

HOUSE OF REPRESENTATIVES.

THURSDAY, April 18, 1918.

The House was called to order at 12 o'clock noon by Mr. KITCHIN as Speaker pro tempore.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We bless Thee, Infinite Spirit, our Heavenly Father, for that long line of patriots, statesmen, and soldiers, who by their daring and heroism made our Nation possible, a government of the people, by the people, for the people, and who have brought it through every crisis it has been called upon to meet.

We thank Thee for what they did, but more, for that deep and hidden principle within, which prompted them to high resolves and self-sacrifice, which while it lives insures the life and perpetuity of our Republic.

With profound sorrow and keen regret we are called upon to record the death of a veteran Member of this House, who, though modest, was ever firm in his convictions; strong, yet unobtrusive; a patriot who served his State and Nation with all the fervor of soul. Comfort his colleagues, friends, and those to whom he was near and dear; with the imperishable hope that he lives to a larger life in one of God's many mansions; through Him, who died that we might live. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had insisted upon its amendments to the bill (H. R. 8753) to amend section 3, title 1, of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, had agreed to the conference asked by the House, and had appointed Mr. OVERMAN, Mr. FLETCHER, Mr. REED, Mr. NELSON, and Mr. DILLINGHAM as the conferees on the part of the Senate.

The message also announced that the Senate had passed the bill (S. 4277) providing for the protection of the uniform of friendly nations, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed the following resolution:

Senate resolution 227.

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. WILLIAM A. JONES, a Representative from the State of Virginia.

Resolved, That a committee of six Senators be appointed by the Vice President to join a committee appointed by the House of Representatives to attend the funeral.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.

And that in compliance under the second resolution the Vice President had appointed as a committee on the part of the Senate Mr. SWANSON, Mr. OVERMAN, Mr. UNDERWOOD, Mr. HENDERSON, Mr. NORRIS, and Mr. McNARY.

The message also announced that the Senate had passed with amendments the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the President had approved and signed bills of the following titles:

On April 11, 1918:

S. 3994. An act to amend an act entitled "An act to authorize condemnation proceedings of lands for military purposes," approved July 2, 1917, and for other purposes.

On April 16, 1918:

S. 3863. An act to provide quarters or commutation thereof to commissioned officers in certain cases; and

S. 4102. An act granting the consent of Congress to the county commissioners of Bonner County, Idaho, to construct a bridge across the Clark Fork River in Bonner County, Idaho.

On April 17, 1918:

S. 3528. An act to suspend for the period of the present war sections 45, 46, and 56 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, and for other purposes.

ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker pro tempore (Mr. KITCHIN) signed the same:

H. R. 9163. An act to provide for reimbursement of actual expenses or flat per diem for enlisted men traveling on duty under competent orders; and

H. R. 9902. An act to amend section 8 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917.

The SPEAKER pro tempore (Mr. KITCHIN) announced his signature to enrolled bills of the following titles:

S. 383. An act to punish the willful injury or destruction of war material, or of war premises or utilities used in connection with war material, and for other purposes; and

S. 3388. An act to amend the emergency shipping fund provisions of the urgent deficiency appropriation act approved June 15, 1917, so as to empower the President and his designated agents to take over certain transportation systems for the transportation of shipyard and plant employees, and for other purposes.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States, by Mr. Sharkey, announced that the President had approved and signed bills of the following titles:

On April 15, 1918:

H. R. 9314. An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1919.

On April 16, 1918:

H. R. 9504. An act to amend section 4067 of the Revised Statutes by extending its scope to include women.

On April 18, 1918:

H. R. 9901. An act to give indemnity for damages caused by American forces abroad.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 9163. An act to provide for reimbursement of actual expenses or flat per diem for enlisted men traveling on duty under competent orders; and

H. R. 9902. An act to amend section 8 of an act entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917.

DESIGNATION OF SPEAKER PRO TEMPORE.

Mr. MOORE of Pennsylvania. Mr. Speaker, I offer the following resolution, which I send to the Clerk's desk.

The SPEAKER pro tempore (Mr. GARNER). The Clerk will report it.

The Clerk read as follows:

House resolution 314.

Resolved, That the designation and appointment by the Speaker of Hon. CLAUDE KITCHIN, a Representative from the State of North Carolina, as Speaker pro tempore during the present temporary absence of the Speaker be, and the same is hereby, approved, and the said CLAUDE KITCHIN is hereby empowered to sign, as Speaker pro tempore, during said period, enrolled bills and joint resolutions and appoint conferees.

Resolved, That a copy of these resolutions be sent to the Senate as notice of the action of the House.

Resolved, That a copy of these resolutions be sent to the President as notice of the action of the House.

The SPEAKER pro tempore. Is there objection to the present consideration of this resolution?

There was no objection.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

PAYMENT OF INCOME TAXES.

Mr. FULLER of Illinois. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER pro tempore (Mr. KITCHIN). The gentleman from Illinois asks unanimous consent to proceed for two minutes. Is there objection?

There was no objection.

Mr. FULLER of Illinois. Mr. Speaker, I wish to call the attention of the House this morning to what I consider a very important and urgent matter in connection with the third liberty loan, now being subscribed by the people, and that is that some provision ought speedily to be made to provide for the payment of income and excess-profits taxes in installments rather than in

a lump sum. I have received this morning the following telegram from the committee at Rockford, Ill.:

ROCKFORD, ILL., April 17, 1918.

Congressman CHARLES E. FULLER,
National Hotel, Washington:

Winnebago County third liberty loan committee are unanimous in belief that requirement of full payment of income taxes in June will seriously hamper the banks of this district in financing liberty loan purchases for their customers and work great hardship on individuals and corporations desiring to buy liberty bonds. If payment of taxes in installments is permitted it will greatly relieve this situation and contribute materially to success of the third liberty loan in this county and Middle West.

F. G. HOGLAND,

Chairman Winnebago County Third Liberty Loan Committee.

I also received this telegram from Belvidere, Ill.:

BELVIDERE, ILL., April 19, 1918.

Hon. C. E. FULLER,
Washington, D. C.:

Full payment income taxes in June is seriously hampering liberty loan particularly in securing corporation subscriptions. Greatly increased corporation subscriptions can be secured here if income-tax payment can be made in three installments.

BOONE COUNTY LIBERTY LOAN COMMITTEE.

Also this from the members of the committee in the seventh Federal reserve district:

CHICAGO, ILL., April 19, 1918.

Hon. CHAS. E. FULLER,
Representative, Washington:

Requirement of full payment of income taxes in June is seriously hampering the banks of this district in financing liberty-loan purchases for their customers and working great hardship on individuals and corporations desiring to buy liberty bonds. If payment of taxes in installments is permitted it will greatly relieve this situation and contribute materially to success of the third liberty loan in the great Middle West.

H. L. Stuart director of campaign; Heman Gifford, Illinois director of sales; George H. Dunscomb, Indiana director of sales; Wm. L. Ross, Wisconsin director of sales; F. R. Fenton, Michigan director of sales; C. H. McNider, Iowa director of sales; Chas. W. Folds, Chicago and Cook County director of sales of the liberty-loan campaign committee, seventh Federal reserve district.

We want this liberty loan to succeed, Mr. Speaker, and to "go over the top," and I believe that one of the things necessary in order to help immensely, and which could be done without any great injury, would be to provide for the payment of these taxes in installments. I hope some such provision may be made, and made soon.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to inform the House of Representatives that the Senate has recommitted to the committee of conference the report of the committee on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8696) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919.

LEAVE TO ADDRESS HOUSE.

Mr. GREENE of Massachusetts. Mr. Speaker, I desire to present an article which was published in the Boston Herald of yesterday—April 17, 1918—in regard to the completion of the tank "America."

The SPEAKER pro tempore. Does the gentleman desire to ask unanimous consent to proceed?

Mr. GREENE of Massachusetts. Yes; so that this article can be read by the Clerk in my time, or I will read it.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to address the House for two minutes. Is there objection?

Mr. BARNHART. Mr. Speaker, reserving the right to object. I would like to inquire of the gentleman from Massachusetts what this newspaper editorial is about?

Mr. GREENE of Massachusetts. It is not an editorial. It is an article on the completion of the tank "America," which is to be used in the sale of liberty bonds on Friday and then sent abroad to crush out the Germans.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GREENE of Massachusetts. I read:

[From the Boston Herald of Apr. 17, 1918.]

TANK "AMERICA" TAKES CRUISE—BOSTON WINS DISTINCTION OF COMPLETING FIRST UNITED STATES LAND MONITOR—FIGHTER WILL BE CHRISTENED TO-DAY

The United States's first big war tank, the "America," is ready for whatever part she may be called upon to play in the world war. Every rivet has been hammered home, her engines are in place, and she awaits only a starting signal to send her into action.

She is a triumph of American Army engineering ingenuity and every portion of her giant body was "made in America"; in fact, it was constructed in Cambridge under the direction of Army officers of the department of the northeast. To the country and to the world the "America" will be proclaimed a product of Boston, for Cambridge was but the workshop of the officers who are stationed at Boston, and to Boston will belong the glory of the achievement.

GEN. JOHNSTON SPONSOR.

The "America" was to be christened by Brig. Gen. John A. Johnston yesterday, and, though the event was unannounced generally, the news spread quickly through the Copley-Plaza Hotel, where Army and Navy officers congregated during the afternoon. Within a short time the news was on the street and Copley Square was soon thronged. The Coast Artillery Band and the provost guard reported for duty, and their activities added credence to the report that the tank was coming.

Gen. Johnston and his staff waited at department headquarters, and a ceremonial program was arranged for the christening, but word was received from Cambridge that the tank was working out, and her officers deemed it unwise to run her over to Boston until her engines were running smoothly.

The America was constructed in record-breaking time. Gen. Johnston drove her first rivet home January 25, and within three months every final touch was given to her hull, engines, mechanism, and armament and she was ready for her trial.

The tank weighs 45 tons and is of the size of those now in commission on the European battle fields. It is so much larger than the Britannia that the English tank could be stored inside of the America. The American Army engineers took full advantage of the experiences of English engineers and improved upon the British type in many ways, eliminating features and designs which were proved impracticable in the big war engines in Europe and adding many distinctive American engineering improvements, so that the America stands out as a peer of all war engines and a monument to American ability and ingenuity.

While the country has been busy speculating and estimating the speed with which war engines can be manufactured in different parts of the country where factories and materials are available, the engineers of the northeastern department have been turning out the first engine. At the Institute of Technology, which was turned over to the Government, the work has been under way.

Prof. E. F. Miller designed the huge machine and Col. Francis R. Shunk, head of the engineering department, supervised its construction. Maj. Henry Adams had direct charge of the work, with Capt. Henry J. Snider as his assistant, while the actual construction of the tank was done by Capt. Albert S. Smith, Lieut. John A. Lunn, and Lieut. Leo H. Traver, and a corps of machinists.

Gen. Johnston will christen the tank to-day, probably at Commonwealth armory, and in a manner quite at variance with custom. There will be no breaking of a bottle of champagne, nor yet of lithia water, over her bow. Instead she will be christened with a gold cross, typifying her dedication to the cause of God and justice. Then she will be ready for participation in the great military parade Friday.

Every detail of the big machine was in working order yesterday. Her engines were span new and required working out, and it was in order that the tank should be in perfect, smooth-running order before she went on to the streets of Boston that these last tests were made at Cambridge yesterday and the exercises at Copley Square deferred.

MEN WANTED FOR CREWS.

Boston and New England have given to America the first big engine of war, even as the first units of the American Army and the first ships of the American Navy went out from New England into the world war. The "America" plans are now available for use in other factories where the Government is turning out tanks and engines, and the "America" is but premier of a great fleet.

The American "tank" service started a drive in Boston yesterday for recruits between 18 and 45. The tank corps is one of the newest and most attractive parts of Uncle Sam's fighting machine. It is one of the few open to men above draft age.

Lieut. T. W. Crosby, in charge of recruiting, announced the time for enlistments is limited. Recruits will be sent to Gettysburg, Pa., for preliminary training and will be certain of seeing active service in France soon. Promotions are rapid in this branch, and pay for noncommissioned officers is higher than the average Army pay. Men skilled in mechanical trades and general clerks, telephone operators, stenographers, chauffeurs, auto electricians, blacksmiths, topographers, cooks, machine designers, and machine-gun mechanics are among those specially desired.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent that I may extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection? The Chair hears none.

Mr. GREENE of Massachusetts. Mr. Speaker, another matter which, although not related to the tank question, it is of vital interest to the prosecution of the war. Last year we had great trouble over the fuel question. Factories were closed and thousands of operatives were thrown out of employment because of the inability to procure transportation and supply coal and other fuel for domestic and manufacturers' use. There was a great shortage of fuel both at home and abroad for the proper and efficient conduct of the war. We ought to guard against the disaster of 1917 by providing.

A WAR PROGRAM BASED ON OIL.

To-day the country is aroused as never before over the necessity for merchant ships, aeroplanes, submarines and submarine destroyers. I fear that the people of the United States do not realize as they ought to that all these programs—ships, submarines, destroyers, and aeroplanes—rest upon oil fuel, and that the United States is not producing, and can not within its own borders produce, the oil to sustain this program without another expensive shutdown in industry.

I am credibly informed that in Mexico alone there is an oil base that can immediately support the great program of our country for successfully conducting the war.

The oil fields of Mexico are threatened by German propaganda and contending military forces. I am informed that two years ago the United States had 162,000,000 barrels of oil in storage. This was reduced last year and the reduction continues. At the present rate of consumption without outside relief, our storage supplies will be exhausted next year when our new ships launch the United States as again a world power on the ocean.

REDUCED AMERICAN OIL PRODUCTION.

The great oil field of the United States is that of Kansas, Oklahoma, and Texas, with 50,000 wells, producing about 450,000 barrels of oil per day, but I have been told there is the startling decrease of 82,000 barrels per day in production since last October.

I have been informed our next largest field is that of California, whose 7,800 wells, yielding more than three times per well the Oklahoma output, gives us nearly 90,000,000 barrels a year, a decrease of 10,000,000. Wyoming is a new field, with only 400 wells, averaging somewhat over 40 barrels per day. There is no reason to expect therefrom any relief production. The old Appalachian region, with its 99,000 wells, yields only 63,000 barrels per day. All the 200,000 oil wells in the United States are now producing at the rate of only 300,000,000 barrels per annum, and we shall shortly require 425,000,000 barrels per annum to sail our ships, submarines, and destroyers and produce the very high-grade oil necessary in our aeroplane program.

It is stated Great Britain is using tonnage needed in the war zone on long routes to bring oil from Java. Consumption in California has been somewhat relieved by transfer of the South American demand to the Mexican oil fields, because the distance for ships is so much shorter through the Panama Canal from South American ports to Tampico as compared with California ports.

OIL SHORTAGE GREATER THAN COAL.

Our coal famine, with all its disasters in life and property, was due to a shortage of less than 10 per cent. Yet there are possibilities of a 40 per cent shortage in the fuel-oil supplies unless relief is had from Mexico and production and transportation safeguarded.

We produced 600,000,000 tons of coal last year, an increase of 50,000,000, and of a hundred million over a few years before. But we were still short of requirements by 50,000,000 tons, or less than 10 per cent, and coal is in unlimited supply in the United States. It can be safely mined and safely transported, and supply is only a question of price and men.

But Mexico presents a very complicated situation. It is the greatest oil field in the world, is close to our doors, and has oil to burn and waste.

DANGEROUS WEALTH AT OUR DOORS.

All the oil field over which Russian and Turk, Germans and English, are now contending in European Asia can not compare in present or potential output with the oil fields on the Gulf of Mexico extending north and south 150 miles along the coast and 50 or 60 miles inland. A single oil well here, San Juan Casiano, of the Mexican Petroleum Co., has produced since 1910, 6,000,000 barrels, and its pressure is undiminished. Its flow of oil can not be restrained below 21,000 barrels a day without endangering the surrounding country. When further harnessed in, the earth begins to quake in rebellion. The Casiano well is surpassed by Cerro Azul, a few miles farther south, brought in two years ago.

The company owning these wells and many others is permitted production of only 55,000 barrels of oil per day, because the warring Governments have commandeered its steamers, built and building. This concern produced 18,000,000 barrels last year, only a part of which went into the United States. It has the pipe lines, pumping stations, storage facilities, and loading stations to increase its output to nearly 100,000 barrels a day, and it could again double that in a few months by increase of pipe-line facilities were there available shipping.

The English company—Lord Cowdray's—is the second producer of Mexico and is estimated to have made an output of 15,000,000 barrels last year, all of which went over the ocean, destined, it is understood, for the British Navy.

The total production in Mexico last year was only 55,000,000 barrels, or only 150,000 barrels a day. Three other American companies are building pipe lines, but their shipping problems are still unsolved.

I am informed that last year it was estimated a potential production from the then operating companies of 1,000,000 barrels per day, or an output equaling that of the United States if shipping facilities could be commanded. This was thought to be

an extreme maximum estimate. Since that time the Mexican Government has published in detail an estimated potential production from drilled wells of 1,350,000 barrels per day.

THE GERMAN MENACE TO OUR OIL SUPPLY.

But these figures of potential production should not abate; they should rather emphasize our alarm over the United States oil situation.

The Germans knew before the war the potential production of this field. Their propaganda is so strong at Tampico that our Government has blacklisted and forbidden trade from this country with the German firms at Tampico. Before the war Germany was negotiating for a small section of this field, for which it would pay many millions. The destruction of this field, if it were possible, would cripple both the mercantile and naval marines of the world. Its possession or control by any maritime power might give command of the ocean.

There are oil fields from the Arctic Circle to South America and throughout Asia and the eastern islands, but there is no field so valuable for the world's commerce and defense as the Mexican oil field. It is the gem of Mexico's great wealth. It was pioneered and developed by American companies and American capital under charters from the Mexican Government that invited the development of natural resources that had been known for centuries only as a danger to man and beast.

Oil is rapidly superseding coal in both the naval and the mercantile ships of the world. The limit is only as to supply and distribution in bunkers at ports around the world.

ENGLAND MUST HAVE OIL AROUND THE WORLD.

When it was announced in the English Parliament that the expedition to the Persian Gulf was necessary to protect the Persian oil fields which had been acquired by the British Government, it was declared that bunker oil for ships of the future sailing the globe was as great a necessity as bunker coal for England's merchant marine.

I understand that only recently the English Government has bought the control of the Royal Dutch Petroleum Co.

Underneath all the war, all the tariff and commercial strife, and all ship contests in the world, is now the everlasting question of fuel; and the fuel of the future is oil. The coal-burning naval boat is no match for the oil-burning boat.

The future cost of a ton of oil need not be greater than a ton of coal, and it is the equal to 2 tons of coal when burned in place of coal. But burned in a Diesel or internal-combustion engine, 1 ton of oil is the equivalent of 6 tons of coal or 3 tons of oil in steam production.

This was the record before the war, but since that time there is reason to believe the Germans have made great progress in Diesel or internal-combustion engines for use in the submarines; and no man will be able to measure until after the war the future value of oil as compared with coal in internal-combustion engines. It may even be as 10 to 1.

The United States is putting two billions into mercantile ships, another billion into aeroplanes—\$600,000,000 appropriated and \$800,000,000 already spent, and altogether is putting a billion a month into the war. And success now and hereafter in war and peace must be based on fuel oil.

It has been privately stated that within five years after the close of this war there will not be a coal-burning ship on the ocean in international trade.

WHAT TITLES HOLD OUR OIL BASE IN MEXICO?

Yet, who owns the oil fields of Mexico? Do Americans or English, who bought them at high prices when they were regarded as worse than useless and took perfectly good private and Government title thereto? As fast as the change can be made the title of all these oil fields may pass to our enemies. Germany is the home of I. W. W. socialism, as this country well knows. German I. W. W. socialism has written a constitution for Mexico which forbids private or corporation title to all the mineral wealth of the country and permits whatever party is for the moment in power to confiscate mines of gold, silver, copper, or oil.

To-day the Government of Carranza claims right, in violation of all previous concessions, laws, Government and constitutional pledges, to tax without limit, or confiscate by appropriation, the oil wealth of the allies fighting for the world's democracy.

IS GERMANY WARRING UPON US FROM MEXICO?

Confiscated mineral properties in Mexico are resold to the Germans. The German propaganda was established at Tampico and the leading ports of Mexico through the Hamburg-American steamship organization, whose officers in these ports are declared to be German navy and military reservists.

Labor troubles and disorganization in the oil works and terminals at Tampico have been traced to the Germans. Indeed,

Germany is still making war upon American shipping right at the American shipping base in Tampico, while for 40 miles south, along the pipe lines, water lines, railroad, and in the oil fields, contending military forces are burning bridges, cutting lines, and interrupting the oil supply.

How long must we contemplate 110,000,000 people plunging into war at the rate of \$1,000,000,000 a month and their real power base in neighboring hands in close touch with the enemy and without local or international protection?

It seems to me that we should, as a Nation, be awake to the possibility and necessity of augmenting our supply of fuel for future use. We should not allow an enemy nation to gain a foothold in the vast territory lying to the south of us, and thereby to become a menace to the Panama Canal, which we built for the purpose of connecting the waters of the two great oceans as an advantage to our world trade in time of peace and as a means of greater protection to our commerce in time of war.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. GREENE of Massachusetts. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

COMMITTEE TO ATTEND FUNERAL OF THE LATE REPRESENTATIVE JONES OF VIRGINIA.

The SPEAKER pro tempore. The Chair appoints the following committee to attend the funeral of the late Representative JONES, of Virginia: Mr. HOLLAND, Mr. MONTAGUE, Mr. WATSON of Virginia, Mr. SAUNDERS of Virginia, Mr. GLASS, Mr. HARRISON of Virginia, Mr. CARLIN, Mr. SLEMP, Mr. FLOOD, Mr. GARRETT of Tennessee, Mr. SLAYDEN, Mr. AUSTIN, Mr. HELM, Mr. TOWNER, Mr. TALBOTT, Mr. COOPER of Wisconsin, Mr. ESTOPINAL, and Resident Commissioners DE VEYRA, YANGCO, and DAVILA.

