton, which can certainly be controlled...

"I would like... to illustrate how deeply we put the Government in business for the banking interests of the country and for other lines.

"The Federal Reserve Board is... running the biggest banking business in the country. In the Federal land bank we put the Government in business...

"In the tariff we put the Government in business. It gives power to the manufacturer to fix his own price at his factory...

"Here are the railroads. We not only put the Government in business there; we put a value on the railroads and put it \$7,000,000,000 more than they could have bought them for in the market at Wall Street; but we fixed a rate of return at 5-3/4 per cent, and we did that when the American people were only producing 5-1/2 per cent. We protected labor with immigration laws, and capital is able to take excess profits...

"We put the Government in the shipbuilding business, and then sold the ships to private parties for a half or a third of what it cost the Government to build them.

"We **are** doing the same thing with water power, and we are trying to sell those great powers to private business after the Government has done the important part of the business. You see, I personally have not a lot of sympathy with this argument that we will not put the Government into business or go into price fixing. We have done it all along the line. Those things have cut down the farmer's income and reduced it until they get only one-tenth of the national income."

Senator Brookhart quoted a letter from Mr. Hoover to President Wilson on July 10, 1917, and said, "It was the result of that letter that the Wheat Corporation was established by President Wilson." He said, "the Wheat Corporation was the best friend that the farmers have ever had, and it gave the farmers the best prices and the best prosperity in all the history of agriculture."

Statement of S. H. Thompson, President American Farm Bureau Federation, Chicago, Ill.: pp.28-37.

Mr. Thompson quoted the Farm Bureau Federation "resolutions covering the national policy for agriculture" as follows: "The control of agricultural surpluses is the dominant economic question which faces us at the present time. This problem has become a national issue and is not of concern alone to agriculture.

"We reiterate the principles for which we have striven in the past to remove the effects of surpluses which, by imposing upon us a world price rather than an American price and by making the tariff largely without benefit to the producers of farm crops, have in the past and will in the future, if continued, make it impossible to maintain the American standard of living upon our farms.

"The questions of surplus control, seasonal and otherwise, for the proper solution require that the entire crop be brought under the regulation of efficient marketing and distribution which is too great a task for our present cooperative commodity marketing associations of themselves to accomplish... Tariffs on farm crops, however, are not substitutes for surplus control legislation, and are partially ineffective on crops which produce surpluses. Neither does acreage regulation, by governmental mandate or by voluntary agreement, guarantee control of surplus.

"Legislation must be adopted to make the tariff effective on surplus producing crops using cooperative marketing associations as the instruments for marketing not only the surplus but all portions of our farm crops; and containing definite checks and penalties upon overproduction. This legislation must be of a nature which does not subsidize agriculture."

Mr. Thompson said, "So we will have to look further and recognize as an industry that agriculture is lagging behind because of the inability to meet the higher cost of production imposed by the higher standards of living acquired through a protective system, that does add to the cost of production, because all the things that enter into the higher standards of living add to the cost, the overhead necessary in the production of farm crops, and if you have not got a corresponding bargaining power on the products of this industry to get an income equal to paying those higher fixed charges it is inevitable that we are not going to be able to meet the situation..

"Industry could not produce and distribute the products of industry on the same plan and in the same manner as agriculture distributes their products and have a stabilized industry where they can maintain a firm and stable price over a period of time, which we find that they are able to do...

"Now we recognize in the plans that we have advocated that it is necessary that you have intelligent production to meet demands as nearly as possible, recognizing that expanded production under the present circumstances results in less returns...

"I have felt that in approaching it from the side of arbitrarily limiting production by law, that it was necessary to recognize the fundamental principles involved in a marketing plan that would recognize the marketing in the hands or control of the farmer - would educate him in such a way that to produce more than could be orderly marketed would add to his troubles...

"Senator HEFLIN, ...we have succeeded two or three times when we got them well organized, to agree on a reduction of acreage, and they have actually done it. What I want to keep in mind here is that that is a principle that ought to go along with any legislation. That the farmers must be kept informed all the time as to how much there is on hand, and what the consumptive demand will be, and that will enable him to know better how to handle his crop, and how much to produce...

"Senator NORRIS... Your organization has never advocated the limitation of production by any law or legislation of Congress, have you?

"Mr. THOMPSON. No, sir...

"Senator HEFLIN. Well, does not the Senator think it would be unconstitutional for Congress to pass an act telling one class of people that they could produce but a certain amount of a certain thing?

"Senator NORRIS. It is certainly ineffective. Even the Constitution can not keep the worms out of the grain field, nor prevent the hail from destroying the wheat.

"Senator HEFLIN. I do not think that Congress has the authority to pass an act limiting the farmer to a certain amount of production of any crop, and I do not think that the Congress ought to take that position. But I do think that we have got to keep the farmers organized and educated along these lines...

"Senator SHIPSTEAD. Is it your opinion that a great deal of this farm trouble comes as the result of the surplus?

"Mr. THOMPSON. No question about that, I think...

"Well, sometimes, of course, you have an aggravated situation by the increased surplus, but you have always got a surplus problem of the commodity of which you have an exportable surplus...

"Senator SHIPSTEAD. So it would not be desirable to eliminate the surplus. You have got to have it, and then you have got to devise some means of disposing of it and disposing of it in such a way that it will not depress the American market?

"Mr. THOMPSON. Correct...

"I feel that the lack of control in the sale of the farmer's product or bargaining power to determine price would bankrupt the best organized industry in America, if you had to apply the same principles in the sale of the products of industry as are applied to agriculture."

Statement of Dr. Harvey W. Wiley, Washington, D. C.: p.37-42.

Dr. Wiley read his remarks in part as follows: "When a manufacturer produces an article, if he is a good business man, as most of them are, he knows exactly what that article has cost him. He puts a price on his article to cover the cost, plus a reasonable profit.

"When a farmer grows a crop [crop], as a rule, he does not know how much it has cost him. He does not put any price upon the article he wishes to sell, as the manufacturer does. He is in competition with every other farmer who has grown the same kind of crop. It is not reasonable to ask a farmer to sell a product of his fields at less than it cost him to produce it and, therefore, the first important thing in farm relief is to know the cost of production...

"Why should the Congress of the United States refuse to do for agriculture what it has already done for so many other industries?...

"The duties of these officers, first, with such others as may be designated, is to determine the cost of production of the following agricultural products, namely:

"Milk and milk products, sugar beets, sugar cane and sorghum products, cereals, hay, poultry and poultry products, swine and swine products, beef and beef products, sheep and mutton products, cotton, flax, and all other agricultural staples not perishable, 75 per cent of which is used in the United States or its insular possessions...

"The average cost of producing each article of farm product above mentioned shall be taken to determine the amount of import duties which shall be levied on all imported articles of the same kind brought into the country for consumption or otherwise, either raw or manufactured, to make the cost thereof the same as that of the domestic product. The cost of this tax should be sufficient to equalize the prices of the imported article, so that it may be upon the same basis of value as the article produced at home."

Statement of Paul Holtz, New York City: p.44-49.

Mr. Holtz said, "I am an agricultural economist of the European school." He read an article which he had prepared, in part as follows: "In a general picture, the farm situation of to-day is in a slowly dying condition; all our experts see the end coming, but to offer help to prevent further depreciation of the farm land they do not attempt even to make a

suggestion...

"Agriculture in the United States can be compared to a huge building without a foundation and without the cementing power to hold the different materials together.

"Economic agriculture depends on first, organization; second, distribution...

"We have to form in every State a (independent from the State) farm association controlled in the interest of harmony, cooperation, and understanding for a mutual program, by the State Agricultural Department, and all (48) associations concentrated under one head as a branch in the United States Department of Agriculture.

"Government or State can not and should not be in business.

"The United States being a sectional agricultural country can not make a universal farm relief. It is a matter of the individual State to work out the problems of her farm situation to the satisfaction of every line represented and concerned within her borders in a uniform cooperation with the other States...

"Kindly permit me to explain the definition of overproduction. If an organized farmer with good marketing connections receives his price for any quantity of his products he is within the quota of the demand of production, but if an unorganized farmer - left to himself - even at a loss is unable to dispose of his products our authorities consider it an overproduction. To avoid such handicaps and disadvantages we have to organize all the farmers to enable them to dispose of their products at a reasonable profit, and as a matter of fact the farmer is dependent on the farm relief in order to find a market. Overproduction occurs also when the middleman is asking high profits, and on account of that he is unable to sell...

"The last edition of the McNary bill is well known to everybody... According to present conditions this is the only proposed sound and adaptable general farm relief so far presented."

Statement of Prof. John D. Black, Department of Economics, Harvard University, Cambridge, Mass.: p.53-91.

Prof. Black said, "The first problem which I wish to discuss with you is the problem of standardization of agricultural income. I have come to the conclusion that agricultural income can be stabilized, and I have worked out on a series of charts... I am going to present those to you as simply and as briefly as I can..."

"The method that is used in calculating the price necessary to stabilize income is such that the trend of production could be projected into the future with a very high degree of certainty; and as soon as the information was available as to the size of any year's crop, a price could be made which could stabilize income with a satisfactory degree of accuracy..."

"Now, as to a general statement, the conclusion that I have come to with respect to the analysis of the stabilization program is that it can be done; that it will cost a little money, so far as the actual gross income of the cotton growers is concerned.

"I think we must consider, however, that a program which kept the acreage fairly well in line, fairly well stabilized, would reduce costs of production in many ways, and it is entirely possible that the savings in the cost of production would repay the farmers for all that the stabilization program cost.

"I think, myself, that a carefully worked out experiment in stabilizing the income - not the price, but the income - of cotton growers is somewhat promising and should be undertaken. But we must not look to it to have any immediate effect on the price which farmers receive for their cotton or any other crop; that if we want relief in that way we will have to adopt some kind of a price-raising plan.

"I have studied all of the price-raising plans which have been before your committee and perhaps one or two that have not yet been before your committee to any extent. In particular, I have studied one which has not been published anywhere except in the recent number of the Farm Annals, on farm relief. It is the plan which I have called the allotment plan with transfereable rights...

"It involves essentially paying the producer the domestic price plus the tariff on that portion of his production which is for the domestic market and paying him the export price on the rest of it. In that respect it is to that extent like the plan which was presented in a book by Dr. W. J. Spillman, called Balancing the Farm Output.

"From that point on it differs. The plan would involve issuing to each grower at the beginning of the season rights to sell on the domestic market the amount of cotton representing his share in the domestic quota...

"It has no author...

"This plan is intended to prevent expansion of production, because there is no bounty received on the export part of it...

"I believe that for products to which a tariff duty can be applied and made effective, that is by all means the simplest and best arrangement. That covers flaxseed, sugar, and wool and a number of other products.

"For wheat and cotton the most satisfactory plan which I have thus far studied is this domestic-allotment plan with transferable rights which I have described in this document...

"For pork products, beef, poultry products, and a considerable list of other products I think that the export-debenture plan is the most satisfactory plan which has been presented...

"I have studied them, and I have this to say to you: That if you want to raise the prices of farm products relative to the general price level, if you want to do that within the next two or three years by an appreciable amount, some combination of these price-raising plans will be necessary in order to do it.

"The stabilization program has much to recommend it, but it is not a price-raising program. It has much to offer to agriculture in the long run but not in the near future...

"My answer is that the purchasing power of farm products is about 90, now, and it needs to be about 105 in order to establish the agricultural industry on the proper basis, and that the Congress of the United States ought to undertake rather vigorous measures to readjust that situation; and I think the situation warrants undertaking in a conservative sort of fashion some price-raising measures."

At the end of Dr. Black's testimony is a summary and comparison of the various price-raising plans which he had prepared. Subheads of the prepared statement are as follows: The domestic-allotment plan; the allotments; the price mechanism; basic economic principles; method of financing; application of plan to three wheat crops; administrative problems;

insurance aspects; the carry-over; effect on production; application to cotton; application to corn; application to other products; summary-advantages and disadvantages; the Spillman plan; objections and alternatives; plans for raising prices of farm products by Government action; operating principles; and detailed comparison. The plans for raising prices which are discussed are the equalization-fee plan, the export debenture plan, the excise-tax export-bounty plan, the Australian butter-stabilization plan, and the domestic allotment plans.

Statement of Sydney Anderson, President of the Millers' National Federation: p. 91-98, 101-118.

Mr. Anderson said that he did not express the views of his organization.

"The CHAIRMAN. Mr. Anderson, may I observe that you were formerly a Member of the House of Representatives and in 1921 were chairman of the Joint Committee on the Agricultural Inquiry?

"Mr. ANDERSON... I know of no single plan which can be written into legislation and which will afford a permanent solution of the many diverse and complex conditions which make up the agricultural problem...

"In the first place there are many kinds of surpluses...

"I think there are a great many things which can be done that would be helpful and which ultimately might point the way to more definite solution than we are able to see now. In other words, every solution is to a certain degree a matter of experimentation, of arriving at conclusions in the hard school of experience. While these problems are not all new, they are to a considerable extent new so far as agriculture is concerned. At least, we have only very recently learned about them, apparently, and we have not learned how to adapt to agriculture the methods of coordination and organization, of diversifying the risk, the simplification of varieties, which have to a considerable extent improved the situation in general manufacturing lines...

"It does not seem to me that the problems with which agriculture is confronted, however acute they may be, are in any sense new. I make the assertion that industry in general, practically all industry, has been struggling with substantially the same kind of problem for, lo, these many years. Over a long period of experience, individually and collectively, they have developed certain methods and procedures by which they are able to have a large effect upon the prices which they are able to obtain.

"Many industries have diversified their lines so as to spread the overhead over a larger number of commodities and, consequently, reduce the unit cost on all.

"We have the same opportunity in agriculture to diversify the lines and, consequently, to spread the overhead of the total industry over a large number of commodities. In other industries it has been possible to reduce the number of varieties, styles, and sizes and, by virtue of that reduction, to reduce the cost. It is possible in many instances to reduce the cost of production. Personally, I think there is a good prospect of that sort in the agricultural industry.

"Business men have found it possible to find new uses, to find new markets, to speed up the turnover, and reduce their capital requirements. All of these possibilities, all of these methods and procedures, are adaptable in a greater or less degree to agriculture.

"And that is what I mean when I say that it seems to me, looking at the proposition from the point of view of the permanent stability of

agriculture, that what we need is a program of permanent organization of the agricultural industry of the country upon a long-time program...

"I think the problem here is, as far as we are able by the adoption of the same methods that industry has adopted, to give the farmer as large a measure of control of his price as it is possible to give him."

Statements of Hon. William C. Lankford, a Representative in Congress from the eleventh Congressional District of Georgia: p.118-133;687-693.

Mr. Lankford said, "To my mind... the only great problem to be solved is that of overproduction and that of orderly marketing, or at least holding the commodity off the market until there is a demand for that commodity at a fair price."

"I do not believe that any farm-relief plan will be permanent and lasting unless it has in it an effective control of production and an effective control of the commodity in the hands of the producer."

With reference to his bill H.R.77, 70th Congress, he said, "My bill does not provide that the Government shall restrict production, but does provide a system...whereby the farmers themselves, by certain contract entered into with each other and with the bank with which they are to do business and with the organization which is set up in the bill, will control that production."

"In other words, I seek to bring into force and effect the contract power of the Constitution rather than to seek to force the farmer into any strait-jacket of control of production..."

"The bill provides for the farmers' finance corporation to make loans through the banks of the country on certain basic agricultural commodities at the price at which the commodity has sold for the last 10 years, with the commodity to be the sole and only collateral, with the commodity to be accepted finally in full payment of the loan, with the maturity of the indebtedness to be postponed until the commodity is sold, and that the commodity, when sold, is to pay the loan, or somebody to bear the loss other than the farmer, provided ... that farmers planting 75 per cent of the acreage of cotton in the United States shall have signed contracts with each other and with the bank through which they are to do business and with the farmers' finance corporation that they will allow two things to be done in connection with their production and in connection with their marketing..."

"My bill mentions just certain basic agricultural commodities... I mention in the bill wheat, tobacco, and cotton, and possibly livestock. It would operate as to no commodity except where 75 per cent of the producers of the commodity had signed contracts..."

"The great trouble with the farmer to-day is that he can not control his sales. He can not control the time when he is going to sell his commodity. Why? Because his taxes are due, his interest is due, or because his bank note is due. He must sell his cotton. But cotton is down in price. He can not wait for it to go up. But if my bill goes into effect he can borrow the average price at which the cotton has been selling for the past 10 years and put his cotton up as the sole security. My bill would stabilize the price at the figure at which he could borrow. He would sign the contract because he would know that, unless enough signed it to make it effective, the contract would not go into effect, and he would know that whenever enough signed it to carry it into effect then the price would be stabilized..."

"I have another suggestion which I wish to make to the committee. I took the McNary-Haugen bill and performed a simple, painless, bloodless operation by trimming out of that bill the equalization-fee provisions and inserting in lieu thereof the debenture plan in a modified form. I provided that the debentures be issued not to the exporters, but that the proceeds go into the stabilization fund of the McNary-Haugen bill so as to make unnecessary the equalization fee and yet give the farmers the benefit of the other provisions of the McNary-Haugen bill. I believe this plan is preferable to the present plan of an equalization fee...

"I also took my contract, production and marketing, control plan and grafted it into the McNary-Haugen bill and reintroduced it as an independent bill as a suggestion, but I am free to confess that I think my original plan is much better for many reasons...

"I am sure that real farm relief can only come with a proper control of production and marketing and that there can only be established proper control by contracts entered into by the farmers with all concerned under an enabling act of Congress, such as my bill provides. All the other bills introduced by other members fail in this most essential respect...