PERMISSION TO ADDRESS THE HOUSE.

Mr. MONDELL. Mr. Speaker, I desire to ask unanimous consent that on Monday morning next the gentleman from Connecticut [Mr. TILSON], after the reading and approval of the Journal and the disposition of business on the Speaker's table, may be allowed to address the House for 45 minutes on the subject of the use of gas and gas masks in warfare, the date being the third anniversary of the use of gas in warfare.

The SPEAKER pro tempore. The gentleman from Wyoming asks unanimous consent that on next Monday, immediately after the reading of the Journal and the disposition of other matters on the Speaker's table, the gentleman from Connecticut [Mr. TILSON] be granted leave to address the House for 45 minutes on the subject mentioned by the gentleman from Wyoming. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Speaker, reserving the right to object, I wish to say that I myself would be very glad, indeed, to hear the gentleman's remarks; but inasmuch as District day has been taken away on several occasions recently, and as Monday is the day set apart by the rules for the consideration of District matters, I shall be compelled to object.

The SPEAKER pro tempore. The gentleman from Kentucky objects.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. STRONG for a week or 10 days, to attend to important business and to assist in the liberty loan campaign.

NATURALIZATION.

Mr. BURNETT. Mr. Speaker, I ask to take from the Speaker's table H. R. 3132, disagree to the amendments of the Senate, and agree to the conference asked for by the Senate on that bill.

The SPEAKER pro tempore. The gentleman from Alabama asks unanimous consent to take from the Speaker's table H. R. 3132, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

Mr. MOORE of Pennsylvania. What is that bill?

The SPEAKER pro tempore. The Clerk will report the title of the bill.

The Clerk read the title of the bill (H. R. 3132) to amend section 2171 of the Revised Statutes of the United States relating to naturalization.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. MOORE of Pennsylvania. May I ask the gentleman from Alabama whether this bill includes the bill to validate certain certificates of naturalization?

Mr. BURNETT. It does.

Mr. MOORE of Pennsylvania. It includes that bill?

Mr. BURNETT. It does. The amendment incorporated by the Senate embraces all those naturalization propositions.

Mr. MOORE of Pennsylvania. Then the gentleman proposes to bring all the naturalization bills together?

Mr. BURNETT. That is the proposition exactly. That has been done by the Senate.

The SPEAKER pro tempore announced as conferees on the part of the House Mr. BURNETT, Mr. SARATH, Mr. RAKER, Mr. HAYES, and Mr. JOHNSON of Washington.

AGRICULTURAL APPROPRIATIONS.

Mr. LEVER. Mr. Speaker, I call up the conference report on the Agricultural appropriation bill.

The SPEAKER pro tempore. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 9054) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1919.

Mr. LEVER. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendment No. 44, and ask for a further conference.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I wish to make a preferential motion and offer an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

Mr. LEVER. Mr. Speaker, will the gentleman withhold that just a minute?

Mr. McLAUGHLIN of Michigan. I will withhold it.

Mr. LEVER. I think we had as well carry out the agreement made yesterday afternoon, to yield a certain amount of time to certain gentlemen on either side of the House, and I yield an hour in favor of the Senate amendment to the gentleman from Pennsylvania [Mr. LESHIER], a member of the Committee on Agriculture.

Mr. MORGAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The Chair understood that there were to be four hours of general debate on the amendment and amendments to the amendment, two hours to be controlled by the gentleman from South Carolina [Mr. LEVER] and two hours to be controlled by the gentleman from Iowa [Mr. HAUGEN].

Mr. LEVER. With the further agreement that I should yield one hour of my time to some member of the Committee on Agriculture in favor of the amendment, and I yield that hour to the gentleman from Pennsylvania [Mr. LESHIER].

Mr. CANDLER of Mississippi. That will leave an hour to the gentleman from South Carolina [Mr. LEVER] and an hour to the gentleman from Pennsylvania [Mr. LESHIER].

Mr. MOORE of Pennsylvania. Mr. Speaker, who is to have control of the time on this side?

Mr. LEVER. I will say to the gentleman that I will control an hour on this side against the Senate amendment and amendments thereto and the gentleman from Pennsylvania [Mr. LESHIER] will control an hour in favor of the Senate amendment.

Mr. MOORE of Pennsylvania. Who controls the time on this side?

Mr. LEVER. The gentleman from Iowa [Mr. HAUGEN] has not announced.

Mr. HAUGEN. I have had no requests. I am willing to yield to whoever desires it.

Mr. SMITH of Michigan. I should like 10 minutes.

Mr. HAUGEN. Is there anyone on this side who desires to control an hour?

The SPEAKER pro tempore. The Chair suggests that that arrangement be made privately with the gentleman from Iowa [Mr. HAUGEN].

Mr. HAUGEN. There is no desire to deprive anybody of time.

Mr. MOORE of Pennsylvania. I will ask the gentleman from Iowa [Mr. HAUGEN] will he yield one hour of his time to some one in opposition to the bill?

Mr. HAUGEN. That is the desire, of course. Under the arrangement made and under the rule that is what I would be expected to do, and it is what I shall do.

Mr. MOORE of Pennsylvania. This was the clear understanding yesterday, that the gentleman from South Carolina [Mr. LEVER] would yield one half of his time to a gentleman in favor of the Senate amendment, for him to dispose of as he saw fit, and that the gentleman from Iowa [Mr. HAUGEN] should control the other half of the time, which was to be divided in the same way.

Mr. HAUGEN. Mr. Speaker, when the agreement was entered into yesterday, my understanding was that the gentle-

man from South Carolina [Mr. LEVER] would control time in opposition to these various amendments, and that we would control the time in favor of the amendments; but I understand that now another arrangement has been made, and that the gentleman from South Carolina is going to divide his time among those on his side, pro and con, and that I will be expected, of course, under the agreement to carry out the same arrangement here.

Mr. CANDLER of Mississippi. The gentleman from South Carolina [Mr. LEVER] made the statement on the floor yesterday that he would control one hour in opposition to the amendment. I am not questioning the action of the gentleman from South Carolina.

Mr. WALSH. Mr. Speaker, I rise to a point of order.

The SPEAKER pro tempore. Will the gentleman withhold that for a moment? The Chair understood that the gentleman from South Carolina [Mr. LEVER] was to control two of the four hours—that is, one-half of the time—but he announced to the House in answer to some question that he would give one hour of his time to gentlemen on that side who opposed his view, and that the gentleman from Iowa [Mr. HAUGEN] would control two hours, so it is a matter for gentlemen on that side to determine what arrangement they will make with the gentleman from Iowa [Mr. HAUGEN].

Mr. MOORE of Pennsylvania. Is this a unanimous-consent proposition?

The SPEAKER pro tempore. It is.

Mr. MOORE of Pennsylvania. I shall have to object unless the gentleman from Iowa—

The SPEAKER pro tempore. Unanimous consent was given yesterday.

Mr. MOORE of Pennsylvania. Was unanimous consent agreed to for the arrangement indicated by the Chair?

The SPEAKER pro tempore. Unanimous consent was agreed to yesterday that there should be debate on amendment 44 and all amendments thereto for four hours, two hours to be controlled by the gentleman from South Carolina [Mr. LEVER] and two hours by the gentleman from Iowa [Mr. HAUGEN]. Now, the gentleman from South Carolina in his generosity said that he would yield to some gentleman in the House who was opposed to his view one-half of his time.

Mr. LEVER. Mr. Speaker, with the permission of the House I will read what took place:

Mr. SHALENBERGER. Mr. Speaker, reserving the right to object, is this time to be controlled by both gentlemen who are in favor of the lower price of wheat, or is it to be controlled half by those who are in favor of \$2.50 wheat?

Mr. LEVER. I will say to the gentleman from Nebraska I propose to select some member of the Committee on Agriculture who is in favor of the Senate amendment and yield one-half of my time to him. I do not know what the gentleman on the other side will do.

Mr. HAUGEN. I understand the gentleman is going to divide his time; I shall follow the same rule as the other side.

Mr. HAUGEN. There is no misunderstanding about that. I do not question that.

Mr. LEVER. But the gentleman from Pennsylvania did not understand the situation.

Mr. MOORE of Pennsylvania. If there was an agreement, of course I have no objection; but all the time seems to be controlled by gentlemen in favor of \$2.50 wheat.

Mr. HAUGEN. The gentleman from South Carolina has stated that the time should be divided equally. I stated yesterday and I state now that the time that I control shall be divided between the two views.

The SPEAKER. The Clerk will report the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN].

The Clerk read as follows:

Mr. McLAUGHLIN moves to concur in Senate amendment No. 44 with an amendment as follows: Page 99, line 10, strike out all of the Senate amendment No. 44 and in lieu thereof insert the following:

"That section 14 of the act entitled 'An act to provide further for the national security and defense by encouraging the production and conserving of the supply and controlling the distribution of food products and fuel, approved August 10, 1917,' be amended to read as follows:

"SEC. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment, and differences in price for the several standard grades in the principal primary markets of the United States, adopting No. 1 northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon, the Government of the United States hereby guarantees every producer of

wheat produced within the United States, that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guaranty within the period, not exceeding 18 months, prescribed in the notice, a price not less than the guaranteed price therefor as fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. When the President finds that the importation into the United States of any wheat produced outside of the United States materially enhances or is likely materially to enhance the liabilities of the United States under guaranties of prices therefor made pursuant to this section, and ascertains what rate of duty, added to the then existing rate of duty on wheat and to the value of wheat at the time of importation, would be sufficient to bring the price thereof at which imported up to the price fixed therefor pursuant to the foregoing provisions of this section, he shall proclaim such facts, and thereafter there shall be levied, collected, and paid upon wheat when imported, in addition to the then existing rate of duty the rate of duty so ascertained; but in no case shall any such rate of duty be fixed at an amount which will effect a reduction of the rate of duty upon wheat under any then existing tariff law of the United States. For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war or to use the same as supplies for any department or agency of the Government of the United States. Any moneys received by the United States from or in connection with the sale or disposal of wheat under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That the guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 2 northern spring, or its equivalent, at not less than \$2.50 per bushel at the principal interior primary markets, and this guaranty of prices shall not be dependent upon the action of the President, but is hereby made absolute and shall be binding until May 1, 1919."

Mr. COX. Mr. Speaker, I desire to submit a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. COX. Is it proper at this time to offer an amendment by way of substitute, to concur in Senate amendment No. 44, with an amendment to take the place of the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN]?

The SPEAKER pro tempore. While the point of order is pending, the Chair would think not.

Mr. LEVER. Mr. Speaker, I withdraw the reservation of the point of order.

The SPEAKER pro tempore. The Chair is of opinion that during the debate, according to the understanding had yesterday, gentlemen can send up their amendments and discuss them during the four hours of general debate; otherwise, under the rules, we would have no discussion specifically of any amendment.

Mr. COX. Then I desire to offer as a substitute the following for the amendment offered by the gentleman from Michigan.

Mr. MORGAN. Mr. Speaker, I offer also an amendment to concur in Senate amendment 44, in addition to the first amendment that I offered.

The SPEAKER pro tempore. The Clerk will report the first Morgan amendment.

The Clerk read as follows:

Amendment offered by Mr. MORGAN:

Mr. MORGAN moves to amend the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN] by striking out in the proviso thereof the words "two dollars and fifty cents" and inserting in lieu thereof the words "two dollars and sixty-five cents."

Mr. LEVER. Mr. Speaker, I make the point of order against that amendment.

The SPEAKER pro tempore. The Chair will hear the gentleman from South Carolina on the point of order.

Mr. LEVER. Mr. Speaker, I withdraw the point of order.

Mr. LONGWORTH. Mr. Speaker, it seems to me that all this proceeding is irregular. Either the gentleman from South Carolina [Mr. LEVER] has the floor or the gentleman from Iowa [Mr. HAUGEN] has the floor, and in order to offer an amendment a gentleman must be recognized.

The SPEAKER pro tempore. The Chair understood yesterday that it was the understanding of Members, as expressed by the gentleman from South Carolina, that we would have four hours of general debate upon the amendment and all amendments thereto, and that amendments could be offered at any time during those four hours and be considered as pending.

Mr. LONGWORTH. But the gentleman offering the amendment must be first recognized by the Chair.

The SPEAKER pro tempore. The Chair did recognize the gentleman from Oklahoma to offer his amendment.

Mr. LONGWORTH. But he must get time.

Mr. GARNER. Mr. Speaker, how can the Chair recognize the gentleman from Oklahoma when the gentleman from South

Carolina and the gentleman from Iowa control the time? It is not in control of the Chair at all.

The SPEAKER pro tempore. The gentleman from South Carolina, as the Chair understood, yesterday made it plain to the House, and it was so agreed, that Members could send up their amendments to the Clerk's desk and have all amendments pending, if desired, and that then the discussion would be upon those amendments.

Mr. LEVER. Mr. Speaker, I think the Chair is in error about that. The statement I made was that amendments should be offered in the time yielded to the gentleman who offered the amendment.

The SPEAKER pro tempore. That to be taken out of the time of general debate?

Mr. LEVER. Yes.

The SPEAKER pro tempore. The Chair did not so understand it.

Mr. HAUGEN. Mr. Speaker, I yield now 10 minutes to the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. COX. Mr. Speaker, a parliamentary inquiry. When would be a proper time to offer the amendment?

Mr. GARNER. Whenever the gentleman gets the floor.

The SPEAKER pro tempore. According to the statement of the gentleman from South Carolina, when the time is yielded to the gentleman from Indiana; and time will be yielded, according to the gentleman's statement.

Mr. COX. That would be the time to offer the amendment.

The SPEAKER pro tempore. The gentleman would get the time from the gentleman from South Carolina or the gentleman from Iowa.

Mr. SHALLENBERGER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SHALLENBERGER. At the close of yesterday's discussion it is in the Record that the gentleman from South Carolina stated in response to an inquiry from myself that the time should be divided equally between those who were opposed to the amendment and those who were in favor of it. I want to know whether any designation has been yet made of those gentlemen who are in favor of a higher price for wheat.

The SPEAKER pro tempore. The gentleman from South Carolina has agreed to yield one hour to the gentleman from Pennsylvania [Mr. LESHER], a member of the Committee on Agriculture.

Mr. SHALLENBERGER. Then, those who propose to offer amendments to raise the price shall get their time from the gentleman from Pennsylvania?

The SPEAKER pro tempore. Yes.

Mr. MORGAN. Mr. Speaker, a parliamentary inquiry. I should like to ask if, after the expiration of the four hours of general debate, an amendment can then be offered without debate?

The SPEAKER pro tempore. The Chair would think so.

Mr. MORGAN. It seems to me that the suggestion made by the Speaker would be fairer; that is, to let all these amendments be submitted and then have them discussed during the four hours.

Mr. LEVER. I would have no objection to such an arrangement as that.

The SPEAKER pro tempore. Suppose the gentleman make that in the form of a unanimous-consent request.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that all amendments and substitutes and everything else touching this proposition may be sent up and read now and be considered pending.

Mr. LONGWORTH. For information?

Mr. LEVER. Yes; have them pending.

Mr. WALSH. Mr. Speaker, reserving the right to object—

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consent that any Member may have the privilege of sending up an amendment to the desk at this time or at any time during general debate and have it read for information. Is there objection?

Mr. HELVERING. Mr. Speaker, I object.

The SPEAKER pro tempore. The gentleman from Kansas objects. The Chair would inquire whether the gentleman from South Carolina desires to use his time now?

Mr. LEVER. The gentleman from Iowa [Mr. HAUGEN] has yielded to the gentleman from Michigan.

The SPEAKER pro tempore. The gentleman from Michigan was yielded 10 minutes by the gentleman from Iowa.

Mr. McLAUGHLIN of Michigan. Mr. Speaker and gentlemen, the amendment as read at the desk is long, but the points involved are few. Except as to the proviso at the very end of

my amendment, it follows exactly and reenacts section 14 of the food-control act. The Senate amendment, as you know, would provide a guaranteed price for the 1918 crop of wheat of not less than \$2.50 a bushel, based on grade No. 2 of northern spring wheat, and provides also that said price shall be paid to the producer of the wheat at the local railroad station or at the local elevator where delivered. My amendment approves the action of the Senate as to the price of \$2.50, it approves the grade of No. 2 spring northern as the standard, but it does not approve the amendment of the Senate that would require the price to be paid at the railroad station or at the local elevator where the wheat may be delivered by the producer. My amendment would require the price to be paid, as the law now provides, at the "principal interior primary markets," of which there are 25.

Mr. SINNOTT. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will.

Mr. SINNOTT. Can the gentleman state what are the principal interior markets?

Mr. McLAUGHLIN of Michigan. I learn by inquiry at the Department of Agriculture that the principal interior primary markets, as fixed by the President and promulgated by the Food Administration, partly for the purpose of carrying out this provision in the law, partly for some of the other activities of the administration, and in the administration of the grain-standards act, are 25 in number. They are New York, Philadelphia, Baltimore, Newport News, Charleston, Savannah, New Orleans, Galveston, Fort Worth, Oklahoma City, Wichita, Omaha, St. Louis, Kansas City, Chicago, Minneapolis, Duluth, Salt Lake City, Great Falls, Pocatello, Spokane, Seattle, Portland, San Francisco, and Los Angeles. [Applause.] I shall not discuss at length—

Mr. LITTLE. Did the gentleman include Kansas City?

Mr. McLAUGHLIN of Michigan. I did. I shall not discuss at length the need, as I see the need, for increasing the price of wheat to \$2.50. My time is very limited and I shall leave that phase of the subject to others, saying only at this time, as I have often expressed myself, that the increase ought to be made. As to the change of the law requiring the payment of price to be made on No. 2 instead of No. 1, I will say briefly that No. 1 is ideal wheat. It is the very top, and so high that very few reach it. Very little wheat, comparatively speaking, reaches that grade. The real wheat, the high-grade wheat, generally produced is No. 2. There is no reason or justice in refusing to make No. 2 the standard by which the grain of the farmers of the country should be measured. If No. 1 should continue to be the standard, it means that at the very beginning of the transaction, almost invariably, 3 cents a bushel will be deducted from the price to be paid to the farmers for their wheat and 3 cents a bushel more will be deducted for every lower grade as we go down the scale, because, as I have said, a very large part of the wheat is No. 2, or a lower grade; very, very little is No. 1. As I stated, my amendment would provide also that the price to be paid is at the principal interior primary markets instead of at each and every railroad station and at every local elevator. I should like very much if a workable law could be passed to require the Government to pay this price wherever it would be most convenient and be most profitable to the farmer, but after a great deal of thought and after getting, I believe, a great deal of information from others who are much better posted than I am, I fear it is not a workable proposition to require the Government to buy wheat and pay this price wherever the farmer may happen to stop with his wagon; and besides, after learning the sentiment of the House, as I have been able, I am satisfied that the Senate amendment as to places of payment can not be adopted here, so I am offering and am asking the very best I think the House will give the farmers. My amendment would require the payment of this price, \$2.50, at the principal interior primary markets, just as the law now requires the amount of \$2.20 to be paid.

Mr. MORGAN. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will.

Mr. MORGAN. I would like the gentleman to tell the House what difference there would be in the actual price which the farmer would receive under his amendment and the Senate amendment?

Mr. McLAUGHLIN of Michigan. I do not know just what difference it would make but it would establish a different price in several thousand different places in this country and make necessary an arrangement about rates and freights and prices almost interminable and, I am told, practically impossible of even a reasonable solution. I abandon the Senate provision as to places of purchase and payment reluctantly and only because it seems necessary for me to do so. The law, if it be

amended as I now propose, providing 25 places of purchase and payment, will be a great improvement over the present law and will I am sure be very advantageous to farmers who produce wheat.

Mr. MORGAN. Would not the gentleman's amendment make a change of about 15 cents in the price of a bushel of wheat?

Mr. McLAUGHLIN of Michigan. At some places more and at some places less, depending on the place of sale and delivery of wheat by a farmer and the distance to the nearest primary market.

Mr. LA FOLLETTE. Will the gentleman yield for a question?

Mr. McLAUGHLIN of Michigan. For a question.

Mr. LA FOLLETTE. Does not the gentleman think that the word "interior" should be stricken out, when it includes the seaboard also, and have it at the principal primary points? It will answer the same purpose and does away with a seeming discrepancy.

Mr. McLAUGHLIN of Michigan. My idea is to amend the present law and deviate from the present law just as little as possible; and I may say to the gentleman from Washington that the administration in fixing the principal interior primary markets has fixed a number of places that are on the seacoast, like New York, Baltimore, Newport News, Charleston, Savannah, Galveston, Los Angeles, San Francisco, and Seattle on the Sound.

Mr. LA FOLLETTE. That was the reason I suggested the word "interior" to be stricken out, and it would answer the same purpose.

Mr. McLAUGHLIN of Michigan. "Interior" evidently does not mean the interior of our country, but I admit I do not know what meaning it has in this connection.

Mr. LA FOLLETTE. Then why not strike it out?

Mr. McLAUGHLIN of Michigan. Now, I would like very much if we could incorporate in this law a requirement that this price should be paid at every one of these 25 places, but if we say "principal interior primary markets" it can reasonably be expected, I think, that all, or a large number of the 25 places, will be used and made available as markets at which our wheat farmers may deliver their wheat and receive their money. It is fair to assume that the word "interior" has a meaning and is properly a part of the term "principal interior primary markets" as it appears in the law and as it is used by the department. And I may say that if I were permitted to write the law as I should like and to enforce it as I should like I should even go further, and I should write the law and enforce it so that this price would be paid at each place in the country at which a licensed inspector under the grain standard act is located, because at each such place there is now a Government inspector to represent the Government interests. He is an expert in grading wheat and he has all the machinery and apparatus necessary for the process of grading. But so much work would be involved, so much difficulty in figuring out the differentials, and it would cause so much confusion to the Government, to farmers, and all concerned that it is doubtful if it would be wise at this time to extend these places beyond the 25 that I have named. And as I have said, there is the difficulty of getting amendments through at this time.

Now, one unfortunate, and, as I believe, improper, action of the Food Administration in dealing with this law is that it interprets the word "markets" now in the law as singular, whereas the law provides the prices to be paid "at the principal interior markets," and the administration has selected only one—Chicago. I think if this is called to their attention and if it is possible or reasonable for them to work it out differently, more of the markets will be selected and the price will be paid at more of the markets than at Chicago.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. KINCHELOE. I want to know if your committee had any hearings on the question that if the price of wheat is increased, the minimum price from \$2.20 to \$2.50, what price would be made extra on a barrel of flour? Is there any evidence of that kind; and if not, what is the gentleman's idea about it?

Mr. McLAUGHLIN of Michigan. The committee had no hearings at all on this amendment as it was adopted by the Senate nor was there discussion in the conference, because the chairman, Mr. LEVER, had promised the House to bring the amendment back for separate action.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. LESHAR. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. Cox].

The SPEAKER pro tempore. The gentleman from Indiana is recognized for five minutes.

Mr. COX. Mr. Speaker, I offer the following amendment.

The SPEAKER pro tempore. The Clerk will report it.

The Clerk read as follows:

Mr. Cox moves to concur in Senate amendment 44 with the following amendment, to wit: In lines 7 and 8 strike out the following language: "local elevator or the local railway market" and insert in lieu thereof "principal interior primary markets"; and on line 22 strike out the word "two" and insert in lieu thereof the word "one." Strike out all of lines 24 and 25 and insert in lieu thereof "principal interior primary markets."

Mr. LEVER. Mr. Speaker, may I ask if that motion is offered as a substitute for the motion of the gentleman from Michigan [Mr. McLAUGHLIN]?

Mr. COX. It is offered to perfect the text of Senate amendment 44. It is immaterial to me how it is voted upon. I stated from the floor a while ago that when I got the floor I would offer it as a substitute to the amendment offered by the gentleman from Michigan, but I am rather of the opinion that it ought to be offered as an amendment to perfect the text of Senate amendment 44.

Mr. LEVER. My recollection of the rule is, that he could only offer this amendment at this time in the nature of a substitute for the amendment offered by the gentleman from Michigan. I am not sure that I am right about that.

The SPEAKER pro tempore. The gentleman is right about that under the rules of the House, unless the understanding is that the will of the House changes that. Did the Chair understand that it was the will of the House that a gentleman could offer an amendment at any time he could get the time?

Mr. LEVER. If that is the impression, then I want to reserve all my parliamentary rights. Let amendments be offered, but I do not think we will make any progress here if we have a dozen amendments concurring and a dozen substitutes concurring with an amendment.

The SPEAKER pro tempore. The Chair understood from gentlemen a moment ago that gentlemen had the right to propose their amendments and have them read here in the time which they secured from the gentleman from South Carolina himself or from the gentleman from Pennsylvania [Mr. LESHER].

Mr. LEVER. And read only for information?

The SPEAKER pro tempore. Yes; for information. Then the gentleman reserves his rights when it comes up.

Mr. COX. Mr. Speaker, I can not vote for Senate amendment 44 as it now stands in the bill. I do not understand how anyone can vote for it in the language in which it reaches us.

Amendment 44 provides that the price of wheat shall be fixed at the local elevator or railway market. I do not know how many local elevators there are in the United States, nor do I know how many local railway markets there are, but suffice it to say that there are many, many thousands of them. It looks to me that the language in Senate amendment 44, if it should be adopted, would work a very serious handicap against its administration, because they would have to have different prices for wheat, in all human probability, within a radius of 10, 15, or 20 miles.

The amendment which I offered, or will offer at the proper time, strikes out that language and inserts "principal interior markets." The same language as carried in the bill of last August, and is the language carried in the President's order of February 23, fixing the price of this year's wheat crop, the Senate amendment 44 fixes the base as "No. 2 northern."

My amendment proposes to strike out "No. 2 northern" and insert "No. 1 northern spring wheat," which would make, as I am informed, a difference of about 4 cents a bushel to the average wheat growers of the United States. My amendment leaves the discretionary power in the hands of the President to fix the price of wheat not to exceed \$2.50 a bushel.

Now, I recognize that it is a very serious matter to undertake to interfere very much with the discretion of the President in fixing the price of wheat, but I want to call the attention of the House to this fact, and especially to call the attention of the President and the people who will administer this law to this fundamental fact, that you can not compel a farmer to grow wheat—a thing impossible to do.

I undertake to say that probably 50 per cent of the land in this country on which you grow wheat will grow corn. Now, the farmer is a scientific man to-day, as much as any other fellow, and when he comes to the conclusion that he can make more money by growing corn or rye or barley or timothy, he is going to stop growing wheat and is going to raise these other commodities. That is human nature. You can not get away from it. I recognize that we must look after the millions of consumers of wheat in this country as well as the millions of consumers abroad. But I want to say to you, in all candor and sincerity, beware lest you wake up next winter or a year from next winter, when you would be not only willing but

anxious to pay \$2.50 a bushel for wheat. There is nothing to-day that I know of that stimulates production like price.

In my judgment something ought to be done to take care of the farmers, or at least to make them realize that they are being considered here in the way of just and equitable legislation. My amendment, if agreed to, would in all probability raise the price of wheat to the producer about 30 cents a bushel, depending upon the distance of his farm from the primary markets. It would raise the price of wheat in the principal primary markets, as fixed by the order of the President, about 30 cents a bushel. That would raise the price of flour to the people living in the cities and abroad about \$1.20 and not more than \$1.30 a barrel—a mere bagatelle. We know that the wheat crop is short to-day in the United States, and if you will give the farmer some inducement, like the small inducement which I have offered in my amendment, in my opinion, it will be enough to stimulate wheat production, and you will start every rusty plow to breaking wheat ground in every section of the country where they break ground for wheat in the early summer—June, July, or August. I am not troubling myself about the vote on any of these amendments at all. I am not the least embarrassed by voting on this measure one way or the other. We are told right and left by the administration that we must have bread, that we must have wheat, that all the entire war business is bottomed upon the production of wheat.

Now, I am afraid that if you let it go out to the country that the farmers are not being considered in this bill at all, that they have been shown no consideration in the way of the increased price of wheat, that instead of an increased production this year you will find it greatly decreased.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. COX. May I have three minutes more?

Mr. CANDLER of Mississippi. I yield three minutes more to the gentleman.

The SPEAKER pro tempore. Before the gentleman uses his three minutes the Chair would like to call his attention to the fact that, as the Chair understands it, gentlemen were to offer their proposed amendments in their own time, and that those amendments were then to be considered, as pending, to be voted on when the four hours are exhausted.

Mr. COX. Then I ask to have my amendment read and have it pending.

The SPEAKER pro tempore. The gentleman will have to do it in his three minutes.

Mr. COX. I will do that, Mr. Speaker. Another thing ought to be taken into consideration here, that the cost of producing wheat is different now from what it was when the price of wheat was fixed last year. The farmer's fertilizer that he bought two years ago for \$20 a ton is to-day costing him \$45 a ton. The wheat drills that he bought a year ago for \$50 are to-day costing him \$85 and \$90 apiece. The price of farm labor has actually gone up on the wheat farms in this country from \$25 a month to \$50 a month. Yes; it has gone up to \$60 a month in many instances.

Mr. DILLON. Will the gentleman yield?

Mr. COX. I can not do it. I have not the time. It has got to the point where they can not get a man to work upon the farms in this country at all. It is going to be a question of getting wheat sowed and harvested, and unless you give the farmer some consideration along this line, by giving him some little increase, mark my words and keep them well in mind, instead of having an increased production of wheat this fall you are going to have a decreased production.

To win this war we must have soldiers, food, and cannon. We can get the soldiers with but little trouble. We can manufacture of cannon; but the growing of food to maintain the Army is quite a different proposition. I am of the opinion that the administration does not comprehend or realize the extreme shortage of labor on the farms. For the past 20 years or more there has been a mighty movement from the farm to the city. This is reflected by the abnormal growth and increase in city population, with a corresponding reduction in urban population.

Between 1900 and 1910 cities increased their population 34 per cent. During the same decade urban population increased but 11 per cent. Immediately following the outbreak of the European war hundreds of thousands of bright, active young men living in the country left the farms, went to the cities, sought work and labor in large munition factories and plants, where wages were abnormally high as compared to wages in the country. Already, with a depleted country population, the European war constantly draining the boys from the country, to-day there is a frightful, if not a dangerous, condition existing in the country as to farm labor.

Farmers are exerting their utmost to overcome this shortage by and through machinery, especially machinery that will do the work of three and four men.

We must not only raise food for our armies but must practically raise the food for the armies of England, France, and Italy. Practically the entire man power of these nations is either on the firing line, in the trenches, or in munition plants, leaving but the women and children to run and cultivate the farms. We must feed our own civilian population. They, too, must have bread. I am interested in having bread; as cheap bread as possible, but bread. I know of no way to get bread except by raising and growing wheat. I know of no way to raise and grow wheat except to induce the farmers to do it. I know of no way to induce the farmer to raise and grow wheat except give him a reasonable, fair profit upon his work and labor and investment he has in the enterprise. A small increase per bushel to the farmer will stimulate production as nothing else will. A small increase in price to the producer will be the means of growing more wheat than all the arguments and all the literature and all the appeals combined that you can make to the farmer. If the price of his wheat be increased a little, he will double his energy, work longer hours, crowd faster than he will if no inducement be held out for him in the way of increased price for wheat.

The war must be won at any cost and at all hazards, and as food will play as much importance in the winning of the war as will soldier boys in the trenches, I am afraid that we are going to make a serious if not a fatal mistake if we fail to recognize the wise, just, and never-failing law of compensation. Compensate the farmer for his extra work and labor and he will respond by increased acreage and increased wheat supply for next year.

The Clerk read as follows:

Amendment offered by Mr. Cox: I move to concur in Senate amendment No. 44 with the following amendments, to wit: Page 100, in lines 7 and 8, strike out the following language: "Local elevator or the local railway market," and insert in lieu thereof "principal interior primary markets"; in line 22 strike out the word "two" and insert in lieu thereof the word "one"; strike out all of lines 24 and 25 and insert in lieu thereof "principal interior primary markets."

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. WALSH. For the purpose of having the record correct, this amendment when it is voted upon will be considered as a substitute for the amendment of the gentleman from Michigan, will it not?

The SPEAKER pro tempore. It is understood that all points of order are reserved on these amendments, and when they come to be voted on questions of this kind can be raised.

Mr. CANDLER of Mississippi. I yield five minutes to the gentleman from Texas [Mr. Young].

Mr. YOUNG of Texas. Mr. Speaker and gentlemen of the House, a little less than a year ago we had before this body the new question of fixing prices on the products of the farm. At that time I was thoroughly convinced that we were about to embark on a dangerous proposition. I undertook to point out to the House the difficulties, as I saw them, and I did my best to avoid entering on such a new and dangerous field. At that time representatives from the wheat belt of the Nation brought before the Committee on Agriculture a bill, and advocated its adoption, by which the Government would take over the matter of fixing prices on the products that they grew. I combated that idea with all the power that I had and tried to point out the difficulties in which they would find themselves. The prophecies that I then made to the farmers who appeared before that committee have been demonstrated to be facts at this very hour.

We began on a wrong career when Congress undertook to commit itself to the question of fixing prices on the products of the farm. Once fixed, they are fixed for a year; they are unyielding, they can not give; they rule, they control, and wherever it has been attempted to fix the prices of agricultural products in the experience of other nations they have found the same results as we have found in entering on that field. These results proved wholly unsatisfactory and the system had to be abandoned.

When the price was fixed at \$2 a bushel on wheat it was thought to be a high price, but conditions change. The coarser grains ran up in value until at this hour they are worth more than the finer grain wheat, and yet you have an unyielding price statute. The error has been made, and the point I want to make in the five minutes that I have is that we ought to back down from the proposition of undertaking to fix the price of agricultural products by statutory enactment. We made a grave blunder, and that blunder has risen up to confront us now, and it will continue to rise up as the months and years go by. Patchwork legislation will not cure the blunder. Repeal of the price-fixing statute is the sole remedy.

Gentlemen, it does not take any more printer's ink to print \$4 a bushel for wheat than it does to print \$2 a bushel for wheat. Human nature is the same the world over, and whenever a man thinks that he is getting the worst of the price he is going to agitate, and he has a right to agitate. In my judgment, if Congress would abandon this price-fixing business as to agricultural products, the farmer would be satisfied to get into the boat with the other people of the land and take the price the law of supply and demand justified him in receiving and would do his full duty in this war emergency, and the world would be fed.

Now, it is a simple proposition that the House is asked to vote on at this time. It is a question whether \$2.20 shall be the price this year or \$2.50 shall be the price this year. That is all there is before us, and each man of his own conscience must decide how he is going to vote on the proposition. But you have not solved the question, whether you raise it to \$2.50 or leave it at \$2.20, because there is going to be dissatisfaction. The wheat men are held by an iron-bound statute, whereas the coarser grain is left to go to the world unrestricted; and if you raise the price of wheat to \$2.50 per bushel, the coarser grains will immediately soar in price, as they are unrestricted by law, and the wheat grower's price would still be out of line.

My judgment is that the only remedy which can be pursued is to do away with the price-fixing proposition. It is called a guaranty, but that is a misnomer. You can not fool the farmers any longer about the minimum guaranty. I told you less than a year ago that there was no such thing as a minimum price guaranteed with a maximum that could go sky high. It is written in the law. How do you control it by Federal administration? Under the license system, where the administration holds an elevator to the figures fixed and takes away the license if they violate the regulation. [Applause.] Should any millman or elevator concern pay more than the price fixed the Food Administrator at once cancels the license and puts the offending individual out of business. This is the course that has been pursued and will continue to be pursued, and thus your guaranteed minimum price becomes the absolute and sole price for which a wheat producer may dispose of his products.

In this state of facts let us not hold out false hopes to the wheat farmer, but say to him candidly that whatever the price named in this bill, whether \$2.20 or \$2.50 per bushel, that will be the only price the farmer may ever hope to obtain while this legislation remains on our statutes.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Oklahoma [Mr. MORGAN] 10 minutes.

Mr. MORGAN. Mr. Speaker, I have two amendments at the desk, which I offer.

The Clerk read as follows:

Mr. MORGAN moves that the House concur in the Senate amendment numbered 44.

Second amendment: Mr. MORGAN moves to amend the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN] by striking out in the proviso thereof the words "two dollars and a half" and inserting in lieu thereof the words "two dollars and sixty-five."

Mr. MORGAN. It is well, at the outset, that we get in our minds the proposition before the House. Some weeks ago the House passed the regular Agricultural appropriation bill. It went to the Senate for action. The Senate placed on the bill some 44 amendments. A conference committee from each of the two Houses was appointed to consider the various amendments submitted by the Senate. The House conferees have reported back to the House an agreement upon all the amendments except Senate amendment numbered 44. This amendment relates to the price of wheat, and is an amendment to section 14 of the food-control act which was approved and became a law the 10th day of August, 1917. The chairman of the Committee on Agriculture, the gentleman from South Carolina [Mr. LEVER], has moved to concur in the report of the House conferees and to further disagree with Senate amendment numbered 44. The gentleman from Michigan [Mr. McLAUGHLIN] has moved that the House concur in the Senate amendment with an amendment.

In order to understand the force of the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN] it should be noted that Senate amendment numbered 44, sometimes called the "Gore amendment," amends section 14 of the food-control act in three important particulars: First, the guaranteed price for the 1918 wheat crop is changed from not less than \$2 to not less than \$2.50 a bushel; second, the grade of wheat is changed from No. 1 northern spring to No. 2 northern spring; and, third, the price fixed applies to the price paid to the farmer at the local market instead of the price paid at the principal interior

primary markets. The only change made by the McLaughlin amendment to Senate amendment numbered 44 is that it fixes a price of \$2.50 a bushel for wheat at the principal interior primary market instead of establishing that price for the wheat producer at the local market. In other words, under the McLaughlin amendment the farmer would not receive \$2.50 a bushel for his wheat, because from this amount would have to be deducted the cost of transportation from the local market to the principal interior primary market to which the wheat would be transported.

Mr. Speaker, I have two amendments pending. The first is my motion to concur in the Senate amendment No. 44, known as the Gore amendment. I have also offered an amendment to the McLaughlin amendment which strikes out the figures \$2.50 a bushel and inserts in lieu thereof the figures \$2.65 a bushel. Under the parliamentary situation, when we have finished the debate the vote will be taken upon the McLaughlin amendment before the vote will be taken on my motion to concur in the Senate amendment No. 44. Under the Senate amendment No. 44, the price paid to the farmer at his local market would not be less than \$2.50 a bushel for his wheat. The McLaughlin amendment, if adopted, would reduce this price, perhaps, 15 cents a bushel. My amendment would therefore amend the McLaughlin amendment by adding 15 cents a bushel and making the price \$2.65. If my amendment to the McLaughlin amendment were adopted, the price the farmer would receive for his wheat would be substantially \$2.50 a bushel, as is provided in the Senate amendment No. 44. If, therefore, the principal interior primary markets are to be substituted for the local markets, the price should be increased from \$2.50 to \$2.65, in order that the farmer may actually receive \$2.50 a bushel for his wheat.

These amendments bring before the House the whole question involved in Government price fixing of wheat. It will be helpful if we shall fix in our minds a few brief facts or propositions. Among these, I wish to call attention to the following:

1. The food-control act did not by any specific language fix the price of wheat.

2. The food-control act did not by any specific language authorize the President, the Food Administrator, or any other Government official to fix the price of wheat.

3. The guaranteed minimum price of wheat established in section 14 of the food-control act did not apply to the wheat crop of 1917.

4. Section 14 of the food-control act provided that the producers of wheat in 1918 should receive not less than \$2 per bushel therefor at the principal interior primary markets, based upon No. 1 northern spring or its equivalent.

5. The provisions of section 14 of the food-control act had two chief objects in view. These were as follows:

First. To stimulate the production of wheat; and

Second. To protect the wheat producers against loss in case the war should unexpectedly close or something else should happen to bring the price of wheat down below the actual cost of production.

6. Section 5 of the food-control act gave the President the power to license the importation, manufacture, storage, mining, or distribution of necessaries, and necessaries included wheat.

7. Section 10 of the food-control act authorized the President to requisition foods, feeds, fuels, and other supplies necessary to the support of the Army and the maintenance of the Navy.

8. Finally, the food-control act authorized the President to purchase and sell for cash five articles, namely, wheat, flour, meal, beans, and potatoes.

Now, I have given careful thought to the question. My conclusion is that when the Government assumed a monopoly in the wheat business it should have adopted the price which had prevailed prior to the passage of the food-control act. The action of the Government was a war measure. But, in assuming the control of private property under the emergency of war, the Government respects the property rights of its citizens. Here, I think, was where the Food Administrator made the great mistake. Now, upon just what provision of the law the Food Administrator relies for the authority to fix the price of wheat for the 1917 crop I am not informed. Certainly the provisions of section 14 of the food-control act applied only to the 1918 crop. Certainly the law establishes no specific price. It simply declared the farmers should not receive less than \$2 per bushel. It in no way and by no language limited the price to \$2 per bushel.

The law plainly shows that Congress, while guaranteeing that the farmer should receive not less than \$2 per bushel, intended that he would be entitled to receive any amount above this which the market price would offer. But whatever the law provided, the Food Administrator proceeded to fix the price of the 1917

wheat crop at \$2.20 per bushel at the principal interior primary markets. Under this action of the Food Administration the farmers in my State received for the 1917 wheat from \$1.75 to \$1.90 per bushel for their wheat. This was from 75 cents to \$1 less than the price they had been receiving for their wheat prior to the time the Government assumed a monopoly in the wheat market. The protest which the wheat farmers made does not indicate any lack of loyalty or patriotism, or any disposition to hinder or embarrass the Government in its prosecution of the war. The wheat farmers are as loyal and patriotic and as devoted to their country as any other class of citizens. They have done their part; they are now doing their part, and will continue to do their part until victory comes.

They are not asking Congress for special favors. They are not seeking to escape any burden which rightfully belongs to them. They are not trying to evade any duty, responsibility, or obligation of citizenship. Above all, they do not desire to embarrass the President as Commander in Chief of the Army and Navy in the successful prosecution of the war. They are ready, willing, and anxious to do their part in the winning of the war. They come to Congress as intelligent, loyal, patriotic American citizens. They ask from the National Government nothing but fair treatment. They seek simple justice. They ask only for their rights, under the Constitution, under the laws of the United States. In the spirit of supreme devotion to the flag they submit their cause to the Congress of the United States. The wheat farmers believe they have a just cause of complaint. They have been singled out and segregated from all other kinds of farmers, and from practically all other classes of producers.

What are some of the undisputed facts which demonstrate the correctness of my assertions? During the month of July, 1917, just prior to the passage of the food-control act, wheat was selling around \$3 per bushel at the chief wheat markets of the United States.

The farmers at the local markets were getting from \$2.75 to \$2.90 per bushel. These were the market prices upon a market controlled entirely by the law of supply and demand. The farmers were in no combination to control the price. They had no voice in making these prices. They were selling to the millers and grain dealers in the usual and customary way. When the food-control bill passed, August 10, 1917, the wheat producers had in their bins or in the fields about 500,000,000 bushels of wheat. At \$3 per bushel this wheat was worth \$1,500,000,000. This wheat was the property of the wheat farmers of the United States. It was property, just as much so as their houses and lands were property. It was property, as much so as were the goods of the merchant property. This wheat was property, as much so as bonds or stocks were property.