"One of the most vicious schemes for production control is to set up expensive machinery for the control of the surplus and then provide that if a large surplus is created and the farmers are in dire need of help then that relief will be refused, but if there is a curtailment of production and the farmers produce no surplus - and therefore need no help - then assistance will be generously offered him.

"Why not enter into a fair and square agreement with the farmer to render him the required assistance upon condition that he do his part by acting fairly with the Government?

"Another very vicious scheme for production control is that loans be made only to those farmers who agree to control production, thus leaving the rich man who does not have to borrow money, free to plant and produce without limit.

"It will be remembered that my plan does not bind the farmer to curtail production. He only obligates himself to do so, provided it is determined that such curtailment is necessary. The most effective provision in my plan is that the farmer makes the governmental agency his attorney in fact, and authorizes the agency to sell his commodity so as to create the most effective control of any alleged surplus, together with an almost complete control of the entire crop. The loan feature is permitted only for the purpose of enabling the farmer to borrow the average price of his commodity while it is being held for a fair price.

"Proper control of production and marketing means control of prices by the farmers themselves and hence the naming by them of their own profits in reasonable bounds. I have studied this problem for years, and my very best judgment is that we must work out a plan to enable the farmer to name within reason the price of the commodities which he sells as other businesses and enterprises do, or else we must leave this problem unsolved for the present...

"Some may suggest that my bill provides for price fixing and is therefore objectionable. Let me say that I think it is clearly price fixing in its nature and provisions and that is just the reason I am so much in favor of it. Congress has passed laws to help everybody else fix prices of what they sell. Why not extend this privilege to the farmer? I have

no patience with any plan of so-called farm relief which attempts to help the farmers without helping them get a better price for their products...

"Again, Mr. Chairman, many object to all bids which vote any financial assistance to the farmer on the idea that the farmer should not receive a subsidy from the Treasury. Subsidies have been from time to time granted to other folks. Why not grant a subsidy to the farmer? The farmers will never, by any scheme we may pass, get back one-tenth of what has been unjustly taken from them by discriminatory legislation...

"My bill provides for the most effective farm relief ever offered, provided the farmers themselves will approve the plan and put it into effect.

"So the only question in doubt is, will the farmers sign the contracts suggested by my bill...

"Congress has no business creating any board or bureau to deal with the very vitals of our national existence without limiting its powers to certain specific limits. Congress should know what it wants a board or bureau for and should not hesitate to say what its powers are to be...

"Just as surely as we elevate prices without some sort of control of production, just so surely will the farmers themselves plant more corn and more cotton and more wheat and produce more and bring about the greater production. In other words, any bill which fails to have within it a proper control of production has failure written on its pages."

Statement of John J. Dillon, Publisher of the Rural New Yorker: pp.141-155.

"Senator HEFLIN. As it is now, everything he buys somebody else tells him the price he has got to pay, and everything he sells somebody else tells him the price he has got to receive.

"Mr. DILLON. Exactly. That is the plight of the farmer. If he could even help to determine the price he would soon learn, then, to coordinate his production with the demands of the markets, provided the system is so constructed that the work of coordination is focused on the local farm organizations...

"The fundamental need of agriculture is a national system for the marketing and sale of farm products under the control of farmers themselves.

"Let me emphasize that - under the control of farmers themselves.

"It is not enough to relieve conditions for any particular crop or section or for export production alone. The system must be broad enough to cover every farm crop seeking an outlet for either foreign or domestic markets, and comprehensive enough to serve every producer, large or small, rich or poor, on our American farms...

"Senator HEFLIN... In view of the deflation policy that came on which produced a panic and not only demoralized but paralyzed the farmers of the entire Nation and resulted in the destruction of billions of property values, would not the Government have more excuse than in any other industry to come to the rescue of those people who were knocked down and robbed and paralyzed under that system and help them back on their feet?

"Mr. DILLON. I certainly think that the Government would be justified for that reason alone; but I do not think that that was the primary cause of the farmers' distress. We have gone through eight or nine years of the greatest prosperity that this or any other country has ever known, generally, and during that period practically one-third of the agricultural interest, representing practically one-third of the whole population, has been going back year after year for those eight or nine years during this prosperous period... It all comes back to that one fact, that the farmers are at

the mercy of the people that they trade with both ways, to repeat what I said before. You give the farmer a system by which he can face his buyer and determine the price he is willing to take for his product, and then it does not matter what his cost of production is; he can cover it like anybody else does...

"What agriculture asks of Congress is the legal machinery to create a system as well suited to the business of the farm as the bank franchises are to banking, or as the transportation laws are to railroading, or as the business corporation franchises are to industry. We want the instrument of wholesale distribution in our own control so that we can stand on an equal footing face to face with the distributing buyer to negotiate the sale and determine the price of our agricultural products.

"This system would be as big a boon to the industrial system as to agriculture... Give the farmers their fair share of buying power, and they will keep the industrial and trading and professional classes busy and prosperous for a generation before they catch up with their normal requirements."

Statement of Harvie Jordan, Greensboro, S. C.: p.155-170.

Mr. Jordan, who represents the American Cotton Association better-farming campaign, said,

"No government can legislate prosperity into any people or industry unless the beneficiaries of such legislation take full advantage of the opportunities presented. Sound and practical measures for farm relief have been pledged to American agriculture by President Hoover and the Republican Party which will be in control of the Seventy-first Congress, and those pledges we believe will be faithfully enacted into satisfactory Federal legislation. The legislation proposed is largely intended to stabilize the prices of staple farm products, control the temporary surpluses of such crops before they leave the hands of the producers; encourage the organization and effective operation of cooperative marketing associations and stabilization corporations; provide ample financial loans on surpluses held to prevent glutted markets and by adequate protective duties levied against imports of competitive agricultural products place agriculture on a basis of equality with business industry in the United States. Agriculture as the fundamental basic industry of the Nation should be protected and fostered by the Federal Government to the fullest extent of its powers under the American Constitution. To the proposed farm-relief measures we subscribe our unqualified indorsement."

Statement of S. J. Cottingham, Stanhope, Iowa, President Farmers' Grain Dealers' Association of Iowa; Director of the National Farmers' Grain Dealers' Association: p.213-224.

Mr. Cottingham said, "Our organization has in mind some definite ideas and policies which we think would relieve the agricultural situation... We are opposed to both the equalization fee and the stabilization corporations. We think that no plan of surplus control could be permanently effective or even avoid disastrous consequences unless provision was made in the legislation to influence production...

"We think that surplus must be controlled at the source of production and that unless this was effectively provided for, there is almost certain to result an average price level over a period of years injurious rather than beneficial to farmers, a thing which, of course, all friends of agriculture desire to avoid."

Statement of D. H. Allen, President of the Farmers' Grain Dealers' Association of Illinois, Delavan, Ill.: p.224-231.

"Senator NORBECK... Do you feel that agriculture can survive very long under the present handicap of a depreciated dollar?

"Mr. ALLEN. Not and retain its equality with other industries.

"Senator NORBECK. In other words, it will tend to a gradual depletion of the soil, a run-down condition of the buildings, more tenancy, and the abandonment of farms?

"Mr. ALLEN. I believe so, because that is true in Illinois.

"Senator NORBECK. Do you feel that anything short of a restoration of the purchasing power of the farmer's dollar will save the situation?

"Mr. ALLEN. I do not see anything else."

Statement of Charles W. Holman, Secretary of the National Cooperative Milk Producers' Federation, Washington, D. C.: p.246-261.

He included the "Statement Regarding Farm Relief and Cooperative Credit" of the National Committee on Cooperation, which reads in part as follows:

"4. On the three previously mentioned major recommendations there was unanimous agreement on all of the major points; but in the matter of Federal legislation looking toward control of exportable and seasonal surpluses, a difference of opinion developed as to the most desirable and effective plan of dealing with this very difficult and much involved subject

"Some were of the opinion that until a better method of dealing with the surplus control question is suggested, the equalization fee should still be advocated. Others thought stabilization corporations as proposed in some bills now before the committees of Congress, might be helpful. Still others were opposed to both the equalization fee and the stabilization corporations.

"The entire conference was in complete agreement, however, that no plan for surplus control of any commodity could be permanently effective, or even avoid disastrous consequence, unless provision were made in the legislation to effectively control overproduction.

"The conference was in full agreement also on the point that surpluses must be controlled at the source of production, and that unless such provision is assured in any Federal legislation, there is almost certain to result an average price level over a period of years that would be injurious rather than beneficial to farmers - a consequence which all friends of agriculture desire to avoid.

"We therefore recommend to you that under any plan of surplus control due consideration must be given to the means for controlling overproduction."

Statement of E. Clemens Horst, San Francisco, Calif.: p.267-292.

He included a letter which he addressed to every Member of Congress on March 21, 1929, and supplementary data. In the letter he said, "If I am given sufficient time at the above public hearing, I expect to prove -

"1. That the present losses of the American farmers exceed \$6,500,000,000 per year.

"2. That the problem of lifting any particular farm products out of distress is only a fraction of the major problem of thereafter keeping them out of distress.

"3. That the losses are caused by surpluses of farm products in the United States.

"4. That the surpluses are the result of increased importations of farm products and not of home production.

"5. That in 1922, which was two years after our present siege of farm distress began, we reversed our economic policy from exporting \$500,000,000 more of farm products per year than we imported to importing \$600,000,000 more per year than we exported." etc.

Mr. Horst said, "Of course, the whole problem with which you are confronted is surpluses. If there are no surpluses the farmer can take care of himself. If there are no surpluses the buyer comes to the farmer and the farmer dictates the price. But just as soon as there are surpluses, or excessive surpluses, then Mr. Buyer dictates the price, and that is where your trouble comes in..."

"If you will look at the Government records you will find that farm distress began in 1920. I have here a report by the Joint Commission of Agricultural Inquiry of the House and the Senate and it is headed 'The Agricultural Crisis and its Causes.' That was published in 1921. It referred to the conditions in 1920..."

"So-called friends of the farmers say that farm relief depends upon decreasing the cost of production. You are going to get mighty little relief from decreasing the cost of production. You are going to get a little bit of relief if you can decrease the cost of production, but will somebody tell me how the farmers can decrease their costs of production? The total they pay for labor in a year is \$1,000,000,000. They can not decrease that. They pay a billion or so for taxes. They can not decrease that. They pay a vast amount in interest. They can not decrease that very much."

He included a "Tabulation Showing Hopelessness of Adequate Farm Relief Except By Increase in the Gross Proceeds Received by Farmers for their Products," and said, "In diversifying and changing from one crop to another you are going out of one difficulty into another."

"Senator BROOKHART. If a farm board would proceed on the theory that our farmers should get the production cost and 5 per cent cooperative capital return, then they could agree and there would be no conflict of interest."

"Mr. HORST. A Government guaranty to farmers on a cost-plus basis does not appeal to me, because costs would be figured much too high, and recklessness, both in costs and figuring costs of production, would result. The public is entitled to protection against any such plan. I do not think that the public would or should stand for guaranteeing farmers a profit on any cost-plus basis."

Statement of Dr. B. W. Kilgore, Raleigh, N. C., Chairman Board of Trustees American Cotton Growers' Exchange: p.292-302.

Mr. Kilgore said, "The surplus is the real question. Without some effective method for handling the surplus in the staple commodities, I do not see how the maximum benefit or any material benefit could come from legislation of that kind, except the facilities, as I mentioned a bit ago."

Statement of G. S. Ralston, representing the Legislative Committee of the National Potato Institute and the Eastern Shore of Virginia Produce Exchange: p.314-338.

He included a brief entitled "The Potato Industry and National Farm Relief Legislation, by G. S. Ralston."

The brief discussed the bill S.4602, 70th Congress, and its effect upon the potato industry. The brief stated, "Even though the bill holds no promise of surplus control or of immediate financial aid to the perishables,

it may still afford great help to such commodity lines. By looking further into the bill we believe with some slight modifications of organization, finances, and duties it would offer great help to the potato industry through providing means to stabilize production."

Further, "If these latter commodities [perishable commodities, such as potatoes, apples, and other fruits and vegetables] are to be stabilized and made reasonably profitable to the producers thereof from season to season, it must be through the influence of some national council that will command the respect and confidence of the producers of the United States to a sufficient degree that they will regulate their production in accordance with the consuming demand of the country."

Statement of B. F. Yoakum, President of Empire Bond and Mortgage Corporation, New York City: p.349-361.

"Mr. YOAKUM. Limiting planting, reducing acreage, is the only remedy for overproduction. A wheat-marketing board could devise plans for submission to the Federal board under which acreage in the different States would be restricted to the average planted for five preceding years, as shown by the market reports of the Department of Agriculture...

"Preventing overproduction is as vital as better distribution, and both could be promoted under an efficient farmer-controlled marketing system, coordinated in its operations with the Federal Farm Board."

Statement of Homer F. Brinkly, Lake Charles, La.: p.361-365.

"Mr. Brinkly, general manager of the American Rice Growers Cooperative Association of Louisiana and Texas, said, "I am also of the opinion that the stabilization corporation should attempt to maintain prices practically at the level of the cost of production rather than placing a premium on surpluses. In the past that has tended and, I believe, would tend to increase the surplus the following year rather than to cut it down."

Statement of Edwin McKnight, Medina, N. Y.: p.373-383.

Mr. McKnight said, "I have a bill here for farm relief which is a practical and constitutional farm-relief measure... It is the Borah bill, 1754 [70th Congress]".

He quoted the bill as follows: "(d) To aid and assist and advise associations of producing farmers in forming and perfecting commodity cooperative marketing associations, or commodity marketing corporations, whose individual producing members would agree to obey the directions of the board in the production of livestock or in acreage planting."

He said, "I maintain that this local feature in this bill is the only possible way in which you can get an intelligently limited production... If you create a Federal farm board with money enough so that banks and bankers can loan to cooperatives and farmers' corporations upon the express condition that those banks or those cooperatives shall, by the direction of this board, exact acreage planting or livestock breeding, that is the only way that I can see that American agriculture can be benefited."

"I have studied over this thing for a great many years and I can not discover any other possible way to control acreage."

He read and discussed the bill further.

Statement of R. N. Sheppard, Jerome, Idaho, Chairman of the Board of Directors of the Federal Farm Land Bank of Spokane, Wash.; Chairman of the Agricultural Council of the Western Central Shippers' Advisory Board: p.383-406.

"Senator CARAWAY... You are going to have to find some way to remove the surplus off the market, but the farmer can not do it. It is unfair to ask him to arrange to feed the world and then penalize him when God smiles upon him and the rain and the sunshine makes an extra crop. Some agency has got to protect him."

Statements of J. W. Brinton, Representative and Organization Director of the Nebraska Wheat Growers' Association, Lincoln, Nebr.: p.407-445, 711-713.

Mr. Brinton said, "The first statement I wish to make is that we are in accord with the general principle of the McNary bill, introduced in the December session of the 70th Congress, with such changes as I shall point out."

Statement of J. L. Coulter, President of the North Dakota Agricultural College: p.460-477.

"The CHAIRMAN. I think we will all admit that there is agricultural distress. Can you tell in a brief word the reasons for that distress?"

"Mr. COULTER... We are flooded, then with a surplus of cheap food materials from the rest of the world, where they have low land values, low labor wages, low standards of living, low taxes, low transportation charges, and what not..."

"I think that one thing the committee should be very guarded about is to see to it that the tariff is properly adjusted on these surplus materials which are being dumped in here. That is certainly one way where we are sure that we are protecting our domestic agriculture in our domestic market..."

"I would not start a new principle of equalization fee or debentures, because it would be too hard to talk a new idea into 117,000,000 people... I would follow the practice that has been followed since time immemorial of the drawback..."

Statement of Carl Vrooman, farmer, and former Assistant Secretary of Agriculture, Bloomington, Ill.: p.477-488.

Mr. Vrooman said, "Most of the real friends of farm relief are thoroughly agreed on general principles... and I think that most of us are agreed that in any satisfactory farm relief bill a provision is needed that will prevent the overstimulation of production by increased prices for farm products... I can not quite agree with the gentleman who spoke earlier this afternoon, whose name I do not know, who said that the number of acres planted has no influence at all on the amount of crop that we get. It has an important influence. But it is not the only influence."

"Senator HEFLIN. I do not think many members of the committee agreed with him on that. I did not."

"Mr. VROOMAN. I am very strongly in favor of an effort on the part of the Federal farm board to arrange for crop acreage limitation..."

"Here are several methods, each of which will tend to decrease the amount of the surplus that is reducing the price to the farmer of his crop. If you store the surpluses from year to year and consume them in years of shortage, it is an advantage to the farmer. In like manner, when you sell on credit abroad, that is a method of helping boost the prices of farm products. When you plant 10 per cent of your land to legumes to be plowed under as fertilizer, that is another thing. When you reforest

millions of acres, that is another thing. It seems to me that these various methods combined would take care of problem. It is a very difficult matter to figure out the cost of production of farm crops on account of the number of unknown factors, weather conditions, insect pests, and so forth."

Statement of Hon. Arthur M. Hyde, Secretary of Agriculture, Washington, D.C.: pp.489-508.

Secretary Hyde said, "The fact is frankly recognized that agriculture is not in the position of equality of other pursuits. This fact presents its own challenge to all of us that we do all we can, sanely and constructively, to reestablish for agriculture an equality of opportunity and open the way to the same standards of living that we are enjoying by industry..."

"Senator NORRIS... The question of dealing with the exportable surpluses of farm products. How would you handle that question?..."

"Secretary HYDE. Through the giving of information, which the department has and can accumulate, to the farmer with reference to the surplus on hand, probable crop, foreign competition, probable demand, in order that the farmer may regulate his own affairs. That is not all, of course. The stabilization corporation or the unified cooperatives with which that board would deal would have to handle that problem of surplus along with the other problems..."

"Senator HEFLIN. I think the Senator from Iowa is right in wanting to accord the same guaranty to the farmer that the other classes have received. I recall that in 1908 the Republican platform pledged itself to the manufacturing interests of the country on the proposition that they should have a reasonable profit on their investment and activities. If that is a sound doctrine for the manufacturer it ought to be sound for the farmer. He is entitled to a reasonable profit."

Statement of L. J. Taber, Master National Grange; pp.508-530.

Mr. Taber submitted the "Report of Joint Committees on Legislation and Agriculture, National Grange, Washington, D.C., November 23, 1928," which reads in part as follows:

"The farm depression continues. It continues despite improvement in some farm-commodity prices. It extends to all parts of the country. The National Grange recognizes the need for prompt action by the Congress.

"No single remedy can be found for the farm problem..."

"The best results of experience, both in this country and elsewhere, should be used in perfecting a national policy to deal adequately with all problems of national scope, especially the handling of surpluses, in a manner to guarantee equality for agriculture among the various industries of the Nation.

"Four essentials to the success of Federal activity in this field are -

"First, a system of cooperative marketing to eliminate waste in distribution under the guidance of a Federal farm board. This alone, however, is utterly inadequate to solve the problem.

"Second, a flexible system of export debentures to enable products having exportable surpluses to receive tariff benefits.

"Third, a more extended and effective application of the tariff system to agricultural products in order to hold the American market as completely as possible for American producers.

"Fourth, a land policy designed to avoid uneconomic agricultural expansion."

Mr. Taber said, "Our whole purpose in mentioning these matters is to refresh the recollection of the committee and to emphasize what we believe to be a sound policy that the Government should apply to agriculture, the same as other governments are doing.

"We think our Government should do for agriculture what it is doing for industry. We are agreed upon the farm board if it is given broad powers; if it provides a stabilization corporation - we agree upon that; if it does all these things it must then have some machinery whereby it can get the surplus naturally flowing out of the country...

"Whether you use the equalization-fee method or the export-debenture method or whether you appropriate hundreds of millions of dollars for a stabilization corporation, if we lift the American price - and we must lift it: I say, we must lift it - if we lift the American price and give to the American farmer the purchasing power to which he is entitled, we put into commerce not millions, but literally billions, of dollars that come back to the Federal Government in income and estate taxes from that group of people who enjoy the maximum amount of our prosperity, and it will not be the Government that pays the loss.

"Senator NORRIS. I agree with you...

"Mr. TABER... Do we divert money from the Treasury by the protective tariff system? I insist that we do, and with the indulgent permission of the committee I want to read some figures into the record in that connection... Again I say, if we can divert money from the Federal Treasury by building a protective-tariff wall, I insist that we can also divert money from the Federal Treasury to protect agriculture...

"Before some one asks me, I want to point out that we favor the export debentures being made good for payment of import duties, because, first, we are accepting a principle of proven constitutionality, which was through the Supreme Court a half century ago; second, that we are giving this protection to the consumer, and it is no more of a subsidy or a bonus than the tariff. It is no more a special favor to agriculture than the remitted tariff duty or the tariff drawback. With that in mind, I want to make one other thing clear...

"It is more important that agriculture should prosper than any other group, because it is basic. It produces food and fiber and shelter for mankind.

"Senator HEFLIN. I think so...

"Senator BROOKHART. Speaking of land or any of those things, it is only a question of diverting it from one to another. In reference to an increase of production, I am convinced that there is no danger in over-production.

"Mr. TABER. I can hardly agree with that conclusion.

"Senator CARAWAY... I think that it is an economic crime to restrict production. It puts a premium upon slovenliness in cultivation. It strikes from our source of national wealth one of its steady wealth producers...

"Mr. TABER. Coming back to the point I discussed a moment ago, our purpose is not to limit production, but it is to guide production intelligently...

"Senator HEFLIN. Is it not true that we get more money for a small wheat or cotton crop than for a large crop?

"Mr. TABER. Certainly.

"Senator CARAWAY. Under certain conditions, but if you had a system of orderly marketing it would not be true. If the question of getting more for less were the whole agricultural problem, you could stop production and draft everybody on the farms into the Army.

"Mr. TABER. I think that as a sound economic policy, it is not wise to produce that which society can not use. If society, if mankind, if America can not use more than a given amount of a given commodity -

"Senator CARAWAY (interposing). I deny that they could not use it. If you are going to limit production, I wish you would limit the interest charges and the tax-gathering activities.

"Mr. TABER. We are not limiting it...

"Senator BROOKHART. The National Industrial Conference Board said that the increase in population is much faster than the increase in agricultural production. The per capita production is declining and has been since 1919. Within 25 years we will have no surplus, except possibly in cotton. On that view, is it not a wise policy for us to stimulate production rather than restrict it?

"Mr. TABER. That is the beauty of the program we present. It is a self-eliminating program. There is a large element or group that feels that what the American farmer should do is to withdraw behind a tariff wall, restrict his production to American consumption. That is an unsound view from the standpoint of national prosperity and agricultural welfare and consumer safety. I think that we should not reduce production more than present methods. But the export debenture program simply provides that we will take the five-year average, which gives a substantial surplus, and I think, and I think a sufficient surplus.

"Senator NORBECK. A surplus over domestic consumption?

"Mr. TABER. Yes, sir.

"Senator NORBECK. You do believe that the United States should limit agricultural production to domestic consumption?

"Mr. TABER. I do not. I think that it would be wrong from the standpoint of national prosperity. If we should limit production to American consumption, we would cut off about a billion dollars from the national wealth."

Statement of William, Green, President of the American Federation of Labor, Washington, D.C.: pp.530-535.

Mr. Green said, "Now, the position of labor regarding the raising of the price level on agricultural products has been fought through until we think that even though in the final analysis there may be some increase in the cost of living to the millions of working men and women of America through the raising of that price level, that will be offset through the development of a higher purchasing power among the agricultural population. We feel that great potential purchasing power can be developed to a high active purchasing power, so that they will use more, buy more, consume more, and thus the demand for manufactured products will correspondingly increase.

"Then there is a menace to labor through this depressed condition in the agricultural field, by reason of the fact that those who find it unprofitable to continue agricultural pursuits naturally leave the farm and drift into the cities or into the industrial centers and there become competitors with labor. Instead of producing on the farm, they are

sharing with labor the work that is performed in the industry...

"But taking all these economic trends into account, we feel that, after all, the solution of the farmer's problem will rest very largely with himself..."

"Personally, from an economic point of view, I am of the opinion that production should be stimulated. That is, that it is to the economic and financial interest of all the people for farms to be made as productive as possible; that farm productivity and efficiency should increase. I do not believe that it would be helpful to in any manner restrict production or to lower it. We would be endeavoring then to thwart the operation of economic laws through artificial means and in my judgment that will not work out."

Statement of Bradford Knapp, President Polytechnic Institute of Alabama; pp.535-539.

Mr. Knapp said, "In theory I agree with the suggestion that production is wealth, and that the creation of more and more goods for sale, if they can be sold, is the wise thing to do; but common sense ought to teach us that we can not from our own experience continue to produce more than the world will buy at a living price, and to use a street expression, 'get away with it.' Industry does not do that. We must meet these situations with that thought in mind, when the buying power is being shortened, I venture to say that industry begins gradually the process of curtailment. We know industry regulates its production to market demand.

"Therefore I want to submit to you that agriculture essentially does do that or attempts to do it, and it is only through its great difficulty of seeing far enough that we do not get as far as we would like to get with that kind of a situation."

Statement of Western Starr, Washington, D.C.: pp.546-554.

Mr. Starr said, "For a number of years I was the legislative agent of the Farmer-Labor Party's national committee... It seems to me that everybody agrees that the farmer is in a very bad way. It seems to be a kind of disease that has affected him particularly, a disease which, in my judgment, expresses or reflects the conditions that affect not the farmer only but the entire public. It is not a farmer question; it is a question of the social policy of this Government; and it is not at all a new question. It is as old as Joseph's functions in Egypt. It is as old as the laws that were passed in Greece regulating the price of wheat at the time of Pericles, and later. It is as old as Diocletian's edict fixing prices for the Roman Empire; and 60 years later Hadrian tried to do the same thing, and in every case and in every instance there has been an absolute, flat failure which resulted in insurrections and wars and further evidence that a law which is not based on public policy is a futile, nonsensical gesture..."

"It goes back to the Constitution of the United States..."

"I oppose the idea, that the farmer can come up to the Government and hold his dish out and get it filled the way the tariff people and the railroad people have done it and the way the bank people have done it. I insist that if you take these men off the farmer's back he will not ask for anything."

"Senator HEFLIN... The Government owes it to him to see that agriculture is prosperous and that the farmer class is not impoverished."

It ought to come to his rescue and help him out of his condition that the deflation panic under the Government put him in....

"Mr. STARR... If we can get them to see that the whole thing is involved in one word, monopoly, public power used for private purposes - if you can get them to understand that you will have no further difficulty."

Statement of A. J. MacPhail, President Saskatchewan Department of Wheat Producers and Canadian Department of Wheat Producers, Regina, Saskatchewan: pp.555-588.

"Senator HEFLIN. Mr. MacPhail, what is your opinion, if you do not mind expressing it, what effect does the operation of the grain exchanges or the boards of trade have on prices generally; say on wheat itself; does it help or hurt the farmer?"

"Mr. MacPhail. Well, of course that again would be only a personal opinion so far as I am concerned, but it would be an opinion that I would be considered as expressing on behalf of our organization as well, that we think that the elimination to a large extent of speculation would be a good thing for the producer of wheat... But I am coming more and more to the belief that in the final analysis it is the actual amount of wheat that is available in the world from time to time that has more to do with determining the average price level of wheat the same as any other commodity."

"Senator FRAZIER. In other words, the supply does not cause violent fluctuations from time to time, but that is done through manipulation?"

Resolutions and recommendations adopted by the Farmers' League of Anne Arundel County, Md.: pp.588-589.

The resolutions read as follows: "Whereas the agricultural conditions among the farmers of the United States are and have been most unsatisfactory for a considerable number of years, and whereas the United States Congress is engaged at this time in the enactment of relief measures for the farmers of the United States; Therefore be it

"Resolved, That we most urgently recommend to the consideration of the United States Congress the following recommendations which we feel should be enacted into law at this time by the United States Congress:...

"First. We favor a Federal law creating a farmers' bureau in the Agricultural Department at Washington, D.C., the head of which bureau shall be appointed by the President; and also providing and fixing a minimum price for all agricultural products produced within the United States, so as to give a 10 per cent net profit above the actual costs of production of all farm products, including all livestock..

"Fourth. Adequate (not excessive) tariff protection against importations of competitive farm products will greatly aid the farmers, and such protection is recommended to the United States Congress and the President...

"The proposed foreign market proposition for surplus products, which requires the expenditure of hundreds of millions of dollars, will not protect the farmers' prices in the United States nor will it stabilize agriculture at home or abroad."

Statement of C. W. Fine, Sheyenne, N. Dak.: pp.597-614.

Mr. Fine said, "I am here in the capacity of a representative of the Farmers' Union of the State of North Dakota."

"Senator HEFLIN. You convince me that you know what you are talking about. A man who does not figure the cost of production plus a profit does not understand the farmer's problem. Everybody else does it. The Steel Corporation does it. Every merchant does it and every manufacturer, and properly so. The farmer is just as much entitled to figure the cost of production plus a profit as anybody else. You are absolutely right.

"Mr. FINE. The time has arrived when agriculture must have speedy and effective relief through congressional action.

"The consuming public need not fear the increased cost of living because of this program, for there is plenty of room between the prices received by the farmers and the prices paid by consumers to take care of the readjustment...

"Summarizing this argument, the difference between \$9,000,000,000, which the farmers of the Nation receive for all crops, and \$30,000,000,000, which the consumers pay for the farmers' crops, being an increase of over 233 per cent between producer and consumer, this increase or difference can easily absorb the additional farm prices necessary to assure cost of production to the farmer.

"With regard to the stabilization of farm prices, we believe in order to place farming on an equality with other industries that the prices of farm commodities must be stabilized much the same as are the prices of services, and many manufactured products.

"Ultimately we believe this should come about through farm cooperative organizations, but the problem is too large to be successfully undertaken at this time. Governmental machinery is absolutely necessary to set the plan in motion. Therefore it seems imperative that this special session of Congress set up a stabilization corporation to aid in stabilizing farm prices...

"Rapid and violent fluctuations in farm prices are destructive of the welfare of agriculture and must be eliminated. By taking the speculation out of farm commodities farmers will market more rationally and the prices to consumers will be reduced.

"Stabilization of prices will not necessarily unduly increase production, because under present stressed farm financial conditions a large number of farmers are compelled to produce to their utmost, hoping thereby to be able to discharge their debts and expenses."

Statement of C. O. Thornberry, Research Engineer, Indianapolis, Ind.:
pp.614-628.

Mr. Thornberry submitted a resolution as follows:

"At a special meeting of executives of Indiana life-insurance companies, the general agents of eastern life-insurance companies and joint-stock land banks making loans in Indiana and representing investors having loans in this State aggregating more than \$150,000,000, the following resolution was unanimously adopted:

"Whereas there now exists a real farm problem with many contributory factors wholly out of the control of the individual farmers, and

"Whereas these factors prevent the reestablishment of the agricultural industry, and

"Whereas a depressed farming situation is a menace to our national welfare, and

"Whereas our Government has made, during recent years, many unsuccessful attempts to enact helpful legislation...

"Resolved, That this assemblage make urgent request of our Senators and Representatives to strive to enact such legislation as (a) will give our farmers an adequate tariff on farm products and support that tariff with such conditions as will render same effective, and (b) will provide a practical plan for handling surpluses, consistent with agricultural prosperity.

"Adopted this 29th day of January, 1929, Columbia Club, Indianapolis, Ind." etc. ...

"Senator HEFLIN. But I was trying to complete your argument there, that the more money the farmer has the more he will spend and the better off the community will be, the people who have goods to sell, and the bankers who have money to loan.

"Mr. THORNBERRY. You are quite right, Senator.

"Senator HEFLIN. In other words, when the farmers are prosperous you do not hear much of bank failures and bankrupt merchants.

"Mr. THORNBERRY. That is right...

"Our interests believe that the surplus and the handling of the surplus and the method of the raising of the money for the handling of the surplus is the crux of the whole problem, and when that feature is provided for in a satisfactory manner, the remaining factors can be handled simultaneously, for the most part...

"We ask your unbiased consideration of a few new features, which, if embodied in a bill, we believe, will tend to clarify the situation."

Senator Frazier said, "I should like to put in the record a communication received from one of the farmers in my State, in which he suggests that the old provision of the equalization fee be placed in our bill and the matter be left to the discretion of the President as to whether or not it should be put in force. He gives his reasons for making a request of that kind, and states that he thinks it would be impossible to increase the price of wheat without decreasing production, and that it would be impossible for the Government to pay any bonus or pay the losses that might be incurred by giving the farmers better prices for the surplus wheat." - p.635.

Statement of George E. Duis, President of the North Dakota Wheat Growers' Association, Grand Forks, N. Dak.: pp.636-650.

"Senator NORBECK. What I want to know is this: If we try to bring the world market for wheat up to a much higher price, what increased production would result in other wheat-growing countries than our own?

"Mr. DUIS. I do not believe it would increase it very much. And I will tell you this, Senator Norbeck, that there are some things that I do not seem to be in accord on with some of the others who have appeared here. They seem to think the moment prices are increased there is going to be a great increase in our production. But I can not see it that way.

"Senator NORBECK. No; and I share your views because our production costs are so high that there is no particular danger in it...

"Mr. DUIS... If the administration is liberal in the consideration of this business, why, I can see where you are going to do a world of good to agriculture. And I believe that this bill can be made

applicable to all the basic farming commodities. And if the board is liberal in its administration, I believe it will do a lot of good."

Statement of Virgil Jordan, Chief Economist, National Industrial Conference Board, New York, N.Y.: pp.650-665.

Mr. Jordan said, "Except in certain branches and certain sections our agriculture is a bankrupt industry. It is the weakest part of our economic structure and it will continue progressively to decline unless vigorous efforts are made, by governmental and private interests, to rebuild and restore it. Its restoration and preservation require its complete reorganization. Such reorganization requires effort on the part of the industry itself, under intelligent leadership and with the cooperation of other groups. It requires also a broad, carefully constructed national policy of governmental action. Such action is justified by a paramount national interest, for agriculture is the fundamental and essential industry of the Nation.

"If no vigorous and effective action is taken, our agriculture may gradually reorganize itself in the course of time, but this will require 50 or 100 years, and entail great hardship and enormous loss, and I believe that it is more likely to fail altogether. The United States can not afford to take this chance.

"Such reorganization of our agriculture is made imperative as a consequence of vast forces and profound changes over which it has little or no control...

"The problem of agricultural reorganization involves four elements: The amount and character of our land resources that are to be used; the uses to which they are to be put, in terms of the amount and kind of crops to be grown on them; the number and kind of people who are to produce these crops; and the methods they are to employ in producing and selling them...

"A public interest attaches in different degrees to all these four elements of the problem, and in so far as governmental action is required and is taken to assist in the reorganization of our agriculture, such action must apply to all these elements...

"The reorganization of our agriculture requires, therefore, a frank recognition of the justification and need for public control and private cooperation in determining what and how much of our land shall be utilized, what crops and how much shall be produced upon that land, and how many workers shall be employed in producing them...