At the market prices then prevailing this property was worth one and a half billions of dollars. Here the Federal Government steps in. It assumes a monopoly in the wheat business. It took charge of all the machinery, instrumentalities, and agencies through which wheat could be purchased, sold, stored, manufactured, or distributed. The Government established a price for the 1917 wheat crop. The price fixed was \$2.20 per bushel at the principal interior primary markets. Under this Government price the wheat farmers received from \$1.75 to \$1.90 per bushel for their 1917 wheat crop. The Government, in round numbers, reduced the price of wheat from 75 cents to \$1 per bushel. In effect, the Government requisitioned the property of the wheat farmers by compelling them to sell their property at approximately two-thirds of its market value. By this process the wheat farmers lost from \$300,000,000 to \$400,000,000 on the 1917 wheat crop.

IS WHEAT TOO HIGH?

It is asserted that wheat was too high; that the Government had to bring the price of wheat down in order to provide cheap bread for the nonfarming population. Cheap bread for the poor touches a responsive chord in the breast of every man. But let me remind you that the obligation to provide cheap bread for the poor is an obligation resting upon all alike. The wheat farmers alone should not have been taxed to provide cheap living for the needy masses in our great centers of population. You should not levy tribute upon a few million wheat farmers to meet an obligation resting upon the entire Nation. Why not call upon the corn farmers and the cotton farmers and the live-stock farmers to do their share? Why not call upon the merchants and bankers and manufacturers and the middlemen generally to do their part? Why not call upon the multimillionaires to do their part? This would have been more in harmony with the principles of fair play, right, and justice.

Mr. FARR. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. Yes; for a question.

Mr. FARR. The gentleman speaks about the farmers of the United States. What percentage of the farmers of the United States grow wheat?

Mr. MORGAN. I can not state accurately. We will say 10 per cent; and there is the point. Why should you tax 10 per cent of the people for the benefit of 90 per cent of them? Why should you ask the few wheat farmers to sell their chief product under the market price for the benefit of all the population of the United States?

CONSTITUTIONAL RIGHTS.

The fifth amendment to the Constitution provides that:

No person shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation.

Our forefathers placed these provisions in the Constitution to safeguard the rights of the individual citizen against the action of local, State, or National Governments. These provisions were placed in the Constitution to protect the individual from Congress or the Executive power. Private property can not be taken without due process of law. Neither the President nor Congress, under the plain provisions of the Constitution, can take private property for public use without just compensation. The Constitution is the supreme law of the land, and the National Congress and the Chief Executive of the Nation are subject to its provisions.

Life and liberty are, indeed, dearer and more sacred than property; still our forefathers linked the three together. So a man's property is protected by the same provisions in the Constitution that protect his life and liberty. There was no provision made for the farmers to test their rights in the courts of the land. They were given no opportunity to prove what was just compensation for their wheat. The Government proceeded to fix a price, and the wheat farmers had to accept that price.

WHAT IS JUST COMPENSATION?

What is just compensation for private property taken for public use? The answer to this question is not within the realm of doubt, dispute, or controversy. It has been universally held that just compensation means full compensation. It means that when private property is taken for public use, the owner must be placed in as good financial condition as he would have been had the property not been taken. The Supreme Court of the United States has decided over and over again that when private property is taken for public use, the compensation to the owner must be ascertained by determining what was the market value of the property at the time of the taking. Whatever the emergency may have been, I have reached the conclusion that the wheat producers of 1917 were entitled to receive for their property the value thereof according to the market price at the time the Government assumed control. When the Government assumed a monopoly of the wheat market it placed itself in a position where, in good conscience, it was bound to compensate the wheat producers of 1917 for the loss they sustained based upon the difference between the market price of wheat and the Government price established through the Food Administration.

COMPENSATION TO WHEAT PRODUCERS.

Having reached this conclusion, I have introduced a bill, H. R. 10788, appropriating \$300,000,000 for losses sustained by the wheat producers of 1917. I believe that the Government is justly indebted to the wheat producers of 1917 for the difference between the market price of wheat prior to the enactment of the food-control act and the price which the farmers were required to accept under the Government monopoly.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. Yes.

Mr. SNYDER. The gentleman is familiar with the wheat proposition in Oklahoma. Will he state to me what he believes to be the average cost of production for a bushel of wheat in the State of Oklahoma?

Mr. MORGAN. That will depend upon many circumstances, but I can not take time now to go fully into the question of what it costs in Oklahoma or elsewhere to produce wheat.

Mr. SNYDER. I wish the gentleman would, because I think it is very important.

Mr. MORGAN. Well, it is not a question of what it costs to produce wheat. Certainly it is not now as profitable to produce wheat as it is to produce corn and cotton. The wheat farmers are not making the profits that are being made by merchants, manufacturers, and bankers.

Mr. SNYDER. It seems important to me.

Mr. MORGAN. The price of wheat, according to the law of supply and demand in the open market, was about \$3 a bushel. The farmers had something like 500,000,000 bushels of wheat

on hand. That wheat was worth something like \$1,500,000,000, but the wheat farmers received only about \$1,000,000,000 for it.

WHY NOT CONTROL PRICES OF OTHER PRODUCTS?

If the Government had controlled the prices of other farm products, the wheat farmers would not have had the same reason to complain, but the wheat farmers were singled out, and they alone suffered from the price-fixing policy of the Government. The Government should have regulated the prices of farm products other than wheat, such as corn, cotton, rye, oats, barley, and live stock, and, second, it should have controlled the prices of the things which the farmer would have to buy, such as farm implements of all kinds, fertilizers, clothing, and things generally which the wheat farmers buy, and including also the price of labor. In other words, it seems unjust to the wheat farmers to fix a price below the market price for his chief product when he must pay excessively high prices for the things which he must buy and for the things which enter into the cost of producing that wheat.

President Wilson, in his message to Congress delivered before the joint assembly December 4, 1917 (see House Document No. 468), fully recognized all for which the wheat farmers contend. He said:

The law of supply and demand, I am sorry to say, has been replaced by the law of unrestrained selfishness. While we have eliminated profiteering in several branches of industry, it still runs impudently rampant in others. The farmers, for example, complain, with a great deal of justice, that, while the regulation of food prices restricts their income, no restraints are placed upon the prices of most of the things they must themselves purchase, and similar iniquities obtain on all sides.

The President speaks in behalf of farmers generally. His language, however, applies to the wheat farmers as it does to no others, because there has been no limit to the price of cotton, to the price of corn, oats, rye, barley, or live stock. It is not, therefore, the farmers generally that have so much right to complain but the wheat farmers in particular. Their product alone, through governmental interference, has been kept below the price which the law of supply had established. The burden of the price fixing has thus fallen upon the wheat farmers in a way that it has not upon any other class of our citizens.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. Yes.

Mr. WALSH. The gentleman has quoted the President in his message as to the discrimination practiced against the farmer. Has not the President sought to control that or eliminate that discrimination by fixing the price of wheat at \$2.20?

Mr. MORGAN. I am not here to criticize or find fault with the President. I have given the President my loyal support. So far as he acted, I have no doubt he acted as he thought for the best. It is not in the spirit of faultfinding that I speak. But if a mistake has been made, the President will be willing to correct it. The President has no more loyal supporters than the wheat farmers.

PUBLIC POLICY DEMANDS HIGHER PRICE FOR WHEAT.

The price of wheat should be raised to at least \$2.50 a bushel as a matter of sound public policy. This may be based upon two general propositions. These are as follows:

First. The price of wheat should be raised to at least \$2.50 a bushel as a means to conserve the supply of wheat.

Second. The price of wheat should be raised to at least \$2.50 a bushel as a means of stimulating the production of wheat.

What are some of the facts? Wheat to-day is the cheapest article of food on the market. It is cheaper than corn, cheaper than rye and oats and barley. Here is a proposition that is self-evident. You do not conserve the supply of an article by making it cheap. By making wheat cheap, cheaper than any of the substitutes for wheat, the Government has encouraged increased consumption of wheat. Consumers naturally buy more wheat when wheat is cheaper than corn and oats and rye and barley. As a result of the low price of wheat, farmers have been compelled to feed wheat to stock in place of corn and other feedstuff. The farmers have been severely criticized for this; but still the Government has at least been in part to blame, which has made it more profitable to feed wheat than it was to sell wheat at the Government price. The Government's policy has therefore not only not encouraged the conservation of wheat but has encouraged its consumption in an unusual and unnatural way.

In view of the extraordinary demand for wheat, and in view of the importance of wheat to enable ourselves and our allies to win the war, no one will dispute the fact that it should be the policy of our Government to stimulate the production of wheat to the very highest degree. It is well enough to conserve the supply, it is well enough to observe wheatless days, and wheatless weeks, and wheatless months, if necessary, when such a course will help us to win the war.

Every patriotic citizen is ready to help along this line, but if we can increase our production of wheat sufficiently there will be no need of stinting ourselves. Now, what is the most effective way to stimulate the production of wheat? Certainly you can not and will not stimulate the production of wheat when you fix the price of wheat so low that it is more profitable to the farmers to produce cotton and corn and oats and rye and barley than it is to produce wheat. So our Government price fixing of wheat has neither promoted the conservation of wheat or stimulated its production.

Mr. Speaker, in closing my remarks I wish again to assert that the wheat farmers and the people who reside in the wheat section of the United States are loyal, patriotic, self-sacrificing citizens. They have met fully every requirement made upon them. They have furnished their full quota of men for our Army and Navy, and these men will rank among the very best and bravest of our soldiers and sailors. They have subscribed their full share to the liberty loan bond issues. They have responded liberally to every call of the Red Cross and the Young Men's Christian Association and every other activity connected with the vigorous and successful prosecution of the war. They are ready to make any sacrifice that may be necessary to win this mighty war in which we are now participating. They are loyal to the President, the Commander in Chief of our Army and Navy. They are loyal to the boys in the trenches and to all our soldiers and sailors wherever they may be fighting our battles. To these brave boys who are making the supreme sacrifice they desire to render every aid, assistance, and support within their power. So it is in the spirit of service, in the spirit of supreme devotion to the country and its flag that the wheat farmers are acting. Whatever action Congress may take, the wheat farmers and the people in the great wheat sections of the country will continue to remain American citizens of the highest type and character.

The SPEAKER pro tempore. The question is on the adoption of the motion of the gentleman from Michigan [Mr. McLAUGHLIN] to concur in the Senate amendment with an amendment.

Mr. MORGAN. Mr. Speaker, a parliamentary inquiry. My amendment is to amend the McLaughlin amendment. I think the vote should be taken on that first.

The SPEAKER pro tempore. The gentleman is correct. The first vote is on the amendment of the gentleman from Oklahoma [Mr. MORGAN] to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I believe a point of order was made on the amendment offered by the gentleman from Oklahoma, that it was beyond the power of the House to increase the price.

The SPEAKER pro tempore. That point was reserved. Does the gentleman make that point?

Mr. McLAUGHLIN of Michigan. I make that point.

Mr. MORGAN. I should like to be heard on that.

The SPEAKER pro tempore. The Chair is ready to rule. The point of order is overruled. The question is on the amendment of the gentleman from Oklahoma to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. KREIDER. Let us have that amendment read again.

The SPEAKER pro tempore. Without objection, the amendment will be again reported.

The Clerk read as follows:

Mr. MORGAN moves to amend the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN] by striking out in the proviso thereof the figures "\$2.50" and inserting in lieu thereof the figures "\$2.65."

The question being taken, the amendment to the amendment was rejected.

The SPEAKER pro tempore. The question recurs on the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. LEVER. Mr. Speaker, upon that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. CANDLER of Mississippi. Mr. Speaker, will the Chair state that a vote "yea" means a vote to concur in the Senate amendment with this amendment, and that a vote "nay" is a vote not to concur with the amendment?

The SPEAKER pro tempore. That is correct. Those in favor of the motion of the gentleman from Michigan [Mr. McLAUGHLIN] to concur in the Senate amendment with an amendment will answer "yea" as their names are called, and those opposed will answer "nay." The Clerk will call the roll.

The question was taken; and there were—yeas 127, nays 180, answered "present" 3, not voting 120.

The SPEAKER pro tempore. The question now is on the motion of the gentleman from Oklahoma to concur in Senate amendment No. 44.

The question was taken; and on a division (demanded by Mr. MORGAN) there were 98 ayes and 167 noes.

So the motion was lost.

The SPEAKER pro tempore. The question now is on the motion of the gentleman from South Carolina to disagree to the Senate amendment and ask for a further conference.

Mr. CRISP. Mr. Speaker, the House having voted to nonconcur, is not that tantamount to a disagreement?

The SPEAKER pro tempore. The gentleman is right.

Mr. LEVER. I ask unanimous consent that a further conference be asked for.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The Chair appointed the following conferees: Mr. LEVER, Mr. LEE of Georgia; Mr. CANDLER of Mississippi, Mr. HAUGEN, and Mr. McLAUGHLIN of Michigan.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, in the first instance I deny the statement of the gentleman from Oklahoma [Mr. MORGAN] that the Government took from the farmer what he had without price. They paid him an enormous price for what they took. We have 10,000,000 more people living in cities in the United States than we have on the farms, and these men, women, and children earn their living in the industrial activities of the United States, and it is they who will be called upon to pay this additional cost of wheat in \$18 a barrel flour. It will be an outrage to impose this new burden upon the industrial workers of America by fixing the price of wheat at \$2.50 a bushel, and there ought to be too many men in this House who have sense enough and patriotism enough to prevent the enactment of any such iniquity. We ought to have some consideration for those who toil where there is no sunlight. The men who live on the farms can get their living no matter what the price of wheat is. The men who work in the shops can not. "Oh," but you say, "we are in war, and we are commandeering everything, and we must commandeer the labor and the sacrifice of these men who work in the factories, but while we are doing that we must pamper the farmer, and give him that to which he is not entitled." You say that it costs more money to raise wheat than it did before the war. The labor of one man will raise in the ordinary wheat territory 1,600 bushels of wheat. It takes about five months to raise a crop of wheat—all spring wheat crops for this year are in the ground. This increased price will not add one bushel to the wheat crop of 1918. What justification can there be for increasing the price of wheat if it will not increase the quantity? Those who favor this increased price say the farmer pays his men \$10 a month more than he used to pay. Ten dollars a month for five months would be \$50 additional for raising 1,600 bushels of wheat, while the increased price of wheat as proposed would be about 1,500 per cent over and above the increased cost of labor, a large interest rate on the outlay.

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. MADDEN. Yes.

Mr. LONGWORTH. The argument in favor of the artificial increase of the price of wheat seems to me to be based upon the proposition that wheat will go up to that extent and all other cereals will remain at their present level. Does the gentleman believe that?

Mr. MADDEN. Of course not; the price of all other cereals will go up in keeping with the price of wheat. You give no opportunity whatever to the man who toils in the shop to increase his income, but you demand—

Mr. SWITZER. Will the gentleman yield?

Mr. MADDEN. I can not yield. But you demand from him every sacrifice that is possible for the Government to lay upon him. These men in the shops go to the war, they fight the battles for America, and they are entitled to an equal show, and they ought to have it, and we men who speak for them on the floor of this House are going to demand equal rights for them. The people who work in industrial establishments are entitled to equal justice; people in every line of endeavor are entitled to the same consideration—not more, not less. Many here have been in the habit of catering to the farmer to get the farmer's vote. The farmer does not need to be pampered; he is able to take care of himself; he is qualified and patriotic; he knows how to make a living, and he needs no help from you and me; he is better off than any of us. The farmer to-day is better off than any other citizen. Why load this additional burden upon the remaining citizens of the country in order to add to the already great wealth which the farmer possesses as the result of present prices for farm materials? Oh, but, you say, we do

not regulate the price of the things he has to buy. We regulate them as much as we regulate anything else. The men in the shops, other than those in zones where war materials are being made, are idle or only working part time. Why should we load them down with new burdens while we heap new favors upon a class already highly favored?

The war calls for sacrifice on the part of all. No one should be allowed to profiteer. All should join in the movement to win the war at any sacrifice. This House should not be instrumental in aiding any element of our citizenship to increase their own wealth at the expense of others. I hope the proposal to fix the price of wheat at \$2.50 per bushel will fail.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. MCKINLEY].

Mr. MCKINLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from New York [Mr. SNYDER].

Mr. SNYDER. Mr. Speaker, I have the honor to represent quite a large agricultural community, as well as a manufacturing community. I am opposed to increasing the price of wheat at this time. I am also opposed to price fixing. I believe that a large number of working people are entitled to some consideration in this proposition. I tried a few moments ago to get from the gentleman from Oklahoma [Mr. MORGAN] his understanding of what it costs to produce a bushel of wheat in the State of Oklahoma. I have been told by good authority that it would not cost to exceed \$1 per bushel to raise wheat out in Oklahoma. If that is a fact, while we want the wheat farmer to make a proper profit, he is certainly getting a greater per cent of increased profits since the war started than any class of men on earth, except, possibly, the United States Steel Trust. Well, we are glad he is getting this profit; but when he does that, he is putting an additional burden upon farmers in other sections of the country.

In my section we are largely a dairy country and an increase in the price of wheat makes an increase in the price of the by-product known as bran, which increases the price of milk. Milk has gone up in the markets of the State of New York and throughout the country more than double in the past year, so that I understand to-day in the city of New York the price of milk is from 12 to 15 cents, and many of the babies of the country are going without the required amount of milk. Now we must cover in this question the whole country, and while I believe the farmers of the West are just as patriotic as they are in any other part of the country, it seems to me that if they are getting a fair profit for their product they ought to be just as patriotic at \$2.25 as they would be at \$2.50 for their wheat. And it is my further belief that since we have started in the price-fixing business if we act now on the demands of the farmers and raise the price that it will be only a short time before they will be back for another raise, and we might as well stop first as last. I just want to call attention in the little time which is left me to this order of the Food Controller making it necessary for people to buy an equal number of pounds of substitutes for wheat. When I was home a few days ago a lady constituent of mine called my attention to a grocery bill which she had just received. She had purchased a 24½-pound sack of flour. In order to get that sack of flour she had to buy \$5.40 worth of substitutes, including \$1.65 for the flour. Now, it seems to me that is a very great injustice and some notice ought to be taken of it. It is all right enough, perhaps, to have to buy those substitutes, but the grocerymen of the country should be provided with substitutes so that a person having to purchase flour could make a selection of substitutes. Well, that is impossible to do. But this lady had to buy a certain amount of puffed wheat, a certain amount of puffed corn, so many pounds of rice, so many pounds of corn meal, because she could not get the things she wanted to buy.

Mr. LA FOLLETTE rose.

Mr. SNYDER. I can not yield; I have but five minutes. Now I want to suggest that the administration should take the bull by the horns on this proposition and ration the country on wheat. Let each individual have whatever amount of wheat can be spared to him; then he ought to be permitted to buy the balance of the foodstuffs he likes for his upkeep. [Applause.]

I think this is a very important matter. Demands for higher wages are being made all over the United States, due to the additional cost of living, brought about by just such orders as

this one that I have spoken of, and unless something is done to correct it I do not know where we are going, but we are on our way. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. LESHNER. Mr. Speaker, I yield 10 minutes to the gentleman from Kansas [Mr. AYRES].

The SPEAKER pro tempore (Mr. GARNER). The gentleman from Kansas is recognized for 10 minutes.

Mr. AYRES. Mr. Speaker, I ask leave to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. AYRES. Mr. Speaker, I would like to agree with all my friend from Illinois said regarding the condition of labor in this country, and I think all that he did say with reference to the increase in the price of wheat being a burden on labor is absolutely true, but I do not agree with all he said with reference to the increased price of wheat, because he did not go far enough and admit the advance in the price of the things that enter into the production of wheat, the prices of which have not been fixed, and by reason of that fact it has naturally caused the producers of wheat to be at a greater expense in its production than would have been otherwise.

I am compelled to vote for this increase in the price of wheat, not because I feel that it is the proper method to solve the troublesome question of profiteering; nor am I voting for it because the wheat producers throughout my section of the country as a whole are demanding it; nor because I feel that it is just and right to all the people of the Nation and our allies, and our brave defenders at the front, who are making the real sacrifice.

Then, why am I voting for it? For one reason, and that alone; because the price of other grains and commodities has not also been fixed. I have grave doubts that increasing the price of wheat will by any means relieve the situation; I know it will not stop profiteering. In my judgment, prices of substitutes and nonessentials will increase in the same ratio as the advancement of the price of wheat.

I introduced House joint resolution 268 on the 22d day of March for no other purpose than to make it possible to equalize the burdens of this war as far as possible on all alike, producers as well as consumers of the necessities to maintain the civil population of this country as well as that of our allies, and also our Army. I want to say at the beginning that I introduced this proposed amendment to the present law in absolute good faith. I never was more sincere in my life. I can not help but feel that something of this nature must be done, and that before long.

The President said in his address to Congress on December 5, 1917:

The farmer, for example, complains, with a great deal of justice, that while regulation of food products restricts their incomes, no restraints are placed upon the prices of most of the things they themselves must purchase, and similar iniquities obtain on all sides.

I have heard considerable about the question of the loyalty of the farmer; that is to say, his lack of enthusiasm over this war. It may be, sir, that he has grumbled somewhat at the regulation of the price of wheat fixed by the Food Commission. I have reference to the wheat producer. But, notwithstanding this fact, he is just as patriotic as any American citizen, and is just as ready to make his sacrifice as any other American citizen; but he does feel, and rightfully so, that he should not as a wheat producer be the only producer of the necessities called upon by the Government to make a sacrifice and others permitted to go on and on profiteering, not alone at his expense but at the expense of the great consuming class of which he is a large part.

Mr. GOOD. Mr. Speaker, will the gentleman yield?

Mr. AYRES. Yes.

Mr. GOOD. The gentleman is aware of the fact that the average price of wheat for 10 years prior to the outbreak of the European war was 92.6 cents in the United States. The price now is \$2.20. Does the gentleman think that is very much of a sacrifice that the wheat grower has been called upon to make, to produce wheat at \$2.20 a bushel as compared with the average price of 92.6 before the war?

Mr. AYRES. Yes, sir; I do, when you take into consideration the price of other products, including your corn, that is raised in Iowa. Is it not a fact that the average price of corn for 10 years prior to the war was very small, as compared with what it is now?

Mr. GOOD. Last year we had an almost complete failure of the corn crop—in some places 80 per cent moisture. In the gentleman's State the man who rents the farm is paying the same rent now that he did before the war, and he is the man who is buying the twine and employing the labor.

Mr. AYRES. Why not fix the price of twine? Would the gentleman be willing to fix the price of corn raised in his State?

Mr. GOOD. I am in favor of fixing the prices of all commodities.

Mr. AYRES. So am I. [Applause.]

Mr. GOOD. I am opposed to fixing the price of steel products and commodities of that kind, but I do not see how the gentleman from Kansas can favor profiteering in wheat.

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield?

Mr. AYRES. Yes.

Mr. SHALLENBERGER. While prices of wheat have advanced 90 per cent, the price of the things that the wheat grower has to buy have advanced more than 90 per cent. Is it not a further fact that last year the average farmer of both the gentleman's State and my State lost money on his wheat crop?

Mr. AYRES. Yes. There is no doubt about it.

The farmer has patiently waited since early last fall for others to feel the heavy hand of authority already provided for in the bill of August 10, which I am seeking to amend, and which provides ample power and authority to regulate and control other necessities in the line of food and feeds. He, as a wheat producer, has not only patiently waited, but has patriotically waited for this equalization of the burdens, and has seen others grow rich by profiteering on the product of his labor, instead of the great consuming class reaping the benefits of his sacrifice. He has had to buy the very product of his own wheat, to feed his family, at but a small reduction in price, compared with what the price of wheat was reduced. He has purchased the by-products of that wheat to feed his stock, at an abnormal price, comparatively speaking, because it was not regulated, but permitted to soar high, endeavoring to catch up with other food and feedstuffs which are not regulated.

This, Mr. Chairman and gentlemen, is like irritating an old sore and expecting no complaint. I want to say there has been but little complaint from the wheat producer of this country—I will say in my section of the country—about the price of wheat being fixed. Although they did not relish the idea of having their profits reduced over one-fourth, yet they have complained and are complaining about being singled out while all others go to the limit!

They say, and justly so, regulate the commodities we have to purchase which enter into the production of our wheat, so all can be treated on an equality, and we will be satisfied. Is there anything unreasonable about that? He has been promised this, and, I repeat, he has been patiently waiting, and as one of the representatives of a wheat-producing country, I feel it my duty, as best I can in justice to his claim, to insist on this equalization. I am for the power by this act of August 10 conferred and for further power and regulations, and insist that it be used or else abandon the whole proposition of regulating prices.

Nothing short of one or the other of these propositions will satisfy the great producing wheat industries of this Nation, and the Food Administration, whoever or whatever it may be, had just as well realize this, and the sooner the better. I am not an alarmist, or, at least, I do not want to be, but feel it my duty to call attention as best I can to conditions as they exist under the present law and its execution.

One of the strong arguments in favor of the price fixing of wheat was the fluctuation in this commodity on the boards of trade in the Nation. When the price was fixed this, of necessity, was stopped, but now, strange to relate, the speculator who had been dabbling in wheat as well as the speculator who had been speculating in corn turned his attention to corn and oats, and there have been times on the boards of trade that there has been a fluctuation in the price of corn of 10 cents on a single day. And it is a lamentable fact to-day, with the demand for corn as food and the absolute necessities of our people who, by patriotically denying themselves the essential wheat not only as prescribed by law but as a patriotic duty as well, that the great supplies of corn are not in the hands of the producer but in the hands of the speculator, and the same will apply as for that matter to other cereals.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. AYRES. Yes.

Mr. SNYDER. I asked the gentleman from Oklahoma [Mr. MORGAN] a few moments ago if he could tell us about what the average cost of producing a bushel of wheat was in the State of Oklahoma. Can the gentleman from Kansas [Mr. AYRES] answer that question?

Mr. AYRES. I could not give the exact figures, and I would not want to undertake it unless I could. The gentleman from Oklahoma might be able to give that information.

Mr. SNYDER. I have been told by some men who produce wheat in Oklahoma that it can be produced at about \$1 per bushel.

Mr. AYRES. I do not think so, considering the price of everything that enters into the production of wheat.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. AYRES. Yes; I will yield for a question.

Mr. MORGAN. The gentleman has referred several times to the cost of producing wheat in Oklahoma. I have seen several statements by persons who have studied the subject very thoroughly, and they claim that it will cost absolutely more than \$2 per bushel to produce wheat in Oklahoma on the average because of the fact that about every other year you produce nothing.

Mr. AYRES. That is as far as I can yield. [Laughter.]

Gentlemen, whether it be patriotic or not to make the statement I am now making, I will leave it to others to judge. I want to say it is too much, altogether too much, of a strain to put upon the loyalty and patriotism of the farmer, or, rather, the wheat producer of this country, for the Government to arbitrarily lay the strong hand upon this industry, single it out, and permit other industries to go the limit—yes; beyond the limits of profiteering. I have received a number of letters from wheat growers of my district which show the patriotic, unselfish spirit of these men. I might cite many and also many sets of resolutions to show this fact, but I will only incorporate one in my remarks, which was received a few days ago, which reads as follows:

CALDWELL, KANS., March 25, 1918.

W. A. AYRES, M. C.,
Washington, D. C.

DEAR SIR: Speaking as a farmer, who farms with a plow and not with theory (I have 250 acres of wheat), I would suggest that you use all of your energies to push through your bill for price fixing on the commodities named therein.

As a farmer, I care not a "red" for the amendment tacked onto the Agriculture appropriation bill by Senator GORE and others unless it fixes some of the other prices.

I donated my 60 cents per bushel when the price was fixed at \$2 on some 3,000 bushels of wheat, and felt good because I thought some poor "devil" who was fighting to keep the wolf from the door would get the benefit of it.

The sacrifice was vain. Somewhere between me and the consumer it (the 60 cents) was lost.
Strength to your arm.

F. M. SNOWDEN, American.

Except for the purpose of being patriotic and desirous of doing his bit in the winning of the war, it is not an inducement for him to raise wheat, when its purchasing power is being diminished by reason of the fact that the prices of all other commodities which he has to purchase are permitted to increase by leaps and bounds. The wheat grower should not be penalized, because, as it has been said, his commodity is the most essential of all for winning the war. The very fact it is the most essential is all the more reason why everything should be done to encourage and not to discourage the production of it.

THE PRESENT LAW AND ITS EXECUTION.

The present law and its execution certainly tends to discourage, and, I fear in many localities where winter wheat will not be a full crop or stand by reason of the cold, dry winter, will be destroyed entirely by the raiser, and crops of some other kind planted instead, such as corn and other cereals, which are not limited in price, but are allowed to go the limit, the same as most all other necessities, such as cotton, wool, leather, and wearing apparel of all kind.

Under the present law and its administration I have not heard of any institution preparing foodstuffs going into the hands of a receiver. I noticed a few days ago that Loose-Wiles Biscuit Co. showed a surplus equal to \$58.91 a share on the 2,000,000 of second preferred stock as against \$27.98 a year ago. And why not? When wheat was \$1 a bushel, crackers retailed at 5 cents per pound; when wheat was or is selling at \$2 per bushel, crackers were retailing at 20 cents per pound. You can see while the increase in wheat has been 100 per cent, the increase in crackers has been 400 per cent, and this is only one of the many, many other illustrations I might give.

Let me say further, I have not heard of any milling institutions going broke by reason of the agreement made between the millers and the Food Administration. I am not familiar enough with the milling business to know whether the millers are making the profits as claimed or not. I have many reports from what I consider reliable source, which convince me that they have not suffered at all. I could produce some very interesting figures under the arrangements made by the Food Administration and the millers throughout the country, showing the immense profits made by the millers, but I do not care to take the time of the House, nor incumber the RECORD with columns of figures showing in detail just what it costs per barrel at the regulated or fixed price of wheat and at the same time show

what the flour and the by-products are sold for; the best proof that the miller is fairly well taken care of is the fact that foodstuffs derived from wheat have not been reduced in proportion to that of wheat and the further fact that the mills over the country, to a large extent, are adding to their capacity, or building new mills and also seem to be able to declare reasonably fair dividends, in addition to paying immense salaries to presidents, vice presidents, and managers and other officers, all of which is denied by the millers. I would suggest that a thorough investigation be made and ascertain the facts, as no one should be wrongfully accused nor unfairly treated.

When the local Food Administration calls upon the people to be patriotic and save the wheat by eating substitutes for flour, these substitutes begin immediately to soar like an aeroplane until it is altogether out of the question for a consumer unless he has an income from an oil well or a mine, or a large stockholder in some of the profiteering establishments of this country which have not been regulated, to buy such a luxury as corn meal and some of the other substitutes. It might be that they could be regulated so as to be in reach of a man who has a limited income. It has not been done, notwithstanding the fact it seems to me the same power and authority exists to do so as to regulate wheat and flour. If it does not exist, then it is the duty of Congress to give that power and authority, and that is what I am attempting to do in the proposed amendment.

I received a letter from a railroad employee the other day, in which he said:

Before the war I received \$55 per month. I could then buy a sack of flour for \$1.15 to \$1.25 and meat from 6 to 20 cents per pound, and I am now receiving \$10 more per month, making \$65 per month. I am paying \$2.70 per sack for flour, 20 to 60 cents per pound for meat, and not only this, but the Food Administration says when you buy 50 pounds of flour you must also buy 50 pounds of substitutes for flour, which, at the present prices, unregulated, costs about \$5—that is, I have to buy \$7.70 worth of foodstuffs.

I received a letter from another railroader in another part of my district, which reads:

I want to submit to you some figures showing what it costs to buy a sack of flour:

48 pounds of flour	\$2.70
2 packages of oat meal, weighting 3 pounds 6 ounces, at 30 cents a package	.60
1 package of cornstarch, 12 ounces	.10
1 sack of pancake flour, 4 pounds	.45
3 pounds of rice at 11 cents	.33
1 package of tapioca, 1 pound	.15
33 pounds of rice flour, at 10 cents per pound	3.30
	7.63

Two sacks of flour would have cost \$5.40. Can you blame the people much for kicking when they have to pay such an awful price for substitutes that make inferior eatables?

I think the Food Commission has power to regulate these substitutes; they say they have not. Then, let us give the power so there can be no reason, so far as lack of authority is concerned, to deal with all classes of profiteers.

PRICES OF OTHER NECESSITIES.

I repeat, the wheat producer's main complaint is that other commodities have not been regulated. He does not understand that if you can fix the price of his product—and that is a good thing to do—why it is that the same authority can not say and does not say to the manufacturer of farm machinery, "You shall not be permitted to increase the price of your machinery to the farmer from 80 per cent to 125 per cent."

You gentlemen, no doubt, or at least most of you, have received letters and resolutions showing the astonishing increase in farm machinery. For instance, a gang plow weighing 700 pounds, which sold to the farmer for from \$53 to \$55 in 1916, is selling now for from \$100 to \$105. My information is that all farm implements are advanced just about as the item I have mentioned. Another item, for instance, a 7-foot wheat binder. In 1916 the retailer paid \$120; now he pays \$203, and no doubt it will be much higher this season. The 12-foot binder in 1915 cost the retailer \$210. The same machine in 1918 costs \$395, an increase of \$185, or about 90 to 95 per cent. Take the small tractor plow, which is used very extensively by the wheat raisers of the Middle West and, I presume, elsewhere. I am informed that in 1915 the retailer bought this plow for \$80, while to-day the manufacturers of this plow have put a price on it of \$186, and the Lord only knows where it is going to. I might go on and mention many other implements, but do not think it necessary to take further time. Some experts will say farm machinery has not advanced any more than farm products. This is not a fact; but suppose it is, will such regulation make necessities any cheaper for the consumer? He should be taken into consideration, as well as the other fellow. So far as the consumer is concerned, there are two items in which he is especially interested—food and wearing apparel. Of course, it is not necessary to go into detail and discuss any further the doubling

and trebling of prices in the ordinary foodstuffs, because the average housewife can tell all about it; but what about wearing apparel?

Just a few items, made from cotton—and let me say in all fairness to the cotton producer, the enormous increase in wearing apparel is not by any means due to the cotton grower, as I will presently endeavor to show. But, first, I want to call attention to a few items. Take, for instance, cotton blankets. In 1916 they cost the retailer here in Washington \$1.20. He sold them for about \$1.75; in 1917 he sold them for about \$2.50. This year they cost him \$3.10, and he sells them for about \$4.50.

Sheetings, which sold at retail here in Washington in 1916 for about 50 cents per yard, now sell, by reason of the increase, at 90 cents per yard.

Unbleached muslin, which sold here by the retailer in 1916 at 6 cents per yard, to-day is being sold for about 22½ cents per yard.

Cotton dress goods, such as "Lancaster" and "Amoskeag," which sold here by the retailer in 1916 at 9 cents per yard, to-day sells for 25 cents per yard.

Bates seersucker gingham, which sold here in 1916 by the retailer at 12½ cents per yard, to-day sells for about 25 cents to 27 cents per yard. In many of these items the price has more than doubled and trebled.

I could call attention and give figures on various kinds of cotton underwear, of all grades, which are astounding when you compare them with prices two years ago. The ordinary work shirt, which sold a year ago for 50 cents, now sells for \$1 to \$1.25. The common blue overall, or jumper, which sold for 90 cents in all stores, now sells for \$2.25. It would be so ridiculous to say that the increase in blue overalls is caused by the increase in price of cotton and labor that they do not attempt it. It is just a plain case of filching, because they can and are allowed to do it; and, as for that matter, the same is true of practically every other item I have mentioned.

Just think of common old calico—the old stand-by of the poor woman—increasing from 5 cents per yard to 25 cents per yard. How long, gentlemen, do you suppose the patient American laborer is going to stand such an outrage? I want to say that he, like the wheat producer, is willing to do his patriotic duty and make all the sacrifices necessary to win the war for a world democracy, but he, like the wheat producer, is beginning to ask the question: "Is it necessary for us to be filched and deliberately robbed of a decent living to satisfy the greed of a lot of profiteers?" And let me say these profiteers are not confined to any particular class of individuals. They may be found in many places, and in many instances they include the retailer as well as the manufacturer, jobber, and others. There is just one place for any and all of them, it matters not what class they belong to, and that is the penitentiary. There is absolutely no justifiable reason for this abnormal increase. It is not on account of the scarcity of the raw material—cotton—nor, as for that matter, because of the abnormal increase in the price of cotton. I believe one of the best reasons that can be given is set forth in the following letter received from Hon. W. B. Yeary, assistant in the Bureau of Markets, Department of Agriculture, State of Texas. This ought to be very interesting to you Texas Members, and as for that matter all Members from the cotton section:

THE STATE DEPARTMENT OF AGRICULTURE,
Austin, Tex., February 28, 1918.

Hon. W. A. AYRES,
Washington, D. C.

MY DEAR SIR Attention to your bill fixing prices on necessities is called by the inclosed clipping from the San Antonio Express.

From what I get from this clipping, I agree with you. There are "higher-ups" than the farmer that need attention. Let me call your attention to a condition that exists with cotton. Take, for instance, 1912, when the average price of cotton to the farmer was 12 cents per pound. The price the spinner charged the retail merchant for 8-ounce duck was 9 cents per yard. You realize a yard of 8-ounce duck has half a pound of cotton in it, or 6 cents' worth. Now, taking 6 from 9 leaves 3, the amount the spinner required for making and selling a yard of duck. Now, let us grant that the spinner's expenses in making and selling a yard of duck has doubled, and I doubt it. The average price the farmers received for the 1917 crop will not be more than 27 cents. On this basis a yard of 8-ounce duck would have 13½ cents' worth of cotton in it; then, by adding double the cost of making a yard of duck before the war, or 6 cents, it would make a yard worth 19½ cents, but the spinner is charging the retail merchant 30 cents for it. If the spinner should have to pay 48 cents for a pound of cotton, he would have 24 cents' worth of cotton in each yard. This, added to 6, makes 30 cents, the price charged for a yard of 8-ounce duck.

In other words, the spinner has advanced the price of duck to where he can pay 48 cents per pound for cotton and double his expense and profits before the war. The price of cotton now is 32 cents. Basing the spinner's profits on the present price of cotton he is, besides doubling his expense and profits, getting 16 cents per pound, or \$80 per bale on every bale of cotton consumed.

The American spinners will consume at least 7,500,000 bales of this crop, which is an excess profit of \$600,000,000. The consumers, which include the Government, are paying it. The lighter grades of cotton cloth furnish a larger profit than duck.

The cotton farmer, like the wheat and corn farmer, has never received cost of production, basing his wages on the average wages of day labor of the country, including the depreciation of their farms, implements, etc.

I am inclosing you also a clipping from the Progressive Farmer on the cost of producing cotton for 1917, which is 34 cents or more. We were willing to take from 30 to 35 cents for it, because even at 30 cents we would be getting nearer cost than in former years, but we do not like to see this profiteering by the spinner. If we sell at 30 or 35 cents we want to see the consumer get the cloth at a corresponding price.

As to price fixing of cotton, corn, and wheat, my greatest fear is that we have men in charge of affairs of this kind in Washington who had rather take a New York gambler's advice about the cost of production than all the farmers in the country.

We are preparing for this by having thousands of farmers keep a record of the work and expense of making the 1918 crop. When those reports are in we are ready for price fixing, and will welcome it by the proper authorities rather than leaving the pricing to future gamblers, which I believe must be abolished.

Yours, very truly,
W. B. YEARY,
Assistant in Bureau of Markets.

Gentlemen, I have figures relative to woolen wearing apparel that, to my mind, are more astounding than those relating to cotton wearing apparel. I call attention to only a few items, such as woolen dress goods—what is known as 42-inch serges, sold in 1915 and 1916 for about \$1 per yard. To-day the same is selling from \$2.20 to \$2.30 per yard, and woolen underwear is out of sight as to prices, as well as otherwise. Woolen suitings of all kinds and grades have much more than doubled within the past year or so. I am told by one of the best tailors of the city of Washington that uniform goods—that is, Army and Marine uniforms—suddenly jumped \$3.62 to \$5 and \$5.50 per yard; and, strange as it may seem, it did not make any difference, either, the fact we have a great many patriotic \$1 a year woolen-goods men, active members of the Council of National Defense. It went up just the same, and in spite of all they could or did do. Many reasons are assigned for this, principally the old argument—scarcity of wool and increase in wages. It will be admitted there has been some increases in wages, but nothing, comparatively speaking, with the increase in prices of the commodities made from wool; as to the scarcity of raw material, I am not ready to admit that fact by any means.

Statistics show that the raw production of wool in the United States for the past three years is:

	Pounds.
1915.....	285,728,000
1916.....	288,490,000
1917.....	285,573,000

The imports of all grades of wool for the past three years has been as follows:

	1915	1916	1917
	Pounds.	Pounds.	Pounds.
Class I, clothing.....	222,017,420	403,121,585	278,842,543
Class II, combing.....	30,356,257	22,437,438	25,218,049
Class III, carpet.....	65,709,752	109,268,999	67,772,671
Total.....	318,083,429	534,828,022	371,833,263

The exports of wool in the grease for the past three years has been as follows:

	1915	1916	1917
	Pounds.	Pounds.	Pounds.
Unmanufactured.....	8,158,300	4,418,915	2,148,353

Consumption for the past three years of wool in the grease has been as follows:

	Pounds.
1915.....	578,391,195
1916.....	817,095,537
1917.....	653,427,544

But I do not care to go into detail concerning these matters; yet it might be interesting to know that at the close of the year, December 31, 1917, it was reported that the stocks of wool held by 582 manufacturers, in round numbers, was 575,133,470 pounds, of which it is estimated the city of Boston alone held about 107,133,847 pounds. There is no scarcity, nor has there been a scarcity, of the raw material, nor is there such an increase of exports nor a failure of imports nor an overconsumption of wool to cause any alarm or to cause the abnormal increase in price of woolen wearing apparel. It is another case of a lack of regulation, and I might say a lack of patriotism, on the part of a few or many, as the case may be, who have it within their power to filch and profiteer in the absolute necessities. I am informed by one of the great wool producers of this country that he can not get the woolen mills to make him a price on his wool, but he

must submit his offer to them through a go-between, who, without doubt, makes the first grab; then comes the remainder of the grabbers, all the way down the line, until finally, among them, they grab all the poor devil of a consumer has when he purchases the finished article.

HIDES, LEATHER, AND SHOES.

What has been said with reference to clothing can also be said of shoes. Again the same old stereotyped argument is used as to "scarcity of leather and the increases in wages." It is rather a difficult matter to get any positive figures on the production of leather, and there is some reason for this when you take into consideration the close corporation that controls the hide, leather, and shoe business of this country. When a packer, who produces the pelt or hide, sells that hide at a nice profit to a tannery, owned by himself, and again sells the tanned hide, at a nice profit, to a leather jobbing concern, owned by himself, and again sells the finished leather, at a nice profit, to a manufacturer of shoes, which is also owned by himself, and in some instances sells the manufactured product at a nice profit, you can understand to some extent, at least, why the ridiculous and unheard-of advance in prices of shoes.