"I believe, therefore, that the time has come, at this important juncture and on this special occasion, for the Congress of the United States to make an explicit and definite declaration of national public policy toward its agriculture. It should courageously recognize and declare that the use of the land resources of the United States is **impressed** with a public interest, and that agriculture in all its branches, which consists in the direct utilization of the national land resources, is therefore likewise impressed with a public interest... Congress can not constitutionally deprive individual producers of farm products of their freedom to engage in producing what they wish, where they wish, and as they wish to. It can, however, indirectly control and regulate the activities of individuals engaged in the utilization of the national land resources if the latter and their utilization are declared to be impressed with a public interest. This it can do by virtue of the interstate commerce clause of the Constitution, through

which it can control the movements of farm products entering into interstate commerce by regulating the channels through which such commodities move...

"Following the basic declaration of public policy, therefore, I believe that the second essential step toward administering that policy is the establishment by Congress through appropriate agencies of monopolies in the distribution of farm products through the channels of interstate commerce...

"The primary purpose of the establishment of these monopolies must be to control or influence production and not to raise prices. I do not believe that prices of agricultural products can be increased sufficiently to enable all producers on all land now in use to operate at a profit. Some land now in crops must go out of cultivation or be converted to other uses and some producers must leave the industry or go into other branches of it if the public interest in the land is to be protected...

"In general, however, I am flatly opposed to the mere use of tariffs as a means of farm relief, for I am convinced that such use inevitably works and will work in direct opposition to the policy of economic utilization of our land resources in the public interest, which must be the basis of the public policy under which Congress acts in this matter."

Statement of George McK. McClellan: pp.665-667.

Mr. McClellan submitted a printed outline which summarized the suggestion which he wished to bring before the committee. It is entitled "The Way Out - A Plan to Help the Farmer Help Himself and to Adjust Agriculture to the Nation's Economic Mechanism."

To quote the outline, "The bad effects of maladjustment or readjustment of agriculture to the industrial and economic life of the Nation can be corrected only by creating new and effective causes, to enable agriculture and food production to coordinate with our industrial life...

"Agriculture needs no charity or Treasury subsidy; nor would they permanently benefit the farmer. The one overshadowing need is a controlled marketing system, that will make possible a 'protection' price in the domestic market - a condition identical with industry. That would spell equality, economic balance, increased prosperity for the whole country."

Statement of William H. Anthony, of Allentown, Pa.: pp.668-670.

Mr. Anthony said, "Now my idea is to go to work and fix a price on three commodities: Wheat, corn, and cotton. Wool we can cut out. We can protect that by the tariff. But I think the Government can fix a price on wheat, corn, and cotton. We did it before. We fixed a price on wheat a couple of times, and if we fix that price, that will be a relief for the whole agricultural situation."

Statement of George Shibley, Director of the Research Institute, Washington, D.C.: pp.670-687.

Mr. Shibley said, "There you have the two main elements in a thorough-going plan for agricultural relief. To stabilize the price level and to restore an equilibrium between the farmers' prices and the prices of the business interests."

The two bills offered by Mr. Shibley are printed on pages 810-823. No. 1 provides for the Federal Agricultural System and No. 2 for the Federal Trade System and the Federal Commission on Equilibrium of Prices.

Statement of J. T. Sanders, Stillwater, Okla.: pp.715-718.

Mr. Sanders spoke^{on} "export rates as one means of bringing some relief to agriculture."

"Senator BROOKHART... the National Industrial Conference Board said the farmers had been getting 1.7 per cent on their capital investment, and the railroads are given by law 5-3/4 per cent. Would it not be a fair deal to take some of that right square off the railroads and transfer it over to the farmers?"

Statement of O. F. Bledsoe, President Staple Cotton Cooperative Association: pp.719-720.

The statement reads: "I wish to present a concrete plan for the handling of the surplus of nonperishable products."

The plan is presented.

Statement of J. M. Byrnes, St. Paul, Minn.: pp.720-750.

Mr. Byrnes said, "I have a plan of my own that I have devised which is entirely different from any plan that I have seen submitted or can learn of anywhere in the United States." He read the fundamental principles of the plan under title "A Consolidated Federal Farm Relief Measure and Farm Loan Certificate System, consisting of three title acts."

The bill suggested by him is printed in the record. The three titles of the bill are as follows: Title No. 1; A Federal Agricultural Surplus Act; Title No. 2: A Federal Emergency Protective Reserve Appropriation Fund; Title No. 3: A Federal Farm Loan Certificate System.

Statement of Benjamin C. Marsh, Washington, D.C.: pp.751-754.

Mr. Marsh said, "The United States is industrialized and is the world's greatest imperialist power. There is no future for agriculture in the United States as conducted to-day, inefficiently, relatively, with industry; and it is not the fault of the farmer. The farmer is just going to be scrapped. It is not a problem of getting a marketing corporation alone, though I am pleased to note that the Senate evidently indorses the Norris-Sinclair bill which was introduced by Senator Norris in 1922 as a shock absorber..."

"I think you ought to face the situation and recognize that if you want to help the farmers you have got to reduce the number of farmers."

Pamphlet by Mr. L. I. Moore, of New Bern, N.C., entitled "Suggestions for Farm Relief Bill": pp.773-776.

This pamphlet includes a proposal for the creation of a Federal Warehousing and Distributing Corporation for purposes of farm relief.

To quote from the pamphlet: "In these suggestions I have acted upon the following principles which I think are well recognized to exist if not actually admitted:

"1. That the spread between the price at which the produce is sold by the farmer and the price at which it reaches the consumer is unreasonable and burdensome.

"2. That the products of agriculture have for a number of years been the objects of special attention by the speculators of the country and they have enriched themselves out of the profits between the producer and consumer."

Mr. Capper had printed a statement of J. H. Mercer, Secretary Kansas Livestock Association, Topeka, Kans.: pp.776-778.

To quote from the statement: "It follows that some plan to regulate the surplus is in order. There is extreme hazard in irregular and seasonal marketing of farm production in such quantities as to congest the channels of consumption. Our marketing system must be improved so that a more even and orderly plan may be had. This can only be realized through the aid of Governmental forces. The more the farmer can accomplish through voluntary self-help, the more permanent will the relief be. Government aid however is essential as a temporary matter in enabling the farmer to help himself..."

"We do not favor the Government entering into the business of agriculture other than to give it a supervising board and provide cheap money if possible. We oppose the creation of any assessment funds such as is contemplated by the equalization fee on grains or the creation of a revolving fund for the handling of surplus."

Mr. Norbeck had printed in the Record a letter from Hon. W. H. Lyon, of Sioux Falls, April 3, 1929.: pp.778-781.

Mr. Lyon stated in the letter, "I wish to call your attention to H.R.6972, providing for the stabilization of the price of certain staple farm products, which was introduced by Mr. Christopherson at my request. This embodies the plan which I submitted in December, 1920, to Mr. E. T. Meredith, then Secretary of Agriculture, and which he later approved and publicly advocated..."

"The plan, in brief, is for the stabilizing commission to guarantee before planting season a minimum price for the surplus of certain staple farm products which may remain on hand at the end of the crop year..."

"In case too large a surplus of any particular product should be produced, the commission would naturally reduce the price of this product for the following year and probably increase the price of other products of which we do not produce enough for our own use and thus automatically control production to a large extent..."

"Senator Norbeck introduced a similar bill in the Senate."

For House Hearings see end of list.

Miscellaneous

Bills

Glover

H.R.713. To control the orderly marketing of agricultural products.

Introduced Apr. 16, 1929. Referred to Committee on Agriculture.

This is cited as the Agricultural Surplus Control Act.

Provides for the creation of a Federal Farm Board to consist of the Secretary of Agriculture and six members appointed by the President.

Provides for organization of commodity advisory councils by the board and the establishment of stabilization corporations. "A stabilization corporation for any agricultural commodity shall have authority

to act as a marketing agent for its stockholders or members, and to purchase, handle, store, warehouse, process, sell, and market any quantity of the agricultural commodity or its products, whether or not such commodity or products are acquired from its stockholders or members. Purchases or sales of the agricultural commodity or its products by the stabilization corporation shall be made in the open market at the prevailing market prices." etc.

Loans may be made by the board out of a revolving fund, provided by an appropriation of \$500,000,000, as follows: to stabilization corporations "for the purpose of buying and storing the surplus of the commodity and operating expenses in connection therewith"; to cooperative marketing associations and/or stabilization corporations for "purchase or construction of physical facilities for marketing of agricultural commodities"; "to any cooperative marketing association, person or persons, for the purpose of enabling the association to advance to its members a greater share of the market price of the commodity delivered to the association than is practicable under other credit facilities"; and "to any cooperative marketing association, for necessary expenditures in federating, consolidating, or merging the association with any other such association, or in extending the membership of the association".

The board is authorized to enter into agreements with cooperatives for insurance against price decline; to "loan to any person, persons, associations, or corporations engaged in agriculture and out of the revolving fund at 4 per cent interest per annum on commodities not of a perishable nature such as cotton, rice, wheat, and corn to an amount not to exceed the value of the commodity on the open market and on other articles of a perishable nature, 85 per cent of its value at the time of making the loans, and retaining a lien on said commodity to secure the payment of said loan, and to build, rent, or lease sufficient storages and in places acceptable for the use of storing any of the commodities on which a loan is made."

"The board is hereby authorized and empowered in case an attempt is made to corner or to unlawfully control any agricultural commodity so as to fix and control the price thereof to the detriment of the producer of said commodity, to adopt such means as is necessary to prevent same by purchasing, if necessary, a sufficient amount or quantity of said commodity to prevent a corner or unlawful control of said commodity."

The board may "assist in forming one or more clearing-house associations for the purpose of minimizing losses in the distribution of the commodity among the various markets. Cooperative marketing associations handling the commodity, independent dealers, handlers, and/or distributors of the commodity shall be eligible for membership in the association."

Hare

H.R.1227. To establish a farm surplus board; to aid in the orderly marketing, control of production, economic transportation, and disposition of surplus farm crops, agricultural commodities, and for other purposes.

Introduced Apr. 18, 1929. Referred to Committee on Agriculture.

The bill states, "That it is hereby declared to be the policy of

Congress, by the passage of this Act, to promote the orderly marketing, control of production, and economic transportation of farm crops; to aid in the disposition of the surplus of such crops and agricultural commodities by encouraging the organization of commodity cooperative holding and selling organizations. This Act shall be known as the Federal Farm Surplus Control Act, and its administration shall be under the direction and control of a Farm Surplus Board hereinafter created." The board is to consist of 12 members to be appointed by the President.

Sec. 3. Provides "that the board shall keep advised by investigation, from time to time, ... as to domestic and world requirements, prices, the existence of a surplus or probable surplus of any non-perishable farm crop, including livestock, or the products thereof.

"(b) That whenever the board finds that there is or may be in the hands or possession of producers during the ensuing year a substantial surplus above the normal domestic requirements of any nonperishable farm crop or product thereof, said board is hereby authorized, upon the request of an approved commodity cooperative association of producers of such crop, to avail itself of the provisions of the Federal Reserve Act, the Intermediate Credit Bank Act, the Federal Warehouse Act, or any other Act of Congress, not inconsistent with the provisions of this Act, and arrange for financing or otherwise aiding such organized producers in removing from the market and storing under any approved warehouse system any such farm crop or crops to the extent of the estimated surplus of such crop or crops.

"(c) In connection with such loans the board is further permitted and authorized, upon such terms and conditions as it may prescribe, not inconsistent with this Act, to make such additional loans or advances it may see proper out of the revolving fund, hereinafter provided for, [by appropriation of \$300,000,000] to any such approved commodity cooperative association or organization of producers engaged in holding, storing, and marketing any nonperishable farm crop or commodity"...

"Sec. 4. That no advance or advances under the provisions of this Act shall be made to any person, cooperative association, or organization whatsoever engaged in the handling, storing, or marketing any farm crop or commodity, when the ensuing production of such crop or commodity shows an increase of more than 3 per centum in acreage planted to such crop, according to estimates of the United States Department of Agriculture, over and above the five-year average immediately prior thereto...

"Sec. 5. That the board is further permitted, under such regulations as it may prescribe, to assist commodity cooperative associations to effect more uniform production and orderly marketing of any perishable farm crop...

"Sec. 6. That the board shall have the right and authority to make inquiry, investigate, file complaint, submit evidence, and conduct hearings before the Interstate Commerce Commission in case freight rates or transportation charges on any farm crop or commodity is found to be excessive or discriminatory."

President's Recommendation

Document

H.Doc.1. Message from the President of the United States, transmitting communication to the two Houses of Congress at the beginning of the first session of the Seventy-first Congress, 1929. April 16, 1929. Washington, U.S. Govt. print. off., 1929. 5pp.

In this message to Congress, President Hoover said, "The difficulties of the agricultural industry arise out of a multitude of causes. A heavy indebtedness was inherited by the industry from the deflation processes of 1920. Disorderly and wasteful methods of marketing have developed. The growing specialization in the industry has for years been increasing the proportion of products that now leave the farm and, in consequence, prices have been unduly depressed by congested marketing at the harvest or by the occasional climatic surpluses. Railway rates have necessarily increased. There has been a growth of competition in the world markets from countries that enjoy cheaper labor or more nearly virgin soils. There was a great expansion of production from our marginal lands during the war, and upon these profitable enterprise under normal conditions can not be maintained. Meanwhile their continued output tends to aggravate the situation. Local taxes have doubled and in some cases trebled. Work animals have been steadily replaced by mechanical appliances; thereby decreasing the consumption of farm products. There are many other contributing causes.

"The general result has been that our agricultural industry has not kept pace in prosperity or standards of living with other lines of industry.

"There being no disagreement as to the need of farm relief, the problem before us becomes one of method by which relief may be most successfully brought about. Because of the multitude of causes and because agriculture is not one industry but a score of industries, we are confronted not with a single problem alone but a great number of problems. Therefore there is no single plan or principle that can be generally applied. Some of the forces working to the detriment of agriculture can be greatly mitigated by improving our waterway transportation; some of them by readjustment of the tariff; some by better understanding and adjustment of production needs; and some by improvement in the methods of marketing...

"I have long held that the multiplicity of causes of agricultural depression could only be met by the creation of a great instrumentality clothed with sufficient authority and resources to assist our farmers to meet these problems, each upon its own merits. The creation of such an agency would at once transfer the agricultural question from the field of politics into the realm of economics and would result in constructive action. The administration is pledged to create an instrumentality that will investigate the causes, find sound remedies, and have the authority and resources to apply those remedies.

"The pledged purpose of such a Federal farm board is the reorganization of the marketing system on sounder and more stable and more economic lines."

INTERNATIONAL CONFERENCES

Joint Resolutions

Sinclair

H.J.Res.19. Authorizing the President to call an international conference of representatives of agricultural and farmers organizations. . . .

Introduced Apr. 15, 1929. Referred to Committee on Foreign Affairs.

Conference is to consider (1) "Whether it is feasible to seek an adjustment of the world's acreage of staple farm products which enter into international commerce, such as cotton, wheat, wool, rice, and sugar, to the probable consumptive demand therefor, at a price profitable to the producers thereof, and if so, by what methods such adjustment may be attained;" and (2) "Whether it is feasible to arrange an international pool of the surplus of such staple farm products through governmental control and cooperation in order to stabilize the marketing of such products from year to year, so that a surplus of any crop produced in one year above the potential consumption thereof at a fair price to producers may not be used by international speculators to beat down the price to producers below a fair price, and so that a shortage of any crop in one year may not be used by international speculators to extort excessive prices from consumers thereof."

Reasons given are (1) "the production of staple farm products which enter into international commerce, if unregulated and unadjusted to the effective consumptive demand at a fair price to producers, will inevitably result in a production in excess of the prompt, profitable demand therefor;" (2) "severe world wide fluctuations in the demand for staple farm products, due to changing economic conditions, and similar fluctuations in the supply thereof due to climatic and marketing conditions, injure both the producers and consumers of such staple farm products, but are used by speculators in such products to reap unconscionable profits;" and (3) "the restriction by one nation alone of the planted acreage of any world staple crop would tend to create an increase in the planted acreage of such crop in one or more other nations, and . . . even acreage limitation with the uncertainties of crop yield per acre would not definitely insure a currently consumable or desirable crop."

Thomas of Oklahoma

S.J.Res.202. Providing for the calling of an international trade and agricultural conference.

Introduced June 26, 1930. Referred to Committee on Agriculture and Forestry.

Authorizes and requests the President to "invite the governments of the countries with which we maintain commercial relations to send representatives to a conference which shall be charged with the duty, (1) of making a survey of economic barriers between and among the countries represented, (2) of investigating, considering, and developing a system of international agricultural crop reporting, and (3) of investigating, considering, and reporting plans for the control of the production of exportable agricultural crops".

MISCELLANEOUS

Bill, Resolutions

Sumners of Texas

H.R. 14061. Authorizing compacts among States for agricultural and conservation purposes.

Introduced Dec. 2, 1930. Referred to Committee on Agriculture.

Authorizing two or more States "to enter into agreements and compacts, not in conflict with the laws of the United States, concerning the exercise of their governmental powers with references to production, processing, and sale of agricultural products, development and preservation of their natural resources, including soil fertility," etc.

Nye

S.Res. 14. [No bills of any description shall be considered by this body unless by unanimous consent, until the matter of farm relief has been disposed of finally.]

Introduced Apr. 18, 1929. Allowed to lie over under the rule.

Ordered to go over without prejudice, Apr. 23, 1929.