Nor are these all the reasons, by any means, that can be assigned for the increase and outrageous prices of shoes. I was told by a manufacturer of shoes a few days ago that women's high-topped fancy shoes, which retail from \$10 to \$16, and sometimes more, cost about \$4.75 to \$5.25 to manufacture. That is to say, this included, as I remember it, the manufacturers' profit. Now, it is needless to say that somewhere between the manufacturer of the shoes and the actual consumer or wearer of them—there are some wood piles which contain Ethiopians, and it is up to somebody to locate them, and I, for one, want that somebody to have the power, good and plenty, to locate and deal with them, whoever they may be, whether they are jobbers, wholesalers, or if it be my own brother in the retail business—the sooner they are given steady employment, with board and clothing furnished, the sooner the defenseless and helpless purchasing public will be benefited.

It may be interesting to know that the statistics show that last year, 1917, there were slaughtered in the United States 2,000,000 more hide-producing animals, such as cattle, sheep, and goats, than in 1916. Never in the history of this Nation has there been such a large stock of packers' hides on hand. A preliminary report by the Federal Trade Commission shows that the quantity of hides stored by the five large Chicago packers, namely, Swift & Co., Armour & Co., Morris & Co., Wilson & Co., and Cudahy Packing Co., increased 45 per cent during 1916 and the first half of 1917. These concerns are the principal hide producers in the United States, and Swift & Co. and Armour & Co. are among the principal leather manufacturers. This report also discloses the fact that—

The imports of hides have increased. The attached chart shows that the total imports of hides into the United States increased from 342,000,000 pounds in 1912 to 612,000,000 pounds in 1916, an increase of four-fifths. In 1917, even with the scarcity of tonnage, the imports were about 380,000,000 pounds, or an increase of 70 per cent over 1912.

These great increases in imports have been principally from Argentina, Brazil, and Uruguay, where the large Chicago packers are very prominent factors in the hide business.

In speaking of excessive profits, the report shows that—

Financial reports secured from all the tanning companies of the country are now being compiled. The reports of a number of larger companies show that net profits in 1916 were in several instances two, three, four, or even five times as large as in 1915, and the 1915 net profits in turn showed increases of from 30 per cent to more than 100 per cent over those of 1914.

One striking instance is a company whose net profits were reported as follows:

1914	\$644,390.90
1915	945,051.37
1916	3,576,544.27

These are only a few facts that can be produced to convince any reasonable man, it seems to me, that some steps should be taken, some power given, to deal with such institutions, and if need be empower and authorize the Government to take them over and protect the general public.

SHOULD STIMULATE AND PROTECT PRODUCERS.

There are a great many interests to take into consideration in framing such legislation as contemplated by this bill or proposed amendment. There is no question but all should be done that can be done to encourage and stimulate the production of all necessities, and as far as possible to protect the producers of those necessities, especially during this emergency. The lack of this protection is being most forcibly demonstrated at this time by the live-stock interests throughout the country. Both cattle and hog raisers have lost money, and as a result there is going to be a meat famine within the next year unless something is done and soon to remedy the mistake made. The Food Administration no doubt knows by this time that it is

impossible for a hog raiser to stay in business by producing \$13.50 or, as for that matter, \$15.50 hogs and feed them on \$1.85 to \$2 corn and other feed even as high.

Nor will it be a paying proposition, as was first thought, to produce pork on the ratio of 13½ to 1 or even 15 to 1. That, of course, might have been all right had they also fixed the price of both sides of the ratio, but it was not done, and by not paying any attention to corn it has continued to climb until the pork producer has found it more profitable to sell his pigs and even brood sows and also sell his corn, if he has it; if he has not any, then it is also more profitable to sell his stock hogs rather than buy expensive feed. So the result at the present time is that there is a surplus of pork, but a fearful shortage later on confronting the Nation, which means a calamity. It is a simple proposition to fix a price or a ratio for meat production, but it is absolutely necessary also to fix the price of feed. Any 12-year-old farm boy can solve the simple mathematical problem that you can not feed \$1.85 and \$2 a bushel corn to hogs, sell them for 15½ cents per pound, and stay out of the bankrupt court very long! I was told a few days ago by one of the best hog raisers in my section of the State that he took 100 head of 90-pound shoats, weighed them, so there could be no mistake, put a hundred pounds on them, which cost him 22 cents because of the high-priced feed, and sold them for 16 cents. It is needless to say he is not now dealing very extensively in raising hogs. I have within the past few days received information in my part of the State which indicates a decrease this year of about 30 per cent to 33 per cent of hogs from last year.

Last fall a call was sent out to the cattle producers of the Nation for an increased beef supply, and all over the Middle West the cattleman went out and purchased feeders. True, he paid a high price for them, as they were fat on grass, and they were forced to do this on account of the competition of the packer, who wanted them for cold storage, where not a pound would be added to their weights. The feed lots were filled, and nearly 300 pounds per head was added to their weight before they were sent back to the market, the only process by which increased tonnage of beef could be secured. After feeding them all winter on the highest-priced corn, cottonseed meal, and bran the West has ever known, and after the feeder had braved the storms of winter and performed the labors incident to the avocation, they were taken back to the market and sold for 2 cents per pound less than when they were purchased last fall; and, strange as it may seem, at the same dates of sales meat was higher to the consumer than it was when they were purchased prior to their entry into the feed lots.

At a cattlemen's convention, representing the largest association of any organized in any State, held in my own city, Wichita, Kans., the last days of February, the fact was developed that hundreds of thousands of dollars had been lost by the feeders who tried to perform this patriotic duty. It was hard for them to understand why this condition should exist. In 15 minutes' time over \$15,000 was raised in cash to send a committee to Washington to lay the matter before the Food Administration. The committee has made their visit and left with the department hundreds of statements from reliable men showing the facts as I have stated. Does anyone suppose for a moment when the real necessity for meat will again stare us in the face at the close of the summer, that these feeders will respond when called upon to repeat the operation, especially so when they know that it was the profiteer who stood between their product and the consumer and received the benefits of their supreme efforts as patriotic citizens?

In this city at the present time is a committee called together representing the producers' interests of the Nation. Among that number is one of the largest stockmen not only in the United States, but the world as well. He produces the figures to show that he has lost the last year \$72,000 producing and feeding sheep and cattle. This does not allow a cent of interest on his investment, where he has millions of dollars invested.

Gentleman, these conditions are bringing about a spirit of unrest. The producers of meat and bread in the Nation look today on the business world. They see those who toil not amassing fortunes, while they plainly realize that if these conditions are to continue, it is the bankrupt court for them and the sweeping away of the accumulation of their toil which has taken years of hardship to amass. The story of the cattleman—in fact, the meat producer—is the same wherever he be located. The story of the consumer, who to-day is purchasing meat at a higher price than was ever known in the history of the Nation, is a parallel to the story of the producers. So you can see, gentlemen, unless something is done, and that immediately, to not only encourage and stimulate the meat industry but to protect it as well, what the result will be.

Let me say, the live-stock producer is not whooping it up for higher prices. He is patriotic, but like the wheat producer he also says.

Regulate! Regulate! That's all. Don't let one line of necessities, such as food or feed, be regulated by law and the heavy hand of authority, and the other by the law of supply and demand. Let the same law, whatever it may be—the same authority—govern all.

That is fair and equitable to all, and nothing else will be. There is no such thing as a law of supply and demand at this time. That exists only in normal times; during abnormal times like the present, when all necessities are controlled by profiteers, the supply as well as the demand is whatever they dictate. This was most forcibly illustrated a few days ago when the various statesmen tumbled over each other to introduce bills to raise the price of wheat. It had a bullish effect on the Chicago market, especially after the solons at the other end of the Capitol passed that amendment to the Agriculture appropriation bill. The Chicago market, on the 22d of March, was bullish as to other cereals by reason of this fact, so by raising the price of this necessity it means going around in a circle, as all other necessities will reach the same level, as indicated by a telegram I received yesterday from another railroader, as follows:

WICHITA, KANS., March 20, 1918.

Hon. W. A. AYRES,

House of Representatives, Washington D. C.:

Congratulations on your amended bill. It is the only solution of the economic problems facing the laboring classes to which most of us belong. If steps of this kind are not taken, a calamity in the prosecution of war activities awaits our Nation that will be a disgrace.

We do not want this to happen, but some action will have to be taken to prevent it. It is one thing to introduce bills to please a certain class of your constituents and make yourself popular with that class as appearing as the special champion of their cause, and it is another thing to undertake to legislate for the interests of all. There is bound to be conflicting interests, but it is the duty of a Representative to look first to the interests of his Nation as a whole and the greatest good to the greatest number at this time when the most trying period of the Nation's history is at hand. It seems that no man is justified in taking into consideration just what is best for his particular congressional district or his political future, but what is the best for his Nation as a whole. I repeat, I am compelled to vote for a higher guaranty price for wheat, because other products and necessities are not regulated. But it is, I must say, most emphatically not the correct solution of the difficulty nor the proper method of dealing with the subject.

TWO CLASSES OF CITIZENS TO BE CONSIDERED.

In conclusion, as my time is limited, let me say there are just two classes of American citizens to be considered in whatever is done. The first is the actual producer, and the other is the actual consumer. To fix the price and regulate one or two necessities, or not to regulate and fix prices at all; either plan is in the interest of but one class—the profiteers. And I want to say further, with all due respect to the gentlemen who are clamoring for legislation for higher prices, it gives a great deal of encouragement to that class which needs no consideration whatever—the profiteers.

Mr. Speaker, the profiteers are willing to do anything and everything, will make most any kind of concessions, rather than see legislation enacted to empower the President to regulate all necessities, and they to-day are calling upon the wheat producer—the only one so far to be regulated—to bring all power and influence to bear to prevent legislation of this character. They have succeeded in getting gubernatorial candidates, senatorial candidates, and congressional candidates to fall to and proclaim by speech and editorials as their brave champions and avowed advocates. I have in my district four counties, which I believe produce as much wheat as any other four counties of the same size in the United States, and I am satisfied my wheat producers would be content with the guaranty price already fixed for the 1918 crop, with the distinct understanding that all other commodities and necessities be also regulated. This is fair and equitable, just and patriotic, and I feel that my constituency is made of that kind of American citizens, and I intend to act accordingly. [Applause.]

I yield back the remainder of my time.

Mr. CANDLER of Mississippi. Mr. Speaker, I yield to the gentleman from Ohio [Mr. OVERMYER] five minutes.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for five minutes.

Mr. OVERMYER. Mr. Speaker, I shall vote against the Senate amendment to fix a price of \$2.50 per bushel on the 1918 wheat crop, just as I should vote against it if the price fixed in it were \$1.50 or \$5, or any other price. I shall vote against

it on principle, because I do not believe that the legislative branch of the Government should go into the price-fixing business. I can not conceive how the Congress of the United States, consisting of more than 500 men, representing sections of the country whose interests in the question are so antagonistic, can, by any sort of reasoning, reach a fair conclusion in the matter of price fixing, no matter how patriotic those 500 men may be, and assuming that any price fixing by any governmental agency is proper, which I am beginning very seriously to doubt.

It is estimated that to increase the price of wheat from \$2.20, as fixed by the President, to \$2.50, as proposed by the Senate amendment, will cost the consumers of this country and our allies the sum of \$400,000,000. However, I am not prepared to argue that a price of \$2.50 for wheat is too high when compared with the prices of other grains and prices of machinery and labor necessary to produce the crop, but I do insist that we have already vested in a governmental agency the power to determine what is a fair and reasonable price for the wheat crop, and I believe that agency better qualified and less likely to be moved by local considerations in fixing the price.

As a member of the Committee on Agriculture of this House I took a more or less active part in framing the food-control legislation which passed the House last summer, and I made a speech on the floor in favor of the bill, but nowhere in that speech will you find that I advocated any price fixing by Congress. I still want to be consistent and stand by the policy adopted by our committee in that legislation. That policy was that it was entirely proper and necessary to vest in some governmental agency the power, at least, to fix prices on commandeered articles, and perhaps such other commodities as the Government might have to buy. We thought it best, however, to vest that price-fixing authority, such as was given in the bill, in the President of the United States and not in Congress, and I am sure that practically all the members of that committee understood at the time that we were granting only authority to fix a minimum guaranteed price and not a maximum price.

Mr. FESS. Will my colleague yield?

Mr. OVERMYER. Yes; with pleasure.

Mr. FESS. Am I mistaken in supposing that we fixed the price of wheat on the crop of last year?

Mr. OVERMYER. We did in conference, but not in the House originally. The Agricultural Committee of the House proceeded on the theory that if there was any price fixing to be done by any governmental agency it should be done by the President, and we granted him that power to fix a minimum guaranteed price on certain commodities. No maximum prices were contemplated, and it was not the intention of the Agricultural Committee to grant the power to fix maximum prices, and no such power was given. But so far as wheat is concerned, the result has been the fixing of a maximum price, because with a minimum price fixed and the Government the only buyer, the minimum price becomes the maximum price, for there is no competition in open market to force the price up.

When that legislation reached the Senate, as gentlemen will remember, some gentlemen of that body apparently became alarmed over the talk in certain quarters of \$1.40 and \$1.50 wheat, and they sought to prevent any such thing by inserting in the bill a price of \$2. Quite recently, and while the present amendment was pending in the Senate, the President, exercising the authority conferred upon him by the food-control legislation, advanced the price of this year's wheat crop to a guaranteed minimum of \$2.20. This price, so far as my knowledge goes, is satisfactory to the farmers of Ohio, for I have had but one letter asking me to vote for the \$2.50 amendment. But I am not pretending to say that Ohio is a wheat-raising section as compared with some of the other States of the Union, and I have kept my mind open on this proposition, as I want to be fair with all sections of the country.

Mr. AYRES. Will the gentleman yield for a question?

Mr. OVERMYER. Yes.

Mr. AYRES. Was not the minimum price fixed for the sole purpose of stimulating production?

Mr. OVERMYER. Of course, that is the theory under which our committee acted in adopting any sort of price-fixing legislation. I take it that there is no excuse for vesting authority in any governmental agency to fix prices except to stimulate production.

Mr. REAVIS. Will the gentleman yield?

Mr. OVERMYER. Yes; I will yield to my colleague from Nebraska.

Mr. REAVIS. I entirely agree with the gentleman, but when the price fixed on wheat makes wheat the least profitable crop, would it not be a good idea to raise the price of wheat?

Mr. OVERMYER. That is the serious part of this matter; and I will say to the gentleman in all frankness that while I

have intended and do now intend to vote against this amendment, it has worried me more than my vote on the war resolution or on prohibition or on the suffrage proposition. [Laughter.]

The prices to which the coarser grains have advanced are such that it would probably be more profitable for farmers to raise them than to raise wheat, and if this question had come before us a month or two ago I might have voted differently from what my vote will be to-day.

Mr. AYRES. Is it not a fact that by not fixing the price of other cereals a great many acres that otherwise would be planted to wheat will now be planted to other cereals?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. OVERMYER. Will the gentleman in control of the time yield me five minutes more?

Mr. CANDLER of Mississippi. I yield five additional minutes to the gentleman from Ohio.

Mr. OVERMYER. I will say to the gentleman from Kansas, as I stated a while ago, that that is one of the reasons why I shall vote against the Senate amendment, because I believe it is too late now to influence the wheat acreage of this country for this year by any legislation.

Mr. REAVIS. Will the gentleman yield?

Mr. OVERMYER. I fear gentlemen are taking advantage of my generosity and are making their speeches in my time, but I will yield once more.

Mr. REAVIS. In the hearings before the Agricultural Committee the statement was repeatedly made by practical farmers that wheat was the cheapest feed that a farmer could now feed to his stock.

Mr. OVERMYER. Yes; that was stated.

Mr. REAVIS. And that one-half of the wheat was being so fed to farm animals.

Mr. OVERMYER. Yes; there is evidence that this is being done.

Mr. REAVIS. If you increase the price of wheat so as to make it more profitable to sell it than to feed it, will not that result in a greater available supply of wheat?

Mr. OVERMYER. I will say to the gentleman that we may be forced to fix prices on other grains, because we have gone into the price-fixing business on wheat. We are now confronted with a condition which may require additional legislation to remedy, brought about by a program upon which Congress should not have embarked in the first place by fixing a price on wheat in the food legislation instead of leaving the question with the President and the Food Administration, where the House originally placed it.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. OVERMYER. I yield to the gentleman from Nebraska.

Mr. SHALLENBERGER. The gentleman has just said that in his opinion it will not affect the acreage of wheat for this year to fix the price.

Mr. OVERMYER. Yes.

Mr. SHALLENBERGER. Does the gentleman have any idea that this war is going to be over this year?

Mr. OVERMYER. No; I fear not, unhappily.

Mr. SHALLENBERGER. Does it not follow that we must get ready to furnish wheat for next year?

Mr. OVERMYER. Yes; but we can not fix the price now for next year. We are undertaking to fix the price for this year, and I am sure it is too late to fix any price that will result in increased acreage of wheat for this year.

The food-control legislation of last summer was pioneer legislation of its kind in this country. All the nations engaged in the war have been forced to adopt legislation of this character, and public sentiment in this country demanded that the situation be taken in hand by the Government here. We all remember how the competitive buying of wheat and flour by the representatives of the allied Governments in the markets of this country a year ago forced wheat to unheard-of prices, giving it a fictitious value, which resulted in no benefit of consequence to the farmers, because the most of them had disposed of their wheat before this competitive bidding began. If the Food Administration had accomplished nothing else it would have justified its existence, and the legislation under which it is acting, by the elimination of this competitive and speculative buying and by creating a purchasing agent for all the allied Governments. But the Food Administration has accomplished other great things under the legislation referred to.

By cooperative arrangements, by the elimination of speculation and waste, the licensing of manufacturers, the punishment of hoarders, and proper distribution of food supplies, tremendous good has been accomplished in a general way. And high as prices now are, with conditions in general bad enough re-

garding food, yet every person who knows anything must know that conditions would be infinitely worse if we had no such legislation and no action under it.

I am sure not many men in Congress shared the erroneous impression entertained by the public that the food-control legislation was enacted to bring about a radical lowering of food prices, either wholesale or retail. No such results could be hoped for by anyone conversant with conditions. All prices naturally and inevitably have a tendency to higher levels in war time. All our prices had already reached high levels before we got into the war, and, as a matter of fact, conditions in this country regarding food prices might be just as bad by this time if we were not in the war, and might even be worse, because we would then have passed no food-control legislation, and speculation, waste, and hoarding would be going on unrestricted.

Leaving out the question of currency and inflation of money and all other theories we may assume this as an incontrovertible fact: Prices will continue to rise as long as the war continues, because war tends to lessen the supply of goods and services. That is clear and absolutely true. Another thing that is clear and equally true is that the simplest way to correct this condition is to increase the supply of goods and services by greater exertion and to decrease the demand by not buying the things you do not absolutely have to have and which you can very well get along without.

But our people do not like to do this. It is a simple remedy, but an unpopular one. It is much more popular to say, "Let the Government handle the situation," and the Government seems ready and willing in all cases to try, even when such governmental effort has the ill effect of relieving the individual from the spur to greater effort and greater economy which high prices would otherwise enforce upon him.

If the Government were to engage in a comprehensive scheme of price fixing, sufficient to bring all prices to a general lower level, under present war conditions, it would be embarking on a program which no Government has yet undertaken. To balance such a program and make it equitable it would have to include the fixing of wages and producers' prices for all sorts of agricultural and even manufactured products; for if consumers' prices are to be arbitrarily fixed, the elements that make the prices, including labor, must be arbitrarily fixed as well. A program so comprehensive would be assailed by a thousand difficulties.

What the United States Food Administration has been seeking to do and has done under the food-control legislation is the regulation of the world's food supply so that America and her allies in the war may be fed at as reasonable prices as it is possible to obtain. Reasonable prices are not necessarily low prices. They are the best that can be obtained under all conditions of the situation. And whatever may be said about the Food Administration operating under authority we have granted them, no one is heard to complain that our armies here and in France and Italy are not being well fed, and that is almighty important. [Applause.] Nothing else matters much at this moment. If they are fed they will hold out until we can get more men and airships and cannon and ammunition to them. What if our civil population is called upon to forego and sacrifice and practice self-denial, so long as our armies and allied armies are fed? And they are being fed or you would hear of it, I assure you.

I know that there are some just criticisms made of the Food Administration. I realize that perhaps men have been called in to assist in the administration of that law who probably know very little about the duties devolving upon them. I realize, for example, that they called in a young millionaire to assist in selecting farm tractors for our allies, who does not know any more about a farm tractor than a donkey knows about church music. [Laughter.] I realize that they called in a man to assist in the fuel end of it, who knows about as much about fuel and the production and transportation of fuel as I know about the divorce laws of South Dakota. [Laughter.] But these are matters of small consequence when compared to the tremendous big things that have been accomplished by keeping our armies well fed, securing a proper distribution of food supplies in this country and abroad, and eliminating speculation and waste.

Mr. SHALLENBERGER. Who fixed the price of wheat?

Mr. OVERMYER. The President; but it was fixed originally by the Senate. The other body of Congress was the one that started price fixing, so far as Congress is concerned. Congress ought never to have gone into that business under any circumstances, or we should go all the way and fix prices on everything—a program I am not yet ready to support. [Applause.]

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. STENERSON].

Mr. STEENERSON. Mr. Speaker and gentlemen of the House, in order that we may judge of the reasonableness of the demand for the higher price of wheat it is well to recall the circumstances of the enactment of the food-control law: The Senate, as has been pointed out by the gentleman from Ohio [Mr. OVERMYER], first inserted the \$2 guaranty of the 1918 crop with a view and purpose of encouraging production. At that time the prospects of peace were in many minds very bright, and in case of a cessation of hostilities in this world war it was anticipated that the price of wheat would go down, and therefore they should give a certain guaranty to the producers. That was the object of that. The law contained another provision authorizing the Government to buy and sell wheat, store it, and go into the wheat business, and to do that at a reasonable price. That was in section 11.

There was another provision in section 14 which authorized the Government to also guarantee the prices for future crops. These three provisions are in the law. The President, after appointing an advisory committee on the 31st day of August, 1917, determined that \$2.20 for No. 1 at Chicago was the basic price at which he was going to purchase all the wheat in the country for this Government and the allies. That automatically determined the price of the wheat that then existed. At that time the winter wheat was all harvested; the spring wheat was all harvested but was not brought to market.