The preamble reads: "Whereas one-third of the population of the United States, representing agriculture, the Nation's greatest and basic industry, have waited over a decade for the relief which this Congress has been called into special session to enact; and

"Whereas the embattled farmers have more capital invested in the farming industry than all business interests combined have invested in their industries, yet receive only one-ninth of the income of the country;" etc.

Wheeler

S.Res. 481. [Providing for an investigation of agricultural conditions including the efficacy of existing organizations for marketing and credit service to agriculture, and report to the next session of Congress.]

Introduced Feb. 28, 1931. Referred to Committee on Agriculture and Forestry.

Reported with amendments. Senate Rept. 1835 submitted. Referred to Committee to Audit and Control Contingent Expenses of the Senate, Mar. 2, 1931.

The preamble reads: "Whereas the depression in agriculture continues unabated, and there are involved in the problem of prices for farm products, agricultural marketing, and financing, a number of questions which require detailed study and upon which Congress should have further information before considering remedial legislation: Therefore be it Resolved," etc.

NATIONAL ECONOMIC COUNCIL

Bill

LaFollette

S. 6215. To establish a National Economic Council.

Introduced Feb. 20, 1931. Referred to Committee on Manufactures.

Hearings held before Senate Committee. 280.12 Un3

Hearings

U. S. Congress. Senate. Committee on Manufactures. Establishment of National economic council. Hearings before a subcommittee... 72d Congress, 1st session on S.6215 (71st Congress)... October 22 to December 19, 1931. 777pp. Washington, U. S. Govt. print. off., 1932. 280.12 Un3

Mr. Henry I. Harriman in his statement (p.161-182) said, "With 10,000,000 farmers and 25,000,000 people living on farms practically without purchasing power, we can not hope for or expect a great revival of business until that block of our population can buy the goods which the cities manufacture."

Mr. Ralph E. Flanders, chairman of the American Engineering Council's Committee on the Balance of Economic Forces, in his statement (pp.236-257) said, "The third element that makes this depression serious is the agricultural crisis. As I said, the agricultural crisis has always been severe after a war inflation, because agriculture is fundamentally open to the effect of a price decline. It has no foundation under it. In such products as wheat, for instance, it has a comparatively inelastic market. People will not eat twice as much wheat if the price of wheat is half what it was before; so that it is subject to very wide variations in price from comparatively small causes. And so farm products in general are open to attack, and drop the quickest and the most severely."

"So we have always had that agricultural depression after great wars... There are, however, new elements in the present agricultural deflation which I think are of a rather unique character. They are the development of new machinery and new agricultural processes applied to old areas..."

"You see what this general, continued decline in the price level has done. It has been the main element in agricultural distress and in business decline... The farmers, of course, have had experience with that for a couple of generations, and know what the price decline means. I think the industrialists are only recently beginning to understand the relationship of their prosperity to the fluctuations in the price level; and I believe the farmers will have more and more the support of industrialists in their endeavor to do something about the fluctuations in the price level."

PRICE-FIXING

Bill

Glover

H.R.11369. To amend the agricultural act approved June 15, 1929.

Introduced Apr. 3, 1930. Referred to Committee on Agriculture.

Makes it the duty of the Federal Farm Board "to make a careful study of the cost of production of cotton" and to fix a stabilized loan price equal to the cost of production, but "the price shall not be less than 20 cents per pound". Authorizes the board "to make loans out of the revolving fund on cotton equal to the stabilized price when so fixed by said board... When cotton is handled by the board or by any association or corporation under the provisions of this Act and marketed for more

than the loan made on said cotton ... the gain or profit in said sale shall be paid over by the board," etc. to the owner of said cotton.

PRICES (RECOGNITION OF
UNSATISFACTORY PRICE SITUATION)

Resolutions

Heflin

S.Res.218. [Requesting the Secretary of Agriculture to report to the Senate such recommendation as he sees fit to make, even to the extent of temporarily closing the cotton and grain exchanges,

Submitted February 26, 1930, considered and agreed to.

Reply printed as S.Doc.116, March 19, 1930. In this reply the Secretary of Agriculture said, "Not only do futures markets afford valuable insurance against undue fluctuations in price, but they enable millers, dealers, and exporters to conduct their business on a smaller margin of profit than would otherwise be necessary to protect themselves against risk. These facilities should be retained."

Steiwer

S.Res.425. Creating a special commission of the Senate to investigate the causes of fluctuations in commodity and security values.

Submitted Jan. 28, 1931. Referred to Committee on Agriculture and Forestry.

Reported without amendment, Feb. 4, 1931.

"Commission is authorized to consider all factors influencing price relationships and all practices which may directly or indirectly depress the prices paid to producers or enhance the prices paid by consumers of food products, including all practices which influence said relationships by affecting credits and the values of securities and commodities."

Cotton and Cottonseed

Bills, Resolutions, Documents

Patman

H.Res.77. To provide for an inquiry into an alleged cottonseed oil mill trust.

Introduced Dec. 2, 1929. Referred to the Committee on Rules.

Hearings held before House Committee. 72 Un37

Provides for investigation by 3 Members of the House "into the activities of all persons, firms, and corporations engaged in the business of purchasing cottonseed for crushing purposes, and purchasing cottonseed oil and refining cottonseed oil and otherwise engaged in purchasing or handling the products produced from cottonseed, for the purpose of ascertaining whether there be a combination to fix the prices of cottonseed or the prices of any products produced from cottonseed in violation of the anti-trust laws of the United States or unduly detrimental to the rights of growers and producers of cottonseed."

Patman

H.Res.226. To establish a select committee to investigate certain interests charged with depressing and holding down the price of cottonseed oil.
Introduced May 26, 1930. Referred to Committee on the Judiciary.

Brand of Georgia

H.R.8630. Making it a felony on the part of any person, firm, or corporation who is a party to any contract or agreement, either oral or in writing, for the purposes of controlling prices of cotton and cottonseed, having the effect of depressing or decreasing the prices of cotton and cottonseed.

Introduced Jan. 15, 1930. Referred to Committee on the Judiciary.

Brand of Georgia

H.R.8707. Making it a felony on the part of any person, partnership, firm or corporation who is a party to any contract or agreement, oral or in writing, for the purpose of controlling prices of cotton and cottonseed, which has the effect of depressing or decreasing the prices of cotton and cottonseed.

Introduced Jan. 16, 1930. Referred to Committee on the Judiciary.

Sheppard

S.J.Res.195. Authorizing investigation of certain operations on cotton exchanges.

Introduced June 20, 1930. Referred to Committee on Agriculture and Forestry.

Reported July 1, 1930 with amendments. Senate Rept. 1144 submitted.
Passed Senate Dec. 3, 1930.

Reported without amendment Jan. 30, 1931. H.Rept. 2428 submitted.

Hearings held before Senate Committee. 72 Un3I

Hearings held before House Committee. Serial V. 72 Un33C

Directs the Secretary of Agriculture to "investigate through the Grain Futures Administration the cause of the 1926 decline in cotton ascertaining the amount of cotton futures sold in 1926, the amount of short selling when the drastic slump occurred, who did this short selling, and the effect of this heavy short selling on prices, and any further information which will enable the farmers to know the true state of conditions and the parties responsible for this decline; also to make a similar investigation for 1927, 1928, 1929, and the first half of 1930," etc.

Heflin

S.Res.136. [Requesting the Federal Trade Commission to make an investigation of all facts relating to the alleged combination in violation to the anti-trust laws with respect to prices for cottonseed by corporations operating cottonseed-oil mills.]

Introduced Oct. 19, 1929. Ordered to lie on the table.

Modified and agreed to Oct. 21, 1929.

For response See S.Doc.91, S.Doc.209.

Heflin

S.Res.137. [Directing an investigation of the Bureau of the Census regarding cotton-ginning reports.]

Introduced Oct. 19, 1929. Referred to Committee on Agriculture and Forestry.

Reported favorably Nov. 1, 1929 with amendments and agreed to.

Reconsidered and agreed to, Nov. 2, 1929 as amended.

"Whereas on September 27, 1929, S.Res.123 was agreed to, requesting the Bureau of the Census to give to the Senate certain information with respect to an alleged inaccurate and incorrect report, made public on September 23, 1929, on the number of bales of cotton ginned in the United States up to and including September 15, 1929; and...

"Whereas the report ... is alleged to have been the cause of the decline in cotton prices which resulted in considerable loss to the cotton farmers of the United States;" etc.

Authorizes the Committee on Agriculture and Forestry "to make a thorough investigation of all matters pertaining to the issuance and publication by the Bureau of the Census of reports of the amount of cotton ginned in the United States from time to time and the effect of such reports on cotton prices, and particularly the circumstances surrounding the issuance and publication of the report of September 23, 1929, and the effect thereof on such prices."

Heflin

S.Res.147. [Directing the Federal Trade Commission to investigate the charge that certain corporations operating cottonseed oil mills are acquiring by purchase or otherwise the ownership or control of cotton gins for the purpose of destroying the competitive market for cottonseed and depressing and holding down the price paid to the farmers for cottonseed and (2) to hold public hearings in connection with the investigations with respect to such matters and in connection with the investigations pursuant to S.Res.136.]

Introduced and allowed to go over under the rule Nov. 1, 1929.

Considered and agreed to Nov. 2, 1929.

For response see S.Doc.91, S.Doc.209.

Sheppard

S.Res.149. That the Secretary of Agriculture is hereby requested and directed to investigate through the Grain Futures Administration the cause of the 1926 decline in cotton prices, ascertaining the amount of cotton futures sold in 1926, the amount of short selling when the drastic slump occurred, who did this short selling, and the effect of this heavy short selling on prices, and any further information which will enable the farmers to know the true state of conditions and the parties responsible for this decline; also to make a similar investigation for 1927 and 1928, and 1929," etc.

Introduced and ordered to lie on the table Nov. 6, 1929.

Referred to the Committee on Agriculture and Forestry, Apr. 4, 1930.

Reported without amendment, Apr. 8, 1930.

Agreed to Apr. 14, 1930. Amended to read, as above.

Hearings held before Senate Committee. 72 Un31

Heflin

S.Res.152. [Authorizing the Federal Farm Board to investigate the activities and speculative transactions of the New York, New Orleans and Chicago

Cotton Exchanges, and other interests engaged in the cotton business, and report its findings ... stating whether or not it feels that the cotton exchanges ... should be closed, etc.,

Introduced Nov. 9, 1929.

Modified and referred to Committee to Audit and Control the Contingent Expenses of the Senate, Nov. 11, 1929.

Reported back favorably with amendments (Senate Rept. 248 submitted), amended and agreed to Nov. 14, 1929.

Hearings held before Senate Committee. 72 Un3Cc

"Whereas the Government report shows that the average price paid for American cotton for the last ten years has been above 21 cents a pound; and

"Whereas the world cotton crop in 1928 was twenty-three million bales and the world consumption of cotton for the same year up to August, 1929, was twenty-five million bales, showing that the consumption of cotton was running far ahead of cotton production;

"Whereas complaint is being made by cotton farmers, merchants, and bankers in the cotton-growing States and by people in other sections of the country interested in cotton that something is wrong with the cotton market and that the price is being depressed and fixed by purely speculative forces; and that cotton is selling not only at unprofitable prices but below the cost of production," etc.

Authorizes and directs the Committee on Agriculture and Forestry to "immediately investigate all the matters set out in the preamble of this resolution and investigate the activities and speculative transactions of the New York, New Orleans, and Chicago Cotton Exchanges, and other interests engaged in any way in the cotton business," etc.

S.Rept.248 gives reasons for low prices that have prevailed in recent months as follows:

"1. The declines in the average prices of other commodities, the recession in general business, the collapse of prices of other commodities, the exchanges, and the temporary uncertainty as to the business outlook, which has been shared by yarn and cloth buyers as well as cotton spinners and merchants.

"2. The unusually rapid movement, already referred to, of cotton from the farms into channels of trade early in the marketing season, with the accompanying pressure of hedge selling in the futures markets by merchants who purchased large quantities of spot cotton." etc.

S.Doc.148. Cause of decline in cotton prices, 1926 to 1929.

Letter from the Secretary of Agriculture, transmitting in response to S.Res.149, certain information relative to the cause of the decline in cotton prices during the years 1926, 1927, 1928, and 1929.

May 14, 1930.

This reply stated that to make the investigation requested the Department of Agriculture "would need power to summon and compel the attendance of witnesses; power to examine the books of private concerns and to compel the production of such books"; etc. The department would need not less than \$125,000 for this purpose.

S.Doc.209. Investigation of cottonseed industry.

Letter from the chairman of the Federal Trade Commission, transmitting, in response to S.Res.136 and 147, certain information relative to an investigation of the charges that certain corporations, operating cottonseed-oil mills, are violating the antitrust laws with respect to prices for cottonseed and acquiring the ownership or control of cotton gins.

Oct. 7, 1930. pts. 1-12. 173 F32 [Inv]

Hearings

U. S. Congress. Senate. Committee on Agriculture and Forestry.

Cotton conditions. Hearings... Seventy-first Congress, second session, pursuant to S.Res.152... December 12, 13, 14, 16, 17, 1929; January 11, 13, and 14, 1930. Washington, U. S. Govt. print. off., 1930. 427 pp.
72 Un3Cc

Testimony of Gardiner H. Miller, President of the New York Cotton Exchange, New York City: p.2-63.

Mr. Miller said, "I shall undertake to show that the prices at which American cotton has been and is now selling are those which should logically be expected; that they are, in fact, the inevitable price levels for American cotton, in the light of the world supply and the world demand. I shall show that speculation, far from being a depressing influence, has been a sustaining factor in the cotton market, and that, if cotton has not sold as high as some of our friends think it should have, this is because there has been too little, not too much, speculation. I shall show that the exchanges are rendering a most valuable service to all sections of the world cotton trade, including the growers; that, if it were not for the facilities provided by the exchanges, the price of cotton would be more variable and uncertain than it is; and that, if it were not for the exchanges, the average price of cotton during the heavy marketing season, in most years at least, would be materially less than it is."

Testimony of Joseph P. Henican, President of the New Orleans Cotton Exchange, New Orleans, La.: p.65-102.

Mr. Henican said, "Naturally, we do not agree with the tendency to decry the efforts of the Federal Farm Board, but are impressed with a tone indicative of a greater measure of confidence in outside competition for place in the world's markets.

"Domestic occurrences are not the only influences that govern the trend of a market which is world-wide in its ramifications and varies largely in accord with the values abroad of its exportable surplus. Hence the futility of ascribing the ups and downs to manipulation, speculation, which are of themselves circumscribed by the laws of supply and demand. The exchanges do not make values; they reflect values which in turn, under the regulation of the United States cotton futures act for exchange trading are closely the result of supply and demand."

Testimony of C. L. Stealey, Realtor, Oklahoma City, Okla.: p.102-120.

Mr. Stealey said, "I became interested in legislation, and in 1925 I came across a bill prepared by Congressman Dickinson, of Iowa. Taking that bill as a working model, I prepared a form of legislation that in my mind would have enabled the cotton farmers and cotton cooperatives to

function for the benefit of the producer. I submitted copies of that proposed bill to various Congressmen and Senators, and that bill was introduced in the United States Senate with credit to me, by a member of this committee. I did not offer it as a bill to be introduced.

"In the spring of 1926, with farm representatives from all over the United States, I met in conferences here for weeks trying to work out a form of suggested legislation for the benefit of farmers. After weeks of conferences I was appointed one of a committee of two to draft the things on which we had agreed, into a form of legislation. In cooperation with the legislative attorneys of this committee, and with my fellow committeeman, we drafted that form of legislation. After it was drafted I was appointed a committee of one, and I stood at this table for hours on several occasions and presented it. I stood at the table over at the other committee in the House, as a committee of one and presented that legislation there. That legislation, almost identically as I presented it, was presented to the House and Senate, and nearly passed. So I have had some thought and some consideration...

"I wish to read ... the article that I have prepared; and in that I embodied the charges which I think show what is the matter with the cotton and wheat market this year... The article is headed: "Why Farm Relief Did Not Prevent The Disaster of 1929." Quoting from this article, "The time has now come for thoughtful Americans who are determined that this question shall be solved for the benefit of all of us to give some consideration to the proposition of why not only nothing helpful has been done, but why the wheat market has declined more than 25 per cent and the cotton market more than 15 per cent in the four months since the Farm Board came into existence..."

"As a further evidence of the inability of the Farm Board to function in the solution of the farm problem, I am quoting another paragraph from this member's speech [Mr. Carl Williams, delivered in Washington, which is as follows: 'Now, gentlemen, I suggest that whatever we do from the standpoint of temporary alleviation of headaches, due to the 'morning after' over overproduction, that we really give some intelligent thought to the permanent solution of this question. And I suggest again that the only way to remove an evil is to strike at the cause of the evil, and the cause of the evil is not surplus itself. The cause of the evil lies in the production of a surplus.'"

Mr. Stealey said, "As the Senator showed you yesterday and this morning, the last four years we produced no surplus, and I want to state this to you gentlemen, that instead of us having a surplus of cotton for legitimate business, we even had the first time when we had the greatest amount of carry-over... It is my judgment that a large part of that cotton which is now called the carry-over is that kind of worthless cotton that could not be used to fill orders. But in every one of those years cotton spinners and merchants had to gamble on the next year's crop before it was planted. They are gambling on the 1930 crop now, because there is not enough cotton in storage to give it a demand in trade and give it the standing of a going concern."

Testimony of Edward S. Butler, New Orleans, La.: p.120-144.

Mr. Butler read a letter which he addressed to Colonel Hester, secretary of the New Orleans Cotton Exchange, December 3, 1929, relative to what, in

his opinion, is "the matter with the cotton-future market". To quote from the letter, "The past three years have seen the greatest period of expansion, prosperity, speculation, and accumulation of wealth ever known in this country, but notwithstanding this fact it is singular that the cotton industry as a whole has suffered, farmers have complained about prices, brokers have been as a rule dissatisfied, spot firms have had poor seasons, and even the mills which are now organized through the Cotton Textile Institute have complained about poor business.

"I believe the present trouble is a combination of things which date back to the postwar year 1920-21. The facts, practically latent for four or five years, are now becoming apparent...

"I am very much in favor of farm relief and cooperative marketing. However, for farm relief to be effective it appears to me, since all cotton is bought, sold, and distributed on the basis of futures, farm relief must take futures into consideration, going so far, if necessary, even to buying futures and possibly receiving the cotton on contracts in order to support the market. The mere knowledge that the Farm Board would or could do this would be sufficient, in my opinion, to put a minimum price on cotton, and it is doubtful whether they would ever have to actually enter the market. Even were the Farm Relief Board to lose several million dollars in this way, which is hardly likely, it would mean hundreds of millions more to the farmers of the country."

Testimony of William R. Meadows, Cotton Registrar, Chicago Board of Trade, Chicago, Ill.: p.134-153.

"Mr. MEADOWS... But I know very well that if you give an artificial stimulus to the price of cotton it will be reflected by the putting in of a greater acreage of cotton, and I think it is better to stand the ills we have than to rush into those things that will make the situation worse... But it has never been my conception of the function of the Government to go out and guarantee a price to the cotton farmer."

He included an address prepared by himself entitled, "The Cotton-Futures Market-What It Is And What It Does."

Testimony of William L. Clayton of Houston, Tex., Member of firm of Anderson, Clayton & Co., cotton merchants: p.155-275.

"Mr. CLAYTON. As to hedging, Mr. Chairman, let me say: No hedging ever put the price of cotton down or up. The thing that puts the price of cotton down, temporarily, is the selling of cotton by the producer in quantities in excess of demand. The hedge which takes place as the result of that is incidental to it. The thing that affects the market is the sale of the actual commodity by the producer at a time when spinners or consumers of cotton are not in the market for the quantities which the farmers are selling, so that the middleman or merchant buys the cotton and sells a hedge against it. They could not buy it unless they could sell a hedge against it...

"Senator HEFLIN. How is that; that he must get a price of something over 22 cents to-day to maintain his standard of living?

"Mr. CLAYTON. If he is to maintain even his pre-war standard of living.

"It is well known that the post-war standard of living of industrial workers is considerably higher than pre-war standards. Labor as a whole

receives to-day about 100 per cent increased money wages over the 10-year period immediately prior to the World War. Labor is the biggest item in the cost of cotton production.

"It may be urged in criticism of the above figures that much progress has been made in recent years in the mechanization of agriculture, resulting in greater efficiency and substantial reductions in costs. This is true as to wheat and other crops; it is almost wholly untrue as to cotton, especially as applied to the small farmer. It takes just about as much labor to produce and gather a crop of cotton to-day as it did 25 years ago.

"To-day we find cotton selling at 17 cents, being substantially below the price necessary to maintain for the cotton farmer even his pre-war standard of living, which was certainly lower than that of any other agricultural producer...

"What is the reason for this growing inequality of cotton with industry and with other agricultural products?

"There is no overproduction of American cotton this year, based on the average annual consumption of American cotton for the past three years, which has been approximately 15,475,000 bales. The production during the present season is about 500,000 bales under that figure. It is necessary, however, to examine the consumption figures for each individual year, which are as follows: 1926-27, 15,725,000 bales; 1927-28, 15,500,000 bales; and 1928-29, 15,179,000 bales, showing that the present tendency is downward. The reason for this is not difficult to find. It lies in the 'rising tide' of outside growths...

"Barring a Government subsidy, the only course to the southern cotton grower, even if he is to maintain his present comparatively low standard of living, is to relinquish, year by year, through a systematic reduction in acreage a further substantial part of his portion of the world's cotton trade. Coincidentally, there must be an improvement in quality and an increase in yields through fertilization and better production methods...

"Senator RANSDELL... I would like to have you put in plain, simple language that a layman can understand what is the cause, in your judgment, of the present very depressed and unprofitable price of cotton, and what are some of the things which, in your judgment, would correct the evil and give the cotton grower a better price...

"Mr. CLAYTON... As I stated in my opening statement, the immediate cause of the present low price of cotton, I think, is the fact that we have at present some business recession as against the previous two or three years. For several years we have been traveling on an upgrade pretty fast in business; we have had a stock market boom, and there has been a feeling of business activity and prosperity, not only in this country, but all over the world. So we have had a pretty big consumption of cotton.

"That feeling seemed to change a little last spring and summer. Spinners commenced to get uneasy. We had a bad financial situation accumulating all over the world, a tightening of credit, and an increase in the cost of credit, which is a factor that enters into the cost of manufacture and the cost of production.

"Spinners everywhere were disinclined to make forward contracts. They went on consuming pretty well the American cotton for the first three months of this season. But there was a disinclination to do anything much except to run from hand to mouth; to buy cotton for immediate needs and to consume cotton and sell the goods as best they could. There has not been any big forward buying. At that very time there had been big selling on the part of the producers of cotton ... We had a rush of cotton to market over September, October and November, that put a great pressure on the market at a rather critical time.

"We needed large speculative buying to take that surplus. Barring government carrying, there is no other way of carrying a surplus of any commodity. At present it is carried in cotton by speculators until the mills want to buy it; and, having such a very large marketing of the actual commodity in such a short space of time, when the spinners were only buying what they could consume, at that identical time the speculators had to come in and take that load and carry it. They carried it pretty well until about the 20th of October...

"Now, going to that part of the question as to what Congress or anybody can do to correct this situation, I shall have to add that I think the underlying causes of the cheap price of cotton to-day and the distress that undoubtedly exists, are for the average producer of cotton; not the most efficient or a farmer who has the most productive land; but if the average producer of cotton is selling several cents a pound under the cost of production, and that is bringing distress, the fundamental cause of that is that he is competing with the cheapest labor in the world.

"Senator RANDELL. Do you mean foreign?

"Mr. CLAYTON. Foreign producers...

"Senator WALCOTT... What our business and your business is here to-day, if you are going to stay in the business, is to protect the producer. That is an economic necessity. To protect him he has got to have a price that he can live on and educate his children and clothe them and house them. That is our problem.

"Whether we can devise some legislation that will help that, or whether we will have to let it alone and let economic laws work themselves out I do not know, but the law of supply and demand to-day is not working, in my opinion, to any great extent. It can be artificially handled so that the law of supply and demand can be very well interrupted by this enormous aggregation of capital...

"Mr. CLAYTON. Senator Ransdell, you asked me what could be done by the Congress to relieve this situation and to give a higher price for cotton. I referred to the foreign production and the present situation in the cotton industry. In my opinion, it is a world economic condition, and I can not see anything that the Congress of the United States could do in the matter of legislation as to future trading, or as to spot trading, or any factor in the distribution of cotton now which would give to the farmer any higher price than he is getting to-day.

"I can not see anything that could be done to do that. If something could be done to put him on a fairer level of competition with his competitors in other parts of the world so that he would be in a better position to compete on an equality, he would have help in that direction, but I cannot see anything that Congress would do to legislate more sale

value into the price of cotton, because Congress has no control over what foreign countries do consume; and I am simply unable to conceive of any way in which they could legislate more value into his cotton, unless they want to give him a bonus or a subsidy...

"Senator WALCOTT. Mr. Clayton ... is it your opinion a desirable thing for the farmer to reduce his acreage in cotton the next season?

"Mr. CLAYTON. It is.

"Senator WALCOTT. And to keep it down?

"Mr. CLAYTON. I think it is.

"Senator WALCOTT. Do you think that it is too artificial to be possible to get the price up to where he can get a decent living out of growing cotton and keep it up that way?...

"Mr. CLAYTON. I think so, Senator Walcott. I think that the only alternative to a reduction in acreage by the farmer, would be a Government bonus on his exports, so that he might be in a position to compete with foreign countries where cotton is produced so much cheaper than it can be produced in this country...

"I can not see any other way by which he could meet it except to gradually relinquish year by year his acreage in cotton so that production is his proportion of the world's consumption of cotton. That is one way. The other way would be to give him a bonus of 2 or 3 cents a pound or whatever is necessary on his exportable cotton, and put a tariff on cotton so that it can not come back into this country; give him a bonus so that he will be in a position to compete with the cheaper labor of foreign countries. It is the same principle as the tariff on manufactured products coming into this country...

"Senator TOWNSEND (interposing). Then your contention would be that if the price had been kept up consumption would have been less.

"Mr. CLAYTON. Consumption would have been less and production would have been greater.

"Senator TOWNSEND. And the carry-over would have been greater.

"Mr. CLAYTON. Yes, sir...

"Senator Smith, I do not think there is any doubt but what a material increase in the price of cotton to the producer would mean a very substantial increase in his consumption of manufactured commodities...

"Senator Walcott, if it were politically and constitutionally possible to enact legislation which would give to a Federal board absolute authority over production and over prices, I think if that authority were wisely exercised, as we will have to assume it would be, that in time we would come to this situation: Fifty years of course is a fairly long time, but it is a short time in the life of a nation, and I think in 50 years' time, unless we had some change in tariff or some change that can not now be foreseen, that the United States would be producing very little cotton for export. I think we would be producing whatever our local mills consumed, and perhaps some cotton for export, but we would materially cut down the quantity we are exporting at the present time. That would be, I think, the logical result of such action on the part of a Federal board with absolute authority over production and prices, because their action would of course give a higher level of prices to the cotton producer than

it gets to-day, and in that way improve his standard of living, which should be done in some way."

Testimony of Leo Shields, Lake Providence, La.: p.275-289.

"Mr. SHIELDS. I have an article that I wrote last year, Senator. It is headed 'What's the Matter With Cotton?' It reads as follows:

"The question is probably as old as the industry. There has always been something the matter with it from a financial standpoint. The ills of the farmer are considered by the general public to be largely imaginary, and the rumblings of discontent emanating from him they believe to be a desire on his part for less work and more luxuries, while, as a matter of fact, under present conditions he is being slowly crushed betwixt the upper and nether millstones - organized labor on the one side and organized capital on the other - labor, through its high wages, adding to the ever-mounting cost of the necessities that go into the production and handling of farm products, in which increased wages the farmer does not participate, and capital through its manipulation of the future markets...

"Conditions have grown steadily worse for the past five years until to-day the farmer, especially the southern farmer, faces real distress, and I say to you politicians and capitalists beware, heed the rumblings, for when the peasant class of a nation starves it breeds rebellion."

Testimony of Sam. L. Morley, Oklahoma City, General Manager of the Oklahoma Cotton Growers' Association: p.305-337.

"Senator SMITH. If they can not raise the price of cotton except through control of acreage, if that is what we are going upon, how are they going to control acreage, except by the process they already seem to be wedded to, to make it unprofitable to grow cotton. That is what we seem to be doing right now.

"Mr. MORLEY. I think you misunderstood me, Senator Smith. You will agree with me that there is a price at which the cotton farmer would over-produce, will you not? Will you agree with me on that?

"Senator HEFLIN. No, sir.

"Senator SMITH. Well, I have not had that experience. I remember a very sweet check that I got once at 40 cents a pound for my cotton, but I did not plant any more cotton the next year."

Testimony of Arthur R. Marsh, member of the New York Cotton Exchange: p.344-388.

Mr. Marsh said, "The condition of the cotton producers in the United States is one of the greatest national problems that we have ever faced in this country. The public at large does not appreciate it, but it is a national disgrace in this great, rich, prosperous country, the envy of the world, which vaunts itself upon the extraordinary degree of prosperity of its working classes...

"Now we come to the more concrete question of the immediate causes of a situation which on its face is not only deplorable, not only a national disgrace, but is also exceedingly difficult to explain on commercial and economic grounds. Senator Smith, and, I think Senator Heflin, have, as I have been listening here, been pointing out again and again that on the basis of the supply of cotton over against the known consumptive demand for cotton, there seems no warrant for the present low price of cotton...

"There have been two principal causes, as I see it, for the present contradictory and inexplicable price situation for cotton. The first of these causes - and I am compelled to say that I do not think it is

the chief or the greater of the two - is that indisputably the markets for American cotton have for a long series of years now been dominated by one great firm, which has now allied with itself three other great spot firms. And the interests of those four firms have been highly adverse to any advance in the price of cotton...

"Back of that, and really of greater consequence than that, is the fact that throughout the whole cotton industry and the whole cotton goods trade within the past two or three years the policy of hand-to-mouth buying has been adopted and applied to an extent which has never before been known...

"You have got the great buyers and distributors of goods, the great industrial users of goods - in this connection I ought to bring in the tire manufacturers, who to-day use fabrics representing over 10 per cent of all the cotton consumed in the United States - you get all of those people absolutely indifferent to the conditions of the farmer, absolutely indifferent to the whole question of the price necessary to give him a decent livelihood, and conducting their business operations in a manner most calculated to depress the farmer, to throw back upon the cotton farmer the whole burden of the price risk; in spite of the fact everybody knows that he is the weakest member in the entire economic structure, he is the poorest, the most impoverished, the weakest member of the entire economic structure; and yet the whole cotton manufacturing industry and all industrial users of cotton are combined to-day to throw the whole risk of price back upon that poor devil who has not any powers of resistance...

"Now if you will permit me, I will give you my revolutionary and radical suggestions as to what ought to be done. I start with the assumption that the situation of the cotton farmers constitutes a national problem, and that the cotton farmers are, themselves, too helpless, economically and otherwise, to solve the problem for themselves. In other words, the situation of the cotton farmers appears to me to be similar to the situation of that mass of industrial workers for whom Government has intervened in a most extensive manner.

"A great many people, talking about cotton, say, 'Oh, let the law of supply and demand settle the whole thing.' We do not say that about the industrial workers. To begin with, the National Government has a great fabric of the tariff to protect the industrial workers. We all know that the one great support of the whole tariff structure of the United States is the universal belief that if we had free trade, our industrial workers would have to come down to a miserable standard of living; it is the maintenance of the standard of living of the workers that is the one insuperable obstacle against the coming down of the tariff.

"Government has intervened, then, in a manner which interferes with the law of supply and demand we have talked so much about; interfered with it in a very extensive manner.

"Not only has Government done that for the industrial workers, but it has enacted all kinds of laws governing hours of labor, governing the labor of women and children, establishing compensation for injuries. All that kind of legislation we have adopted in this country. There is nothing novel in the proposition, the proposition that when you have a mass of the population helpless to maintain their own standards of living at a proper level, it is the duty of society, the Government, to come in and see to it that the conditions are made such that they can have a proper standard of living...

"The first of them is that there should at once be applied a tariff on all foreign cotton imported into the United States...

"My third proposal is that, owing to the inability of the cotton farmers to control their acreage, and therefore to control their production, the United States Government should take control of the acreage planted to cotton, and should do this by means of a progressive excise on cotton production. That is a very, very radical and revolutionary suggestion, but I believe we have to go to something of that kind, not only for cotton but for our entire agriculture. I believe that we have got to have Government control of the acreage put into the various major crops of this country. We can not have, in my opinion, this exploitation of great land areas such as we have in western Texas and western Oklahoma, to the disadvantage of the general body of established producers of cotton, without social consequences of an inexcusably bad kind...

"My fourth suggestion has to do with the duty of an executive department of the Government. I think that the Department of Justice ought to proceed relentlessly against all agreements, understandings and arrangements between large firms in the cotton trade for the control of the price of either the actual cotton or of future contracts in the great future-contract markets."

U. S. Congress. Senate. Committee on Agriculture and Forestry. Investigation of certain operations on cotton exchanges. Hearing... Seventy-first Congress, second session on S.Res.149... June 25, 1930. Washington, U. S. Govt. print. off., 1930. 7pp. 72 Un3I

Statement of Hon. Morris Sheppard, a Senator of the United States from the State of Texas: p.1-3.

Mr. Sheppard said, "there has been an almost steady and continuous decline in the price of cotton since 1927. It is generally believed that the custom of short selling on the exchanges has a great deal to do with this decline."

Statement of J. W. T. Duvel, Chief of Grain Administration, Department of Agriculture: p.3-7.

Dairy Products

Resolution

Brookhart

S.Res.405. [Authorizing and directing the Senate Committee on Agriculture and Forestry, or a subcommittee thereof, to investigate and report to the Senate the reasons for the failure of the retail price paid by the consumer for milk and other dairy products to reflect the decline in the price received by the farmer, etc.]

Submitted Jan. 17, 1931. Referred to Committee on Agriculture and Forestry.

Reported without amendment Feb. 16, 1931.

Hearings held before Senate Committee. 284.3 Un35P

S.Rept.1838 submitted Mar. 2, 1931.

Authorizing and directing the Committee on Agriculture and Forestry to "investigate and report to the Senate the reasons for the failure of the

retail price paid by the consumer for milk and other dairy products to reflect the decline in the price received by the dairy farmer on such milk and dairy products, and particularly whether such failure is a result of a combination in restraint of trade. Such investigation shall be conducted in connection with the investigation authorized by S.Res.374, adopted January 16, 1931".

S.Rept.1838, pursuant to S.Res.374, 405, and 407, issued March 2, 1931 states with regard to milk and dairy products; "The committee is of the opinion that the present policy of forcing the producer to absorb all reductions in retail price is unfair and that the distributor should share the amount of all reductions with the producer." etc.