The spring wheat sold prior to that time had received in the neighborhood of \$3 a bushel. The position between the neutrals and the allies was such at that time that it brought up the price of wheat to what was thought to be an unreasonable level.

The farmers of the United States are patriotic, as was demonstrated by the fact that when the President fixed the price at \$2.20 for the then existing crop, which was 80 per cent spring wheat on hand, they accepted it without complaint. [Applause.] They said we want to cooperate with all the people of the United States to fight this war, and we are willing to sacrifice from the market price of our wheat and there was no objection against the action of fixing the price of wheat at \$2.20. [Applause.]

That was the attitude of the farmers then. Why? Because in that same food law there was a provision that said you should fix the prices further. It was the honest belief on the part of the farmer that they were not to be the only victims of price fixing, but that it was to go all along. That law says that the prices shall be fixed on all the farmer uses. The farmer expected that the price fixing would not be confined to the things he had to sell to the world. The law expressly mentioned fertilizers and machinery. Things went along smoothly, so far as spring wheat was concerned, but on the 1st day of September following the Government put into effect a new standard of grain. We had a standard that had been worked out by learned gentlemen in the Department of Agriculture after consulting whom? The grain trade. They never consulted the farmers or the producers; they were formed in the interests of the buyer. That produced dissatisfaction more than anything I have known in the far Northwest, because every man takes some pride in his wheat crop and does the best he can. Now it is degraded. Here is 60-pound wheat to a bushel.

I have been in the wheat business 40 years, and it is graded on some imaginary reason that has no substantial basis, because you take it and compare No. 1 wheat, and it makes just as good flour and has as much in it as the other, so far as the production of food is concerned. There is only a slight difference. It is an excuse to penalize the farmer who sells the wheat from 10 to 15 cents a bushel. As I say, it produced dissatisfaction and reduced the price of wheat, because the price fixed is dependent upon the grade of the wheat.

As the result a demand sprang up for a higher guaranteed price. Bills were introduced in both Houses of Congress. It was discovered by the Food Administration that this great Department of Agriculture had overestimated the wheat crop 75,000,000 bushels, and suddenly we were put on rations and required to buy fifty-fifty substitutes. You remember that; it was not very long ago. The result was that the grains out of which the substitutes were produced advanced in price so as to leave wheat in the background.

Well, that is not the way to encourage the production of wheat. The farmers requested an increase in petitions to Congress. While that was under discussion in Congress the Government fixed the price of the 1918 crop by proclamation at \$2.20, the same as they were then paying. Why? Some claim that the Food Administration was doing it to get ahead of Congress, but the law expressed it that the only reason for fixing a guaranteed price in the future was to encourage wheat production. The farmers were very much surprised. They were then required to sell their wheat at about 25 per cent less than a free market would have paid them, judging by the price of other grains, and

here comes the Government and says, "We will encourage you to produce more wheat by promising that we will pay you for next year's crop the same price that we are now paying for wheat." That is a funny kind of encouragement.

The farmer would naturally say, "Yes, my Government, you love me all right; you say you love me; you say I produce the staff of life—the wheat, the bread—and you like me for that, and then you promise to encourage me, but you have an awful queer way of showing your love for me, you have a queer way of encouraging me by promising to pay me less in the future than my product is worth." He might well have exclaimed with the poet—

Perhaps it was right to dissemble your love;
But—why did you kick me downstairs?

That is the way he might have answered.

Mr. BARKLEY. Mr. Speaker, will the gentleman tell us who is the author of that?

Mr. STEENERSON. J. P. Kemble, who lived about a hundred years ago. It is found in a play called "The Panel."

That is the kind of encouragement they gave the farmer.

Mr. REED. A constituent of mine living in a village in West Virginia says that he is paying now \$3 a bushel—

Mr. STEENERSON. I want to point out to you the reason for having a higher price in 1918 than in 1917. It costs more to raise the crop of 1918. The price of gasoline, the price of motors, the price of fertilizer, the price of labor have all risen. An editorial in a farm paper which I received this morning shows that the average price in farm labor has increased 22 per cent. Many men have been called to the military service and many have left for the industrial centers by reason of the high wages. That being the case, the wages demanded by labor are 300 and 400 per cent higher than the farmer had to pay in 1916.

Another thing, wheat is a very risky crop. In 1916 the North Dakota spring wheat crop promised 160,000,000 bushels, and during the summer, in a few days, the black rust came along and destroyed that crop almost wholly, so that the harvest was 39,000,000 bushels instead of 160,000,000. That is an element in the cost of raising wheat. As pointed out by Prof. Warren, of Cornell University, who testified before the Senate committee recently, the risk is so great that it justifies an expectation of fluctuation of more than 25 per cent. In 1917 he says that the farmers planted 14,000,000 acres more than they harvested. What became of that crop? It was either plowed under or left idle, and planted to new crops in the wheat area. If you put the price too low here, lower than the market justifies, you discourage production. I will insert here the testimony of Prof. Warren:

The CHAIRMAN. You mean grain lies at the foundation of meat?

Mr. WARREN. Largely; and if we have a poor grain crop we have poor crops in general and poor hay and pastures in general, so that almost the whole thing is poor, except that we have our reserve supplies of meat and grain from previous crops, the animals, of course, always being a reserve food supply.

Take a single one of these grains—wheat—in the United States for the 10 years. From 1910 to 1914 we averaged planting, according to the figures which I have worked out from the Government reports, 53,000,000 acres. On the average we harvested 49,000,000, and on the average we raised 728,000,000 bushels for the five years' average. In 1915 we planted 61,000,000 acres, harvested 60,000,000. We had a good year; planted heavily, and it being a good year, very little of it failed, so we harvested a large crop. The acreage the farmers planted might have been expected to yield, according to the previous experience, 838,000,000 bushels, but it did yield 1,026,000,000. In other words, the farmers' plantings, based on an expectation of 838,000,000 bushels, produced 1,026,000,000.

In 1916 they planted 57,000,000 acres. Based on past experience, they ought to have got 738,000,000 bushels; they did get 640,000,000.

For the year just past they planted 60,000,000 acres and harvested 46,000,000. So far as the farmers knew, they planted for \$24,000,000 bushels of wheat for the last year; they got 651,000,000, or more than 20 per cent less; that is, we may plant for a billion bushels of wheat and get less than 800,000,000; we may plant for 800,000,000 and get a billion. This shows the margin of fluctuation, due to the weather.

Another factor in the situation at present is that the reserves are very low.

It is said here by the gentleman from Illinois [Mr. MADDEN], who is an eminent authority on farming, that this will not encourage production. That statement was reiterated by the gentleman from Ohio. It may not increase the acreage sown, because seeding is pretty nearly over, though not quite, in my district; but it will increase the supply of wheat—and why? Because it will discourage the use of wheat for stock food. They will not use it for stock food if it is more profitable to sell it and use corn for that purpose. I will here insert an extract from the testimony of Dr. Taylor, of the University of Pennsylvania:

Dr. TAYLOR. They have experimented with everything, and the maximum in Germany to the consumer has always been a failure, unless the Government possessed large stocks of commodities with which they clubbed the market; and when they did that, then they became the largest buyers, and that had the effect of putting the small buyer at a disadvantage. They never tried minimum prices properly adjusted to

stimulate production. They made the attempt to keep the cost of living to the consumer, as regards the staples, down to a plane that proved to be impossible; in other words, too low. They attempted to keep the price of bread, for instance, practically to a peace-time price; and the price of bread has been 78 pfennigs for the weekly loaf, which is less than 5 cents per loaf, through the entire period of the war. The quality of this bread has been reduced at different times by the addition of varying amounts of potatoes. At the present time it is a mixed-flour bread; but the present bread of Germany, made from mixed flour, without the addition of potatoes, is much cheaper than the bread in most of the surrounding countries, as I have said, less than 5 cents a pound on the standard valuation of bread. In order to do this they practically had not only to wipe out all of the intermediary profit but they had to hold the price of grain to a point that the producer found unprofitable which tempted him to divert the grains in other directions.

The CHAIRMAN. Could you tell us what that price was?

Dr. TAYLOR. I have them here. Converted into our measure of bushels, the price for the last year was, for wheat, \$1.77 a bushel; for oats, \$1.05 a bushel; for barley, \$1.61 a bushel; and for rye, \$1.37 a bushel. Oats were essential for the horses of the army. For barley the price was held high, partly through the influence of the brewer and partly for considerations that were apparently political.

The German agricultural classes regarded these prices, high as they are, as below the extraordinary costs of production in war time, and they have never equaled a normal crop in any one of them or an average of the normal crop. Of course, fertilizers were scarce, labor was very scarce, and all of the conditions were difficult, but the financial impulse was lacking.

They took from the farmer all his oats and half his barley; they took from him, theoretically, or could take from him all his wheat and rye, except certain portions left with him for his own family. But the relative prices tempted the farmer to sell barley as such and to feed the wheat and rye to his live stock. The farmer was requisitioned for half his barley and the other half of his barley left to him to do with as he pleased. He sold it and then turned around and fed wheat and rye to his stock instead of barley. The Government has each year discovered a difference of 1,000,000 or more tons of rye and wheat between the crop estimate and what they finally got. In theory they confiscated those grains; in practice they could not. They did not have anyone to send to the farmer for the grain; they did not have the wagons to bring the grain from the farm. They have no large elevator systems in Germany and had no places to store the grain. All they could do was confiscate on paper. They took so much and said, "We will get the rest of it in units of so much per month," and then at the end of the seventh or tenth month the man who came to get the month's unit found that the farmer had fed it to his live stock. What was to be done with the farmer? They could not fine or imprison him; he could not be penalized. They were helpless before the farmer. In other words, having failed to stimulate production by adequate encouragement, and having held the price of bread low, they defeated their own object in both directions, produced dissatisfaction with the producer, established little satisfaction with the consumer, and lost a large amount of human food that was diverted to the feeding of animals.

The CHAIRMAN. That very thing often characterizes oppressive measures of that sort.

Dr. TAYLOR. In other words, their management of the grain situation was, in their own terms, a "fiasco," except that it did guarantee to the consumer a maximum price for bread.

Then they made a fundamental mistake, and the curious fact is that the management of their food situation from the beginning to the end is a story of mistakes and inefficiency. The efficiency of Germany went into the production of munitions, into the army and transportation, and not into her agriculture. The normal bread ration in Germany was 40 per cent of her diet. It was about 365 grams of flour per day.

The CHAIRMAN. Can you reduce that to our terms?

Dr. TAYLOR. I should say 14 ounces. They decided that so much was not necessary; that it was too high a bread ration, despite protests of nutrition experts, so they cut it arbitrarily down to about two-thirds rations, about 9 ounces. If a people, whose diet is being temporarily restricted by crop conditions or by repressive measures, have in that diet the normal amount of bread to which they are accustomed, you can take out the sugar or the meat or other things; you can decrease and substitute to a very large degree without altering the psychology of the consuming class; but the moment you place the consuming class upon a definite and obviously insufficient bread ration you have shattered the entire structure of diet, and you can do nothing with them in any other direction. That is why it is so extremely important at present that our situation and that of our allies be so handled that we and they have as near as possible a normal bread ration, because when you have that you can "tinker" with the rest of the diet, if you will pardon the expression, to a large extent. If you have not a normal bread ration, then you can do little repressing.

The Germans made the fundamental mistake in the beginning, despite the counsel of all their expert advisers, their scientists, and nutritionists. They fixed the bread ration at a low price, which fixed wheat at a correspondingly low figure, and the result was that it was so low the farmer would not produce. They did not secure increased production, and were thus not even able to offer the people the normal bread ration. Then when the blockade was tightened scarcity became worse; they had their people already on a two-thirds' bread ration and then had to begin to cut off fats, meats, and sugar. That has been the source of their difficulties, all traceable to the initial failure to set a price for products that really repaid and stimulated the producer; and, secondly, the attempt to keep a fundamental commodity in war to a practically peace-time basis, which is obviously impossible.

Another thing. Take it in the winter-wheat regions. I am told that there are hundreds of thousands of acres that have been winter killed, so that it will not produce more than 3 or 4 or 5 bushels to the acre. If the price is as fixed now, it may not be profitable to harvest a crop as light as that and it would be more profitable to plow it up and sow it to corn. If we fix the price at \$2.50, it will increase the supply in that direction. I say that this claim for a higher guaranteed price of wheat is justified because of the changed circumstances, the higher cost of production, and it is justified because labor is more scarce and because the risk is greater, and the wheat can not be produced at the same price that it was produced a year ago; and that must be taken into account.

What was a fair price a year ago will not be a fair price this year.

To illustrate how this plan throws an unjust burden upon a few farmers who happen to raise wheat instead of other crops, I call attention to the following statistics:

WHEAT PRICES.

Wheat exports for the seven months ending in March, 1918, including flour reduced to bushels, are estimated at 75,000,000 bushels, of which 60,000,000 went to the allies and the remaining 15,000,000 bushels to neutrals.

Comparing the fixed price of wheat with other grains, the price of wheat was approximately 25 per cent, or 75 cents per bushel, below what it would have been in a free and open market. The wheat growers therefore were required to contribute about \$56,000,000 to furnish a cheap loaf in the foreign countries, \$45,000,000 of which was contributed to the allies and \$11,000,000 to neutrals. But, in addition to this, they contributed at least 150,000,000 bushels to feed the domestic population, upon which the loss by controlled prices would be \$112,500,000, making a grand total of \$168,000,000 that the wheat growers of the United States have contributed toward furnishing cheap bread. To place such a burden upon a limited class of people who are engaged in producing the principal article of food is economically and morally wrong. If it is a duty to furnish cheaper bread than the market affords, that duty rests upon the Nation and not upon a limited few. Again, this price control, being limited to one item, has utterly failed of its object and we have not furnished the cheaper bread that was intended.

RETAIL BREAD PRICES.

	Cents.
Wheat bread:	
12-ounce loaf.....	9.32 cents per lb.
1-pound loaf.....	10
3-pound loaf.....	25
Graham and whole-wheat breads:	
1-pound loaf.....	10
Rye bread:	
1-pound loaf.....	10
3-pound loaf.....	30

The only people who have been furnished cheaper bread by reason of Government interference with wheat prices are the populations of the allies, for there the governments have actually sold the wheat or flour to the bakers on condition that the bread should be furnished at a certain low price prescribed. Of the 15,000,000 bushels exported to neutrals the United States had no control over the price at which the wheat or flour should be sold. It was exported by consent of the War Trade Board, it is true, but it was distributed through the regular channels of trade, and hence we find that American flour in Haiti sold for \$16.15 per barrel, wholesale; in Cuba for \$15.68 per barrel; in Mexico for \$14 per barrel; and at retail at higher prices still, so that the American farmer, instead of benefiting the ultimate consumer, was simply enriching the middleman.

The cost of raising wheat has nearly trebled in the past three years. Labor, which formerly could be obtained for \$25 to \$30 per month, now demands \$90 per month. Binder twine, which formerly cost 7 cents a pound, now costs 21 to 27 cents. This reminds me of the remarkable difference in the treatment of the farmers of the United States by their Government, and the farmers of Yucatan by theirs. The Yucatan Government took over monopoly of export of binder-twine hemp and raised the price to the farmers of the United States 400 per cent; but the Government of the United States cut down the price of its farmers' wheat by 25 per cent, part of which in the shape of flour was exported to Yucatan to pay for the twine. Our Government forcibly reduced the price of our export grain, and the Yucatan Government, by monopoly methods, increased the price of the farm products they export.

WHAT HAPPENS WHEN THE FARMER GOES TO MILL?

Formerly, the farmer would take his grain to the mill and give one-eighth for the miller's toll, and he would get back the balance in flour and feed, making a charge of 14 per cent for the milling. Now, he takes 60 pounds of wheat, which he must sell for 3½ cents per pound, or \$2 a bushel. He buys back 45 pounds in the shape of flour at 7 cents a pound, or \$3.15, and 15 pounds in the shape of feed, at 2 cents a pound, making 30 cents, a total of \$3.45. He brings in 56 pounds of corn, which he sells at 3 cents a pound, or \$1.68 per bushel. He purchases back 36 pounds of meal, at 10 cents a pound, or \$3.60, and 20 pounds of feed, at 2 cents, making 40 cents more. He brings in 32 pounds of oats and sells it for 3 cents a pound, or 96 cents, out of which he gets 16 pounds of oatmeal, at 12 cents a pound, or \$1.92, and 16 pounds of feed, at 2 cents a pound, or 32 cents, making a total of \$2.24. He brings 48 pounds of barley, which he sells at 3½ cents a pound, or \$1.68 a bushel, and he purchases back 33 pounds of meal, at 7½ cents a pound, or \$2.47, and 15 pounds of feed, at 2 cents a pound, or 30 cents, a total of \$2.77. He sells his grain for \$5.32 and buys back flour and meal made

from it at \$12.46. He formerly paid 14 per cent toll; he now pays 74 per cent, an increase of more than 400 per cent.

The explanation of this abnormal rise in the middleman's charge is found, first, in the abnormal profits of the miller, which, according to recent investigations, are more than 100 per cent of what they were before the Food Administration took hold. Next is the abnormal profits of the jobbers and retailers, which have likewise increased in the same proportion. The next reason is that persons can not buy flour or feed at wholesale, but are compelled to buy in small quantities at retail, and the farmer must therefore pay for the containers. The farmers of Minnesota must pay for cotton sacks or bags covering the small packages of flour and meal which he is compelled to buy as substitutes. The price of cotton has increased nearly 400 per cent. I insert a list of these prices:

WHOLESALE PRICES OF COTTON FLOUR BAGS.		Cents.
12-pound bags	each	7
24½-pound bags	do	12
49-pound bags	do	20½
98-pound bags	do	28½

It will be observed that if you should buy the smallest packages it would cost at the rate of \$1.12 per barrel of flour simply for the coverings.

WHO FEEDS YOU, PROFITERS OR FARMERS?

The President says:
"The farmer, for example, complains, with a great deal of justice, that while regulation of food products restricts their incomes, no restraints are placed upon the prices of most of the things they themselves must purchase, and similar iniquities obtain on all sides."—(Message to Congress on Dec. 5, 1917.)

THE FARMERS AGREE WITH THE PRESIDENT.

Authentic figures prove that 345 12-ounce loaves are made from one barrel of flour, at 6 cents per loaf—\$20.70
Of this the farmer receives—7.44

Somebody else receives—13.26

If the price of wheat is raised to \$2.50 per bushel and the millers are still allowed their excess profits, it will not add one-half cent to a loaf of bread. With excess profits of the miller eliminated, bread will sell for one-quarter cent less per loaf.

The average consumption per capita for the United States is one barrel a year. Two-dollar-and-fifty-cent wheat will add \$1.35 to each consumer in one year. If the Government will take the \$1.34 excess profits of the millers each consumer will save 59 cents a year.

This saving will encourage production, so that the consumer will not have to buy the high-priced substitutes.

In his message of December 5 President Wilson said, "The law of supply and demand, I regret to say, has been replaced by the law of unrestrained selfishness." Doesn't the profiteering of the millers show what the President states? He further says, "While we have eliminated profiteering in several branches of industry, it still runs unduly rampant in others."

NATIONAL WHEAT GROWERS' LEAGUE,
JOHN A. SIMPSON, Secretary.

WHAT HAPPENS TO THE FARMER WHEN HE GOES TO MARKET?

In the first place, the farmer can not sell his own grain. He must employ a member of the grain exchange on commission. Before the Food Administration took hold the commission on wheat was 1 cent a bushel, and on coarse grains half a cent, but this was immediately increased to 1 per cent, or 2 cents per bushel, for wheat and a little over, making an increase of 120 per cent in the expense of selling. Then he was confronted with the new system of Federal inspection and grades, which was so stringent that the bulk of his wheat was graded down to No. 3, No. 4, No. 5, and sample grade. This meant a difference of 3 cents for No. 2, 6 cents for No. 3, and 10 cents for No. 4. The price was fixed by grade and not by value of the wheat. Before Government interference unjust inspection was universally corrected by competition, for when wheat was graded too low it was sold on sample for what it was worth, sometimes at the highest price. But this is not all. Spring wheat is liable to have foreign material in it, either separable or inseparable. The separable material is called dockage and consists mostly of oats, barley, flax, pigeon-grass seed, and other weed seeds. Most of these seeds are valuable for feed, and a great many cars were received with \$40 or \$50 and even \$100 worth of foreign material, but under fixed prices for wheat this foreign material had to be given away to the purchaser. Inseparable foreign material had the effect of degrading the wheat. Four and one-half per cent of rye, worth \$3 per bushel, would run No. 1 wheat down to No. 4, although for milling purposes its value was not affected. The grades imposed were so unjust that it created general dissatisfaction throughout the spring-wheat regions. Here are extracts from a petition presented to the President:

The application of these grades to spring wheat in particular has been and is injurious to the grain producers of the Northwest, and has caused a loss to the farmers aggregating many millions of dollars, and at the same time has shaken the confidence of the producers in the good faith and justice of the Government, and has created a feeling that the producers' interests have not been sufficiently considered in promulgating the grades.

Dissatisfaction with the present standards has been manifested by many meetings of protest which have been held throughout the States of Minnesota, North Dakota, and South Dakota, and has resulted in

the selection of a committee of officers and representative men from these States to appear in Washington for the purpose of seeking the necessary relief.