Meat

Resolution

Carey

S.Res.407. [Authorizing and directing the Senate Committee on Agriculture and Forestry, or a subcommittee, to investigate the reasons for the failure of the retail price paid by the consumer for meat and meat food products to reflect the decline in the price received by the producer and the packer, etc.] (Printed in the Record)

Submitted Jan. 19, 1931. Referred to Committee on Agriculture and Forestry.

Reported without amendment, Jan. 26, 1931.

Reported from Committee to Audit and Control the Contingent Expenses of the Senate and agreed to, Jan. 26, 1931.

Hearings held before Senate Committee. 284.3 Un35P

S.Rept.1838 submitted Mar. 2, 1931.

S.Rept.1838, pursuant to S.Res.374, 405, and 407, issued March 2, 1931 states: "The committee finds no substantial evidence of a conspiracy or combination in restraint of trade operating to maintain high retail prices of meat and meat-food products. The very nature of the distribution system is such as to make it difficult for such a combination to operate effectively."

"Although the retail price of beef has decreased in cents practically the same amount as the wholesale price of beef carcasses, the percentage of decrease is materially less, due to the fixed charges of distribution. A similar situation holds in the other meats, such as hogs and lambs."

Peanuts

Resolution

Heflin

S.Res.139. [Requesting the Federal Trade Commission to make an investigation of facts relating to the alleged combination in violation of the anti-trust laws with respect to prices for peanuts by corporations operating peanut crushers and mills.]

Introduced, considered and agreed to Oct. 22, 1929.

For response see S. Doc. 132, 72d Congress.

Wheat, Flour, and Sugar

Resolutions

Capper

S.Res.362. [Providing for an investigation of prices of bread and other foodstuffs in the District of Columbia.]

Submitted Dec. 9, 1930. Referred to the Committee on the District of Columbia.

Reported Dec. 18, 1930 without amendment. Senate Rept. 1205 submitted.

Indefinitely postponed Feb. 10, 1931.

Authorizes and directs the Committee on Interstate Commerce "to investigate and report to the Senate the reasons for the failure of the price of bread to reflect the decline in the price of wheat and flour, and particularly whether such failure is a result of a combination in restraint of trade."

Wagner

S.Res.374. Requesting the Committee on Agriculture and Forestry "to investigate and report to the Senate the reasons for the failure of the price of bread to reflect the decline in the price of wheat and flour".

Submitted Dec. 16, 1930. Referred to Committee on Agriculture and Forestry.

Reported without amendment and agreed to Jan. 16, 1931.

Hearings held before Senate Committee. 284.3 Un35P

S.Rept.1838 submitted Mar. 2, 1931.

Committee further authorized to investigate "reasons why whole-wheat flour is higher in price than white flour and why brown and unrefined sugars are higher in price than white and refined sugars," etc.

S.Rept.1838, pursuant to S.Res.374, 405, and 407, issued March 2, 1931 states: "The information disclosed in this investigation proves conclusively that the retail price of bread has not declined proportionately with the price of wheat... The committee finds some evidence of a combination in restraint of trade endeavoring to fix and maintain the retail price of bread."

"The committee finds that the present differentials in price between brown and white sugar are not unfair and no evidence has been found in this respect of any combination in restraint of trade."

Brookhart

S.Res.384. To ascertain why whole-wheat flour and brown and unrefined sugar prices are higher, respectively, than white flour and white and refined sugar prices.

Submitted Dec. 20, 1930. Referred to Committee on Agriculture and Forestry.

Reported without amendment.

Committee on Agriculture and Forestry is authorized and directed to make investigation.

Brookhart

S.Res.391. [Providing for an investigation of the prices of whole-wheat flour and brown and unrefined sugar.]

Submitted Jan. 5, 1931. Referred to Committee on Agriculture and Forestry.

Committee on Agriculture and Forestry is authorized and directed to investigate the "reasons why whole-wheat flour is higher in price than white flour and why brown and unrefined sugars are higher in price than white and refined sugars, and particularly whether such conditions are a result of a combination in restraint of trade."

Palmer

H.J.Res.90. To authorize an investigation of the decline in the price of wheat.

Introduced May 29, 1929. Referred to Committee on Agriculture.

Authorizes investigation by Secretary of Agriculture of causes of the decline in the prices of wheat since February 1, 1929, and report to Congress.

PRODUCTION CONTROL

Bill

McKeown

H.R.5720. An act to amend section 5 of the agricultural marketing act.

Introduced Dec. 2, 1929. Referred to the Committee on Agriculture.

"The board shall obtain from available sources of information in respect to the supply and demand, current receipts, exports, imports, markets, and prices; the probable requirements for domestic consumption and foreign demand of the basic agricultural products as defined in the Agricultural Marketing Act, and find the market price paid the producer on any basic agricultural product is not sufficient to pay a fair return to said producer, and further finds that said market price is due to a surplus of such commodity for orderly marketing, shall fix and declare the amount of production for the United States for such basic agricultural products for the ensuing production year."

Provides for making of allotments to States, counties, and individuals of standard production of basic agricultural products. "The board shall cause to be printed certificates of standard production... and... it shall be the duty of all buyers purchasing for resale or shipment to require the producer to produce his certificate of standard production and detach therefrom the quantity purchased at that time. It shall be the duty of the shipper of such product, when offering the same for transportation for interstate commerce, to exhibit to the carrier certificates of standard for the quantity of products to be shipped... When any producer, during the time for which a standard of production of any basic agricultural product has been declared, fails to produce the standard awarded to him he may surrender to the county agent such portion of unused certificates, which said agent may issue to any producer who has exceeded his certificate in production."

RESEARCH, REGIONAL

Bill

Christgau

H.R.13275. To aid in making regional readjustment in agricultural production to assist in preventing undesirable surpluses.

Introduced July 2, 1930. Referred to Committee on Agriculture.
Provides for regional research councils.

Bill states: "That it is hereby declared to be the policy of Congress -

(1) To aid farmers in the readjustment of agricultural production to changed economic conditions and changing techniques of production;

(2) To assist farmers in the development of orderly agricultural production programs, thus aiding farmers to prevent unprofitable agricultural surpluses, thereby stabilizing farm incomes;" etc.

STABILIZATION (COTTON PRICES)

Bill

Cross

H.R.192. To provide for the stabilization of the prices of cotton by taking the surplus or a sufficient portion thereof off the market during years of overproduction and placing it back on the market during years of underproduction.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture.

Makes it the duty of the Secretary of Agriculture "whenever white cotton, middling in grade and seven-eighths of an inch in staple can be purchased for 18 cents per pound, to go upon the market and through competent, experienced, bonded cotton classers, purchase and pay for said middling cotton,... 18 cents per pound." He shall "pay so many points on for the higher grades, or longer staples, or both, as may be determined on the day of purchase through the spot markets designated by" him, taking said white cotton as a basis. He shall pay so many points off of the price of the basic grade and staple for the lower grades, etc. Whenever the white cotton can be sold on the market for 21 cents per pound, he shall sell as rapidly as the market will absorb it, etc. After paying all necessary expenses net profits shall be applied in paying back money advanced by Government to carry out provisions of the act.

SURPLUS DISPOSAL

Bills

Lankford of Georgia

H.R.78. To create a farmers' finance corporation, provide a system of loans on farm products, and for other purposes.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture.

Provides for creation of Farmers' Finance Corporation and a commodity advisory council for each basic commodity.

"That the corporation shall be empowered and authorized to make advances on farm products as collateral security to any bank, banker, trust company, or farm organization in the United States which has rendered financial assistance to any farmer, group of farmers, or farm organization, provided that:

"(a) Farmers receiving such financial assistance shall have entered into a contract with the corporation as set out in section 11 of this Act and shall have kept and abided by all contracts so made.

"(b) The bank, banker, trust company, or farm organization receiving such advance shall have made with the corporation a contract as set out in section 12 of this Act, and shall have kept and abided by all contracts as made...

"(e) After the first loans are made hereunder additional farmers growing the particular product shall sign said contract, set out in section 11, so as to bring the acreage grown by producers bound by the contract up to 85 per centum of the whole grown in the United States within one year from first loan; 95 per centum within two years, and 97 per centum within three years and thereafter...

"(h) The advisory council for the specific basic commodity must have passed a resolution notifying the corporation of its action, in which it shall be provided, in accordance with the contract set out in section 11 of this Act, that all farmers growing said commodity in the United States, under said contract, shall reduce their acreage cultivated in said commodity for the ensuing year as the crop thus produced, together with the part of the crop carried over from the ensuing years, will probably total only so much as will be salable at or above an average price. The percentage of reduction of the acreage of the next crop must be determined definitely, stated in the resolution and notice thereof given to the corporation and to the banks, or other organizations of the United States through which the corporation is loaning money on said basic commodity...

"(i) The advisory council must have taken off the market all of said commodity grown and owned by farmers under the contract set out in section 11, and refuse to offer for sale or permit the offer of any part thereof until there is such a demand for same as will cause the commodity to sell for a sufficient amount to pay in full the loan made by the corporation, together with all interest, storage charges, insurance, inspection, and grading fees, and such an additional amount to the producer as may arise from sale of the commodity at a fair and reasonable price...

"Sec. 11. The contract heretofore referred to in this Act, which shall be made by producers as herein provided in order for them to become eligible for loans... shall be as follows, to wit:...

"(b) That regardless of whether I or we borrow money under the provisions of this Act, I or we will from year to year during the life of this contract make such curtailments of the acreage planted by me in the basic commodity on which a loan is authorized under this contract by said corporation as may be determined by the advisory council as fair, just, and equitable in order not to have on hand an unmarketable surplus at and after the time of harvest of said crop, and I agree that

any surplus produced by my planting an acreage in excess of that authorized by said advisory council shall become the property of the Farmers' Finance Corporation for the use and benefit of my fellow farmers who make the curtailment as per this contract."

Sinclair

H.R.237. To provide for the purchase and sale of farm products.

Introduced Apr. 15, 1929. Referred to Committee on Agriculture.

Provides for creation of "the Farmers' and Consumers' Financing Corporation." "The corporation shall be empowered and authorized (1) to build, buy, lease, and operate elevators and storage warehouses; (2) to buy agricultural products from any person within the United States, and to sell such products to any person within the United States, and to any person, or to any government, or subdivision of government without the United States; (3) to act as agent of any person producing or dealing in agricultural products, either in their natural or prepared state, within the United States, in the sale of such products either within or without the United States; and (4) to make advances for the purpose of assisting any person in financing the sale, or exportation and sale, of such agricultural products,... It is hereby declared to be the object and purpose of this Act to provide a market for the sale of agricultural products, and to eliminate as far as possible the commissions and charges that are exacted upon agricultural products from the time such products leave the producer until the same reaches the consumer, and to thereby increase the price which the producer receives and decrease the price which the consumer pays." etc.

Black

H.R.2121. To establish the Federal farm beverage board in the Department of Agriculture to aid in putting the agricultural industry on a sound commercial basis by providing incentives to crop diversification and a market for surplus farm products.

Introduced Apr. 26, 1929. Referred to Committee on Agriculture.
Essentially the same as H.R.7494.

Black

H.R.7494. To establish the Federal Alcoholic Liquor Board in the Department of Agriculture to aid in putting the agricultural industry on a sound commercial basis by providing incentives to crop diversification and a market for surplus farm products.

Introduced Dec. 13, 1929. Referred to the Committee on Agriculture.

Provides for issuance of licenses, by a Federal Alcoholic Liquor Board in the Department of Agriculture, "to farm organizations and cooperative marketing associations for the processing and selling of beer and wine containing alcohol for beverage purposes, providing such are not intoxicating in fact," etc. "The revenue derived from licenses under this Act shall be devoted to agricultural relief generally in a manner directed by the Secretary of Agriculture, providing that such money shall not be used to withdraw a supply of any agricultural commodity from the market, or to "make loans or advances to any farm organization or to any cooperative marketing association, or to any person or persons for the purpose of storing or carrying over or in

withdrawing from the market in any way whatsoever any supply of agricultural commodities."

The bill declares that there is "an emergency in the agricultural industry of the country. This is due to a surplus of certain agricultural commodities and also to a lack of a market for certain agricultural commodities. This lack of market is due to the National Prohibition Act." etc.

TARIFF

Joint Resolutions

Thomas of Idaho

S.J.Res.242. Increasing the rates of duty for the period of one year on agricultural products and provisions which are prescribed by Schedule 7 of the tariff act of 1930.

Introduced Jan. 29, 1931. Referred to Committee on Finance.
Provides for 50 per centum increase.

Romjue

H.J.Res.43. Calling upon the President of the United States to reduce the tariff on materials and commodities essential to and generally used by the agricultural population of the United States in carrying on the farming industry, and for lessening the burdens now imposed upon agriculture.

Introduced Apr. 19, 1929. Referred to Committee on Ways and Means.

"Whereas in many sections of the United States the prices of farm products have declined and reached a low and unprofitable level during the past few years; and

"Whereas decline in prices of such farm products has been such as to place the agricultural industry in a hazardous position, exposed to unusual loss; and

"Whereas the present high protective tariff law levies a tariff upon many materials and commodities that are essential to, and are necessarily employed in and used upon the farm;" etc.

Andresen

H.J.Res.489. Increasing the rates of duty for the period of one year on agricultural products and provisions which are prescribed by Schedule 7 of the tariff act of 1930.

Introduced Jan. 30, 1931. Referred to Committee on Ways and Means.
Same as S.J.Res.242.

HEARINGS (GENERAL)

U.S. Congress. House. Committee on Agriculture. Agricultural relief. Hearing... Seventy-first Congress, first session. Serial A. March 27, 28, 29 and 30 and April 1, 2, 3, 4 and 5, 1929. Washington, U.S. Govt. print. off., 1929. 9 pts. 281 Un3Agr

Statement of Chester H. Gray, Legislative Representative of the American Farm Bureau Federation: pp.7-27.

Mr. Gray said, "Now, then, as a method of review, you will remember that the main things which we have fought for in the matter of farm relief are these: First, that the tariff be made effective; second, that the main purpose of farm relief is surplus control; and, third, that agriculture be not subsidized in the operation...

"Our opinion has always been that we must control the surplus after it is created. As this committee well knows, no farm organization ever yet has been wise enough to devise a method of preventing the creation of a surplus, but there is a school of thought now that seems to think that you ought to prevent it at the beginning by a system of acreage control...

"None of our officers are courageous enough to go out before the public and say that we are standing for a system that will prevent the American farmer next year from planting any more corn, wheat, rye, or other crops, or from producing any more dairy products next year than last year. We are not courageous enough to do that. The reason, perhaps, that we have not done so is that we would be standing on absolutely new ground...

"There is another danger about the stabilization corporation, and that is while it may maintain an average line of income, the stabilization corporation does not do anything about removing the depressing influence of surplus or price...

"Mr. KETCHAM. You do not look with any degree of patience upon any kind of farm legislation that does not have in it the contemplation of a better price for farm products?

"Mr. GRAY. We would have no excuse for being before your committee unless we thought that would happen."

Statement of C. C. Moser, President and General Manager of the American Cotton Growers' Exchange: pp.161-188.

Mr. Moser said, "we do not advocate the equalization fee. We do believe, however, that any practical solution of the problem of farm relief, or surplus control, must have in mind the effective control of overproduction. It does not make any difference what it is. That was one of the principal reasons we had in favoring the equalization-fee principle...

"We think that it will have to be controlled at the source. We believe that when a surplus has once been created, there is no humanly possible way of avoiding its consequences...

"We wish there were some way by which we could set up a stabilization corporation so that we could take a commodity off the market temporarily, and hold it out of consumption. We wish that could be done so we could stabilize the price in a way that would be beneficial to the farmers; but our own analysis of the subject leads us to believe that when a surplus has once been created there is no conceivable way to avoid paying the price or the penalty for it.

"Now, I am speaking, of course, about those commodities of which there are exportable surpluses, and upon which there is some way of distinguishing the domestic price and the world price...

"If we could take out of production any considerable quantity of land it would help, and if we could quit adding to the production of this country lands which are not now productive, it would help. We ought to quit putting more land into production until we catch up with our own production, so far as demand is concerned.

"We only take into consideration, as a matter of fact, in studying and stating our price trends the American and the Russian production. Those are the only two factors that are necessary in the world production of cotton to really study the price movements...

"Mr. HOPE. Your view, as I take it, is that a stabilization corporation would not raise the level of prices received by the cotton producer.

"Mr. MOSER. Rather, on the contrary, we think it will lower the level of prices.

"...as far as our studies go, price regulates acreage, regardless of all the propaganda you can put out...

"There are so many factors in the agricultural problem which are beyond the control of the farmer himself. That is what complicates the agricultural problem. If we could contract our agricultural production as it is possible to contract the production in some of the other industries, it would be a simpler thing."

He had printed as part of his testimony a statement entitled, "Co-operative Leaders Issue Statement Regarding Farm Relief and Cooperative Credit."

To quote the statement, "We therefore recommend to you that under any plan of surplus control due consideration must be given to the means for controlling overproduction."

Statement of Dr. J. G. Brown, Woodville, Va.: pp.311-317.

"Mr. Coolidge four and a half years ago promised in his campaign to relieve the farmer. Results: They were stabbed in the back at every opportunity. His last veto of the McNary-Haugen bill was very ingeniously written by some one who had no sympathy or knowledge of farming industry. He gave us no remedy, and the sum total of his veto was price fixing and socialism.

"Is the Adamson bill guaranteeing living wages for labor price fixing and socialism? Is the Esch-Cumming bill guaranteeing the railroads with their watered stock 5 per cent to 6 per cent on their capital price fixing and socialism? Is the high tariff for the manufacturer to protect him and his labor from foreign goods socialism and price fixing? Gentlemen, it depends very much on whose ox is gored whether we call it socialism and price fixing. All business is based on price fixing, namely, by getting sufficient price above cost price and leave an economical living...

"It takes one year to make most of our crops, and it would be impossible to foretell whether we reap one-fourth crop, one-half crop, or a full crop for we have politicians, insect pests, storms, and the weather with which to contend. Therefore it is impossible to estimate future crops...

"The Remedies Suggested... Fifth. Lastly, I would suggest a modification of the McNary-Haugen bill. This former bill was deficient as it covered partially the farm products of this country. Have a commission of five scientific and practical farmers, not politicians, to

set a living price on all our farm products as well as livestock, and empower them to have a flexible price from year to year as the farm products require."

Statement of G. F. Holsinger, President, Virginia Farm Bureau Federation, McGaheysville, Va.: pp.317-335.

Mr. Holsinger said, "I regard that the farmer is in a weak position in at least three respects.

"First, in regard to organization. Second, in regard to overproduction. I do not know whether I am expressing that clearly. Third, in regard to protection...

"I have five proposals under this question of overproduction I feel might be given attention.

"In the first place, public funds for drainage of swamp lands should be withheld; irrigation should not be encouraged by public funds. Colonization schemes should have no consideration on the part of our National and State Governments at this time, when we are overproducing...

"I suggest reforestation should be undertaken by the National Government on such overflow lands that are suited to forests, to the possible extent of 150,000,000 acres...

"Lands in process of reforestation should be exempt from yearly taxes and harvest taxes might be substituted...

"Our agricultural education should be directed to proper land utilization and a vocational work for the farmer, in connection with business methods, distribution of farm products and general cooperation among the farmers, instead of encouraging larger yields...

"A tariff on agricultural imports should be provided where it would encourage profitable production of the imported articles in America...

"Inasmuch as the suggested provisions--that is, those I have just enumerated--would not sufficiently protect the farmer, provision should be made by which the surplus may be withheld from the American markets to the end that the farmer might receive the tariff benefits on his crops...

"I believe that we overproduce for the consumptive needs of our own population. As to the world proposition, as I regard it, we have not greatly overproduced. Understand, that this answer is not the result of any investigation, but I understand that a majority of the world is still underfed...

"Mr. MENGES. Do you think it is a dangerous thing for the Nation to have a surplus of three months' food supply ahead?

"Mr. HOLSINGER... Surely a three months' visible supply of food on the market that ought to be disposed of will depress the market for the farmer, at least...

"Mr. MENGES. Do you think that a system that will penalize the farmer for having a surplus of food for three months ahead on the market should be endured? That is what I am asking.

"Mr. HOLSINGER. I do not think he should be penalized."

Statement of Hon. Dudley G. Roe: pp.352-364.

Mr. Roe said, "I assume there are a few things that we are definitely agreed upon. The first one is that there is a farm problem; the second is that the problem is to get rid of the surplus; and the third--and I

want to say before taking it up that I am a protectionist Democrat-- the third phase of our problem is due to the tariff; that is, the farmer has been buying everything he has to buy in a closed market, or a protected market, and is selling everything that he sells in an open market. Now, the solution of that problem is to apply the tariff to the surplus products...

"The manufacturing industry is prosperous on account of the tariff, the labor people because they are organized, the railroads are prosperous because they are guaranteed a minimum income on which they can live, and the utilities are regulated as to the rates that obtain, so that they have a living income. Practically everybody is on a satisfactory basis except the farmer. That is the sore spot, and the distressed spot in the whole country, and if we could make the farmer prosperous that would make everybody else more prosperous."

Statement of Hon. T. Alan Goldsborough, a Representative in Congress from the State of Maryland: pp.364-370.

Mr. Goldsborough said, "I am from a rural district, and ever since my earliest recollection two of the things which have most seriously interfered with the farmers' prosperity have been overproduction, in years following years of farm prosperity, and lack of information as to proper markets, markets that were not glutted in the case of perishable products..."

"I am satisfied, so far as my own judgment is concerned, that nothing could be set up which would be of as much use to the farmers of this country as an adequate system of Weather Bureau service and an adequate system of market news service."

Statement of William Butterworth, President of the Chamber of Commerce of the United States: pp.370-372.

The statement reads: "We recommend that the bringing into cultivation of additional areas for agricultural production at public expense be delayed until such additional production of agricultural commodities as would result therefrom can be demonstrated to be an economic need of the Nation..."

"It is the belief of our membership that agricultural legislation, in its last analysis, can serve only to supplement efforts by our farmers themselves toward more economical production and distribution of their crops, and that the best interests of agriculture and all interdependent industry are to be better served by continued adherence to the established American policy of governmental regulation and assistance to business and industry rather than by Government itself entering these fields."

Statement of Donald D. Conn, Managing Director, Associated California Fruit Industries (Inc.), San Francisco, Calif.: pp.420-448.

"Mr. LARSEN.... I at one time introduced a bill with reference to the boll-weevil control of cotton in which I embodied that idea of licensing acreage production as a means of controlling production. Do you think it would be possible and practical?"

"Mr. CONN. Yes; I do."

Statement of Lloyd S. Tenny, Executive Vice President, Associated California Fruit Industries (Inc.), San Francisco, Calif.: pp.455-484.

Mr. Tenny said, "Now, the problem that is concerning agriculture to-day, as I see it - and my experience here in the Department of Agriculture, and my experience in the commercial world prove this - that

we are living in a day where the producer and consumer are widely separated, and where the individual farmer can carry on only his production program as an individual...

"He must have a program of distribution injected into the picture, so that he may readjust his production, or his marketing, in the light of the economic factors that exist in the territory in which he is interested... Now, any program of agriculture, any agricultural relief, or any act of Congress, that will accomplish things it seems to me must take into consideration a recognition of this change in American agriculture...

"That outlook report is doing for the American farmer today, as an industry, for the various agricultural industries, the potato industry, the wheat industry, the hog industry, and so forth, just what the cooperatives are attempting to do for the farmers that are interested in a particular industry, or just what my grandfather could do for himself - namely, size up the production in his immediate territory, or the competitive production, size up the scope of the marketing situation, and adjust his whole program of agriculture to those economic factors as they exist. Fifty years ago we could do all of that ourselves, as individual farmers, but to-day we have to inject the Federal Government and its agencies into the picture for the collection of that information for us. Now, that brings me to this one conclusion, and I want only to touch the high points here, and that is that the agriculture of the future has got to be approached along commodity lines on a basis of the trends of the development, the potential production, the quality to be produced, the distribution, and everything else of each of our commodities...

"I believe firmly that with our organization developing year after year, when the question of higher prices comes upon us, and we are faced with a problem of increased production, we are going to have a strong enough organization, through public sentiment, through chambers of commerce, through community programs, through banking facilities, through business men, that we can go as far as it is humanly possible to go in any way in limiting and controlling production when we get into those higher price figures...

"Mr. KETCHAM. Then if I understand your idea, Mr. Tenny, so far as the surplus control is concerned, as applied to the perishables, you sort of reverse the idea we have been considering heretofore, which was the Government would take the surplus and dispose of it to the best advantage and prorate the losses back. Under your plan the surplus would be handled by the folks themselves, by retaining it and not putting it upon the market.

"Mr. TENNY... So when we are talking about an industry program, it embraces everything - production, quality, disposition of surpluses, orderly distribution, and everything else...

"Mr. LARSEN... In other words, if it is a sound policy to be adopted and carried out with reference to the transportation lines of the country through the Interstate Commerce Commission, why would it not also be feasible to limit production of farm commodities through some system of permits or otherwise?

"Mr. TENNY. As far as I am concerned on that matter, I would not recommend that you attempt to do that in the bill you are attempting to draft at the present time.

"In my own thinking I will go with you on that...

"Mr. Hope... Is it your theory that we would have the right to enact such legislation as you propose under the power that is given Congress to regulate interstate commerce?...

"Mr. HOPE. Is it on the theory that the public has an interest in these products that are to be transported?

"Mr. TENNY. Yes, sir; the public has an interest in them."

Statement of Robert Amory, Boston, Mass., Representing Nashua Manufacturing Co., Nashua, N. H.; The Boston Manufacturing Co., Waltham, Mass.; and New Bedford Spinning Co., New Bedford, Mass.: pp.521-533.

Mr. Amory said, "We are naturally interested in the farmer as one of the principal sources of the country's prosperity, and, further, that the farmer is our best customer. We are especially interested in the cotton farmer not only as a customer but particularly as the producer of our raw material. We wish to see them prosperous so that our source of supply may be reliable and so that our raw material may improve in quality."

Statement of Rudolph Lee, Long Prairie, Minn., representing rural newspapers in Minnesota, North Dakota, and South Dakota: pp.571-604.

Mr. Lee discussed the Minnesota or Northwest plan of farm relief.

He said, "This plan has to do largely with two lines of work: One, the elimination of the surplus through properly adjusted tariffs; and second, the development of better farming methods, after the American market is secured for the American farmer..."

"Mr. FORT... Generally speaking, you agree with those witnesses who constitute the majority of these we have had here, that surplus can only be controlled by reducing the production of the surplus; is that correct?

"Mr. LEE. Yes.

"Mr. FORT. Your idea of doing it is by inducing a diversification, by making that diversified crop more profitable?

"Mr. LEE. Yes....

"Mr. NELSON. In other words, the depression on the farm is reflected in your own business?

"Mr. LEE. Yes.

"Mr. NELSON. And in every other business in your town. You are in a small town?

"Mr. LEE. Yes, sir; 2,000 population.

"Mr. NELSON. And you feel that the problem of the small town is the problem of the farm?

"Mr. LEE. Yes, sir."

He had printed as part of his remarks the "plan or the brief proposed in the Minnesota farm plan".

Further he said, "If we did not produce as much as we are producing, if we produced less and less, if we could reduce it enough, there would be no surplus. It is a serious thing to bring more acres into cultivation when the problem is to find a market for what is being produced. That is why we suggest that it is a common-sense proposition to quit reclaiming these waste lands until we need them."

Statement of A. U. Chaney, General Manager, American Cranberry Exchange: pp.604-614.

Mr. Chaney said, "We believe that an attempt to control the surplus and thus interfere with the economic law of supply and demand is exceedingly dangerous. We believe that it is very likely that any attempt to interfere with the natural flow of supply and demand will result in less prices to the producers without improving the situation..."

"If... that attempt... would result in a profit we believe it would result in a rapidly increased state of production and a rapidly increasing surplus, and that it would grow up like a big snowball..."

"I think that aid could be given in that respect by educating the farmer, and advising him as to when there would probably be a surplus, and the effect that such a surplus would have. That would be done with the idea of educating the farmer with reference to improved methods in cooperative marketing and in the handling of his products, and teaching him to recognize the law of supply and demand..."

"Mr. CHANEY. The only way to restrain increased production is to penalize the farmer by having him sell below a profitable price when he raises too much, or there should be some other penalty method that will restrain production."

Statement of John D. Zink, General Manager Eastern States Farmers' Exchange, Springfield, Mass., representing also the Cooperative Grange League Federation of New York: pp.615-623.

Mr. Zink said, "existing agencies or those to be established should be charged with the responsibility of ascertaining facts in connection with and setting in motion methods to accomplish the following functions:

"First, land adaptation..."

"The second major point is crop adaptation..."

"The third major point, I think, should be a study of domestic and foreign markets for agricultural products; first, from the standpoint of estimating their demand, and, second, to advise the acreage to be planted to meet this demand..."

"The fourth point is on this question of land reclamation..."

"I question very much if the surplus after it is produced can be controlled to the benefit of the farmer."

Statement of C. W. Croes, Aberdeen, S. Dak., representing the South Dakota Wheat Growers' Association: pp.648-652.

Mr. Croes said, "I think the stabilization corporation could stabilize the price as from the dumping season to a later season. We doubt whether a stabilization corporation would maintain an American price through just the stabilization idea, within our borders, higher than the world price, unless they used something on the equalization fee idea, or the debenture plan or the withdrawal plan, or something of that kind. We would be interested in any of those that seemed to be practical."

Statement of W. H. Settle, Indianapolis, Ind., representing Indiana Farm Bureau Federation and Central States Soft Wheat Growers' Association: pp.653-669.

Mr. Settle said, "unless you are going to stabilize the price differently from the way it is stabilized to-day, there is no need of a stabilization corporation. The country is full of stabilization

corporations to buy when the commodity is cheap and sell when it is high, and you could set up a thousand more to operate on the same basis, and it would not make the slightest difference to the American farmer...

"I want to make this statement: An estimated surplus does as much harm to the farmer's market to-day as a real existing surplus...

"Adjust tariffs. That is the first requisite...

"After this has been done, then there should be a program of education as to diversification by the Department of Agriculture and farm organizations which would tend to balance production and consumption in this country."

Statement of J. W. Shorthill, Omaha, Nebr., representing the Farmers National Grain Dealers' Association: pp.772-779.

Mr. Shorthill said, "I think we need a board of that kind to direct the activities of this Government to the establishing and carrying out of an agricultural policy which is really needed in a territory such as we have in this great Central West.

"Mr. FORT. And to communicate its decisions to the farmers for them to act on?

"Mr. SHORTHILL. Yes, sir.

"Mr. FORT. Should that policy embrace forestry, reclamation, and things of that sort?

"Mr. SHORTHILL. Yes, sir; forestry and reclamation. In fact, a land policy should be the first thing, to my mind, on which that board should launch its activities...

"Mr. SHORTHILL. No; and I do not want to see it made just a marketing board.

"Mr. FORT. But a general policy board for all agricultural products; is that your idea?

"Mr. SHORTHILL. Yes, sir."

Statement of C. C. Teague, President California Fruit Growers Exchange and California Walnut Growers' Association: pp.784-809.

Mr. Teague said, "The problem of agriculture is primarily one of overproduction or lack of regulated distribution, or both...

"Both political parties are committed to Federal legislation looking to control of surplus and stabilization of markets.

"The most comprehensive and simplest plan of operation that has come to my notice for this class of producers is one proposed by the economics and marketing committee of agriculture of the Los Angeles Chamber of Commerce.

"I will read this plan and follow with a few suggestions of changes that appear to make it more workable...

"Mr. KETCHAM. There are two schools of thought with reference to surpluses. You take into account the surplus at the point of production.

"Mr. TEAGUE. Yes, sir.

"Mr. KETCHAM. You do not put that on the market.

"Mr. TEAGUE. No, sir; I would handle that from the point of production.

"Mr. KETCHAM. Therefore, the farmer himself would handle his own surplus, but you maintain that over a period he gets a higher price that will compensate him for the loss in the matter of the quantity of crop that is produced.

"Mr. TEAGUE. Yes, sir.

"Mr. KETCHAM. The other school of thought would take the surplus of production and dispose of it, distributing the penalty back to the producers. You think that would be fatal.

"Mr. TEAGUE. Yes, sir."

Statement of Merton L. Corey, Scarsdale, N.Y.: pp.809-834.

Mr. Corey said, "There are three difficulties, so far as the farmer realizing a fair return for his commodity is concerned: First, uncontrolled surplus; second, disorganized marketing; third, cumbersome and extravagant distribution machinery. No Government is rich enough to support an uncontrolled surplus and disorganized marketing. You may support it this year; you may provide an emergency fund of \$300,000,000; but until the farmers themselves organize this can not be of permanent assistance to the farmers...

"Mr. MENGES. You are concerned about the surplus; are you not?

"Mr. COREY. Yes.

"Mr. MENGES. You think a reasonable surplus is a dangerous thing?

"Mr. COREY. No; I think that a reasonable surplus ought not to have been used by the speculative trade for jamming down the price as low as they could get it. But the farmer has been helpless because he has not been organized to resist that sort of situation."

List of people who have submitted telegrams, letters, plans, articles, etc.: pp.870-873.

Statements of the following were not examined as their testimony before the Senate Committee on Agriculture and Forestry was examined and it was assumed that their ideas as presented before the two Committees would be similar. See pages 15 - 41 for Senate hearings.

Prof. John D. Black: pp.27-64.
Hon. Sydney Anderson: pp.64-93.
Dr. Anson Marston: pp.95-104.
Mr. William H. Marshall: pp.104-117.
Mr. G. W. Connell: pp.118-147.
Mr. S. J. Cottingham: pp.146-161.
Mr. E. Clemens Horst: pp.188-195.
Mr. George Shibley: pp.196-202.
Mr. John Vesecky: pp.203-221.
Mr. G. S. Ralston: pp.221-237.
Mr. I. H. Hull: pp.237-258.
Mr. Gray Silver: pp.258-269.
Mr. Charles Holman: pp.269-287.
Mr. Harvie Jordan: pp.287-301.
Mr. Martin F. Amorous: pp.301-310.
Mr. Wm. F. Hollingsworth: pp.335-339.
Mr. R. H. Phillips: pp.339-352.
Capt. Homer L. Brinkley: pp.373-380.
Mr. J. W. Brinton: pp.381-420.
Mr. B. F. Yoakum: pp.448-455.
Dr. John L. Coulter: pp.486-511.
Mr. C. O. Thornberry: pp.533-544.
Mr. E. E. Kennedy: pp.544-553.
Mr. C. E. Carnes: pp.559-569.
Mr. Edwin McKnight: p.571.
Hon. Arthur M. Hyde: pp.624-645.
Mr. John M. Byrnes: pp.678-683.
Mr. Louis J. Taber: pp.685-709.
Mr. O. F. Bledsoe: pp.758-772.
Mr. George McK. McClellan: pp.779-783.
Hon. Charles W. Fine: pp.834-836.
Mr. A. J. MacPhail: pp.836-856.
Hon. William L. Lankford: pp.866-867.