This petition was presented to the President personally, and was signed by the governors of Minnesota, North Dakota, and South Dakota, and other State officers, the entire delegations in Congress, members of the Minnesota Public Safety Commission, and others. The signatures are as follows: O. P. B. Jacobson, B. R. Comorner, S. J. Cradall, R. J. Hornsdale, E. H. Rehnke, J. J. Murphy, William D. Scral, N. J. Mosley, Peter Norbeck, C. J. Lee, C. H. March, Sydney Anderson, C. R. Davis, N. Ferguson, Harold Knutson, C. H. Dillon, Ernest Lundeen, A. J. Volstead, Thomas Sterling, Knute Nelson, P. J. McCumber, Frank B. Kendrick, Harry L. Gandy, Thomas Johnson, Grant S. Yumans, P. D. Norton, Carl S. Van Dyke, John Lind, H. Steenerson, E. E. Elsworth, J. M. Baer, C. E. Lundquist, George M. Young, A. J. Monny, J. A. A. Burnquist. So far our appeal for relief has been in vain. The Secretary of Agriculture kicked the farmer not downstairs, but clear down cellar.

One farmer wrote to me of his experience as follows:

I sold 600 bushels of durum wheat. It was No. 1 of the very best, but I was docked 8 per cent because it contained 5 per cent of barley and 3 per cent of weed seeds, mostly mustard and pigeon grass, and it really had value for feed. The barley was worth \$1.15 a bushel, making a total value in the 600 bushels of \$42, for which I got nothing. It was donated to the buyer. In Minneapolis they got from \$50 to \$100 worth of screenings in every car. The millers are making more money than they ever did. It is a sure thing for the middleman all along the line.

My correspondent, who had No. 1 wheat, weighing 60 pounds to the bushel, reports that, even when he shipped to Minneapolis in carload lots, it netted him only \$1.96 a bushel, and he had been compelled to donate the valuable dockage besides. The farm price of spring wheat in the Northwest by these methods was reduced at least 10 cents per bushel, involving a loss of more than \$15,000,000, for which the Department of Agriculture and the Food Administration are directly to blame. Now, if this \$15,000,000 had gone to reduce the price of bread to the consumer the farmer would have been perfectly satisfied and contented, but it never reached him at all. The miller in figuring the cost of his flour has almost invariably used the basic price of \$2.17 or \$2.20. Before the wheat had reached the mill it had passed through the hands of elevator companies which were either independent or subsidiaries of the mills, so that the profits referred to did not go directly to the mill—and did not tend to reduce the price of bread.

If the people only had been willing to eat wheat, and the farmer had been equipped with facilities to deliver it to each consumer, then reduced farm prices would have reached the ultimate consumer, but, unfortunately, when the wheat left the farmer it was only started on a long journey to its final destination on the table of the bread eater. On this journey there are many middlemen, each one of whom seems to have been able to double, treble, and quadruple his profits, so that the benefit of the reduced price which was paid to the farmer has entirely disappeared, and we find that while the farmer receives less than 3 cents for the wheat used in a 16-ounce loaf of bread, the consumer has to pay from 9 to 10 cents for it, a price high enough to justify \$3 wheat.

In some quarters Congress has been criticized for making the law. All that Congress did, however, by the enactment of the grain-standards act was to confer upon the Secretary of Agriculture the authority to fix grain standards. Congress had the right to assume that in the administration of this law the Secretary of Agriculture would have regard for the interests of the farmer as well as the grain trade. But the results appear to be, at least in the opinion of the farmers, this, that the Federal grain standards and grades as put in force operated against the interest of the grain producer, and in favor of the purchaser, the miller, the elevator buyer, and the middleman. The fault is not in the terms of the law, but in the administration of it, which rests wholly with the executive and administrative branches of the Government. I do not want to impugn the good intentions of the Department of Agriculture, but whatever their intentions were the fact remains the system of standards and grades promulgated and put in force by them appear to be satisfactory to the millers, the elevators, and the middlemen, and the grain trade in general, but unsatisfactory to the farmers and producers. The underlying thought of the Department of Agriculture seems to have been that by the enforcement of sufficient penalties to compel the farmer to improve the quality of his grain and to prevent mixture of different varieties of the same kind of grain. In his annual report for 1916 the Secretary of Agriculture says, with reference to the standards then in course of preparation:

Public hearings were held in four of the large grain-marketing and exporting centers and in Washington. The suggestions received by letter and at the hearings were fully considered in drafting the final form of the rules and regulations which were promulgated.

Mr. Brand, the chief of this bureau, before the Committee on Agriculture of the House of Representatives, on January 9, stated:

We make it a practice not to put any of these standards into effect without first having extended conferences with the trade, in order that it may have a full voice in the final enactment and in order that where mistakes occur in any of our standards they may be pointed out, so that the standards may be as good as possible.

For some reason or other the department officials have up to this time proceeded on the theory that the grain grower—the farmer—does not know his own best interest. Whether he likes it or not, these grain standards must be satisfactory to the grain trade, and especially to the exporter who seeks to establish a reputation either for a special kind of grain or a special kind of food product. Take, for instance, in the matter of the moisture test, where wheat is to be ground into flour. We are told that flour ordinarily contains 13½ per cent of moisture, which is the same as is required for No. 1 northern spring wheat. However, if No. 1 is to contain that percentage, in order to be ground the miller has to dampen it until it reaches 15 or 16 per cent moisture, and then he again reduces the moisture in the flour to 13½ per cent in order to keep it in the best condition. Where the moisture is below 15 per cent it is practically impossible to tell the exact percentage without a test. A country elevator, even if equipped with the instruments for making the test, would require half an hour to an hour for every test. At many of these elevators hundreds of loads per day arrive, and it would be absolutely impossible to have an instrumental test made of each load. In order to play safe, therefore, the buyer must reduce the grade on the contention that it contains more moisture than the rule allows. The Minnesota inspection, which has been giving satisfactory service to the people of that State for many years, established 15 per cent as the maximum moisture to be allowed. Where wheat contains more than 15 per cent of moisture it can be detected by an experienced person without an actual chemical test.

Then, as to the mixture of different varieties of wheat, to penalize the farmer, as is indicated, for a small admixture of other varieties of wheat is not only unjust but useless. The country elevator is not equipped with sufficient bins to keep more than four or five kinds of wheat separated, and where the same grade of wheat is of a different variety it is necessary in almost all instances to put it in the same bin. The elevator equipment at the points to which the farmers bring their wheat is not sufficient to keep these varieties, classes, and subclasses of the same grade from being mixed. The object and purpose is said to be to establish a reputation for a particular variety of wheat, so that the manufacturer who desires it to mix with another kind of wheat or other material, or for some particular food product, may be able to get what he wants; but in nine cases out of ten wheat is necessarily mixed before it arrives at the terminals, and the penalty inflicted on the farmer does not follow the wheat to the terminal, but the profit by reason of the lower prices inures to the middleman.

The farther the wheat gets away from the farmers' hands, the more apt it is to be mixed. The value, therefore, of any particular locality's wheat is determined by its mixing value for milling purposes. A comparatively small proportion of the wheat ground into flour escapes the art of the mixer. Consequently the demand for a law which would prevent the mixing of grain would seem to be based on the assumption that the producer still has an interest in it after it has entered the channels of trade. Such appears, however, not to be the case, and any such law passed, presumably in the interest of the producer, would probably only add to the expense of distribution and throw the burden ultimately upon the consumer. (Report of Industrial Commission (1902), vol. 19, p. 182.)

Mr. H. N. Owen, publisher of Farm Stock and Home, a leading agricultural paper, testifying before the House Committee on Agriculture, referring to the grades, and Mr. Brand, Chief of Bureau of Markets, said:

Mr. OWEN. I want to say something here, not in the spirit of criticism but just the way it strikes me, and that is that Mr. Brand, while he may be all right, he got himself in very bad last December in Minneapolis and Fargo. Whether it is so or not, he gave the impression that these are the grades, and we would have to take them whether we want them or not. That is the impression he gave to the farmers. It was an unfortunate impression, both for him and the department.

— SYRACUSE, N. Y., April 18, 1918.

Hon. H. STEENERSON,
Washington, D. C.:

The executive committee of the National Grange, in session at Syracuse, N. Y., unanimously indorse the Gore amendment fixing the price of the 1918 wheat crop at \$2.50 per bushel, and urge support of the measure. We feel that everyone opposing this is working against the best interests of our country.

N. CADY, Secretary.

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. STEENERSON. I insert in the RECORD the report of the Federal Trade Commission on milling and flour jobbing—just made public to-day. It explains the high cost of living all right,

and shows that the farmer is not to blame. It shows that the profits of the millers last year increased from 11 cents to 52 cents per barrel. Jobbers in carload lots increased their profits from 22 cents in 1914 to 55 cents per barrel in 1917, and small jobbers' profits increased from 52 cents in 1914 to 86 cents per barrel in 1917. Millers operating profits increased 175 per cent and their investment profits increased more than 100 per cent. Read this report, and you will know why bread is high.

The matter referred to is as follows:

FEDERAL TRADE COMMISSION FOOD INVESTIGATION.
REPORT ON FLOUR MILLING AND FLOUR JOBBING.

The Federal Trade Commission presents herewith a report of findings in its investigation of wheat-flour milling and wheat-flour jobbing, the principal subjects covered being:

Costs and profits of millers and distributors of wheat flour for the last five years.

Marketing conditions and practices of millers and distributors of wheat flour.

The report does not cover conditions and practices in the retail-flour trade.

The commission finds that the net profits made by millers increased from 11 cents per barrel in the crop year 1912-13 to 52 cents per barrel in the crop year 1916-17. The commission also finds that the gross profits of car lot distributors increased from 22 cents per barrel in the calendar year 1914 to 55 cents per barrel in the first half of the calendar year 1917, and the gross profits of small-lot jobbers increased from 52 cents per barrel for the calendar year 1914 to 86 cents per barrel in the first half of the calendar year 1917.

This investigation constitutes a part of a general food investigation made by the commission pursuant to the direction of the President of the United States, contained in a letter dated February 12, 1917, which reads in part as follows:

" * * * Therefore, I direct the commission, within the scope of its powers, to investigate and report the facts relating to the production, ownership, manufacture, storage, and distribution of foodstuffs and the products or by-products arising from or in connection with their preparation and manufacture: * * *"

The funds appropriated by the Congress to carry on the food investigations became available on July 1, 1917. On April 5, 1917, the United States declared war against Germany and war legislation extending the activities of the Department of Agriculture with respect to the production and distribution of food and establishing the United States Food Administration with extensive powers over the principal foodstuffs produced in the United States, was immediately taken under consideration by the Congress, and was enacted into law in August.

Under these circumstances the commission deemed it advisable to conduct an investigation of the production and distribution of wheat flour, which is one of the most essential articles of food and one most vitally affected by war conditions, and to conduct this investigation along lines that appeared to be most serviceable in carrying out the policies of regulation contemplated in the above-mentioned legislation.

The results of the commission's investigation have been communicated to the United States Food Administration from time to time in a spirit of cooperation, and this report in particular has had the careful consideration of the various officials who have to do with this subject.

PRINCIPAL FINDINGS OF FACTS.

The investigation of flour milling and flour jobbing shows the following facts:

1. There are some 7,000 merchant wheat-flour mills in the United States, which during the last three years have produced on the average about 118,000,000 barrels of flour annually, but which have an aggregate capacity sufficient to produce approximately double this quantity. This output of flour has required the grinding of about 550,000,000 bushels of wheat per year.

2. The simple process of milling and comparatively small cost of milling equipment have resulted in the building of a large number of small mills throughout the country. In certain favorably located centers, however, there has been a natural development of flour mills of large capacity, which have some advantages over the small mills in the economy of production, but some disadvantages in the cost of distribution. In recent years, the mills of large capacity have increased in number while those of small capacity have decreased.

3. At least one-half of the total domestic output of flour in the United States is marketed at points commercially distant from the place of manufacture. Several of the larger mills have established branch houses for the distribution of their product and sell from 30 to 60 per cent of their output in this way, the remainder going to jobbers and wholesale grocers. The smaller mills, on the other hand, distribute most of their output, exclusive of local sales, through brokers and jobbers, and make very small use of the branch-house method.

4. The average cost of production per barrel of flour for mills covered by the investigation increased in the fiscal or crop year 1916-17 over the preceding year, due mainly to the increased cost of wheat, while operating profits per barrel as shown by their records increased nearly 175 per cent and their rate of profit on investment increased more than 100 per cent. The increase in profits was due in part to the enhanced value of unsold stocks carried over from the preceding year, which were disposed of on a rising market, and also to speculative profits on feed, the prices of which increased greatly during the year.

5. During the fiscal year 1912-13, which the available information indicates was a fairly normal year, the average net profit of mills covered by the investigation was 11 cents per barrel, which yielded nearly 10 per cent on the investment. During the fiscal year 1913-14, for which the closing inventories were affected by European conditions, the average net profit was 16 cents per barrel, which yielded 13 per cent on the investment. Under present regulations, millers are allowed a maximum net profit of 25 cents per barrel on their sales of flour, and also 50 cents a ton on their sales of feed, which is equivalent to about 1.7 cents per barrel of flour additional. The commission is informed that this maximum profit was based upon the needs of small mills, it being expected that competition among larger millers would reduce their profits below the maximum.

6. The expenses of flour distributors or middlemen covered by the investigation increased somewhat in the first half of 1917 over the preceding year, while their gross and net profits showed a very large increase. The average net profit per barrel of several large car-lot jobbers increased more than 125 per cent and the average rate of profit on investment nearly doubled. The average net profit per barrel of various small-lot jobbers and the average rate of profit on their investment showed a similar increase.

7. The average gross profit of car-lot distributors in 1914 was 22 cents per barrel and in 1915, 21.5 cents per barrel. The average gross profit of small-lot jobbers was 52 cents in 1914 and 51 cents in 1915. These were fairly normal years for flour jobbers. Under present regulations the maximum gross profit of car-lot distributors is fixed at 25 cents and of small-lot jobbers at from 50 to 75 cents per barrel.

8. Prior to 1914 competition in the milling industry was keen, but since the outbreak of the European war it has been restricted somewhat by the abnormal conditions that have resulted. Certain competitive practices, such as the operation of controlled companies without identifying them, forward selling, and guaranteeing customers against a decline in prices, etc., have been voluntarily discontinued or prevented by the present regulations. Association activities in some instances appear to have affected competition locally.

9. The price of flour to the public has been affected by two factors (a) the governmental fixation of the price of wheat, with the consequent elimination of speculation, and (b) the regulation of flour millers' profits by the Food Administration. The present regulation of flour millers' profits at a fixed margin above cost, however, has the inherent weakness of not encouraging efficiency in production and of affording to unpatriotic millers temptation to dishonesty in cost-accounting, difficult to detect or prevent except by individual and detailed audits. While the actual profit which millers will make during the present crop year can not be finally determined until the end of the 12-month period, it appears from the information at hand that the regulations have reduced the profits of most mills below those made during the year 1916-17. This added to the larger reduction secured by the fixation of the price of wheat, which is part of the regulatory plan, has reduced the prices of flour to the consumer several dollars a barrel. In addition, the wheat and milling regulations have kept flour prices fairly stable in spite of an increasing shortage, due to the heavy shipments abroad. The regulations as a whole, therefore, have accomplished substantial results.

10. The regulations of flour jobbers' profits are free from the weaknesses inherent in the regulations for the millers, since they fix only the gross profits that may be made, leaving the jobber free to earn what he can by efficient operation. The gross-profit margins allowed the jobbers are also more nearly in line with their average margin under normal conditions than is the 25 cents per barrel allowed the millers, which, as is stated elsewhere in this report, is a maximum, but taken in connection with the less than normal volume of output is regarded by many millers as "allowable."

11. Consideration is now being given by the United States Food Administration to the improvement of the present regulation of millers' profits in the light of experience thus far gained. It is the opinion of the commission that maximum prices of flour might be established, which would cover the cost of wheat and all manufacturing, selling, and general expenses, and in addition would give the miller a reasonable profit. The standardization of flour by the Food Administration renders the plan of fixing flour prices much easier of accomplishment than was possible before the varied character of the output of different mills was eliminated. Maximum prices established for different sections of the country would, of course, recognize differences in the cost of wheat and also in the other costs of large and small mills. This, or some similar plan, would make it profitable for millers to operate efficiently and keep costs down.

12. The United States Food Administration has created an enforcement division, whose duty it is to prevent profiteering and infractions of the rules, and this division is already accomplishing positive results. The Federal Trade Commission is cooperating with this division in checking up the accounts of flour millers, and will make public in future reports the results of its investigations.

WHEAT-FLOUR MILLS.

According to census figures, there were in 1914 about 7,000 merchant mills grinding wheat flours. Figures obtained from the United States Food Administration and other sources indicate that 100 mills probably produce 40 per cent of the total output of wheat flour; 200 mills, 60 per cent; and 1,000 mills, 80 per cent, while the remaining 6,000 or more merchant mills only produce about 20 per cent of the total.

A classification of 1,171 of the largest mills, according to capacity, showed the following:

Daily capacity.	Number of mills.
5,000 to 10,000 barrels.....	21
1,000 to 5,000 barrels.....	121
500 to 1,000 barrels.....	155
250 to 500 barrels.....	260
100 to 250 barrels.....	613
Total.....	1,171

The manufacture of flour is a comparatively simple operation, and even in the largest mills the equipment is neither complicated nor expensive compared with the value of the product. The labor required in flour milling is also much less than in most other industries. This has made possible the construction and operation of small mills, which, except in New England and a few Southern States, still supply a considerable part of the local demand.

The total capacity of all merchant flour mills in the country is far in excess of what is needed to handle the wheat available for grinding, and except during the crop-moving season few mills are able to run at capacity. Notwithstanding this fact, new mills continue to be built each year. This excess of capacity has been facilitated by the small investment required, and is partly due to great local variations in grain production.

While merchant flour mills are found in almost every State in the United States, there has been a natural development of the industry and of large scale production in centers favorably located with respect to the principal wheat-producing regions. Minneapolis in the Northwest, Kansas City in the Southwest, and Buffalo on the Great Lakes are the largest of such milling centers. While the number of mills producing less than 100,000 barrels annually has declined noticeably since 1899, the number of mills producing more than this quantity has increased from 135 to 218, or more than 60 per cent.

There has been some concentration of the ownership of flour mills, but for the most part the industry is still characterized by a large number of relatively small concerns each operating a single mill.

PRODUCTION OF WHEAT FLOUR.

Census reports for 1914 show that 545,728,431 bushels of wheat were ground during that year. From this wheat 116,403,770 barrels of flour worth \$543,839,568 were made. This represented a yield of about 1 barrel of flour and about 86 pounds of feed for each 4.7 bushels of wheat ground. The yield of flour varies somewhat from year to year and from mill to mill, depending upon the quality of wheat ground, the character of the equipment used, etc. During the 1917 crop year, for instance, some mills obtained a barrel of flour from about 4.5 bushels of wheat.

While complete figures for the domestic production of flour are not available for the years subsequent to 1914 the output is estimated to have ranged from 105,000,000 to 125,000,000 barrels with about 118,000,000 barrels as a yearly average. Of this quantity from 11,000,000 to 16,000,000 barrels have been exported annually. Imports of flour have been practically negligible, averaging only about 150,000 barrels a year.

DISTRIBUTION OF WHEAT FLOUR.

A considerable proportion of the flour milled in the United States is consumed at or near the place of production, but at least a half of the total output is sold in more distant domestic markets or exported. More than 75 per cent of the flour entering the competitive markets is produced by mills located in or near the three largest milling centers—Minneapolis, Kansas City, and Buffalo.

Many of the large flour mills maintain branch houses in the important distributing centers of the country for the marketing of their output to the grocery and bakery trade, but a considerable proportion of the domestic output of flour not sold at or near the place of production is distributed through the agency of middlemen, of which there are several classes, such as mill agents, brokers, and jobbers. The broker and mill agent usually sell flour in car lots on a commission basis, while the jobber buys flour for resale, and in most cases maintains a warehouse from which he delivers flour to his customers in small lots. There are a few large jobbers, however, who sell in car lots and do not maintain warehouses. The principal customers of the former type of jobber are the small bakers who buy on credit. The car-lot jobbers sell to larger domestic or export buyers, usually for cash.

COST AND PROFIT OF MILLING.

The commission obtained the costs and profits of some 75 milling companies operating 130 mills for the five fiscal years, 1912-13 to 1916-17. In most cases the fiscal year is the crop year ending in June, July, or August. A few companies, however, use the calendar year. In such cases the 1917 figures are for the first six months of the year only. The mills covered by the investigation include most of the larger and some of the smaller companies having a daily capacity of not less than 200 barrels. These mills are located in each of the important milling districts of the country, and together produce about 40 per cent of the total domestic output of wheat flour.

Great difficulty was experienced in obtaining accurate figures because of the unsatisfactory manner in which many companies kept their records. Even for the larger concerns it was often impossible to secure complete data, and this was generally true of the small companies investigated. In fact, very few millers were found who kept their records in a manner to show the actual and complete cost of making and selling their production of flour. Proper revisions of cost to correct these deficiencies were made, however, in the costs of production as determined by the commission.

The following tabulation shows in summary form the average results of operations of the mills covered by the investigation for the last five fiscal or crop years:

Summary of costs and profits of flour milling for fiscal or crop years 1912-13 to 1916-17.

Year	1912-13	1913-14	1914-15	1915-16	1196-17
Number of mills.....	118	128	133	132	128
Flour produced (in 1,000 barrels).....	41,828	45,639	45,726	51,560	43,146
Feed produced (in 1,000 tons).....	1,475	1,638	1,708	1,978	1,786
Wheat used (in 100,000 bushels).....	1,867	2,026	2,071	2,349	1,988
Cost of wheat used per bushel.....	\$0.89	\$0.89	\$1.20	\$1.11	\$1.79
Cost per barrel of flour:					
Wheat.....	\$3.97	\$3.93	\$5.45	\$5.03	\$8.22
Packages.....	.26	.26	.23	.24	.30
Operating and repairs.....	.19	.19	.19	.19	.24
General expenses.....	.09	.09	.10	.10	.13
Selling expenses.....	.19	.20	.21	.21	.27
Total.....	4.70	4.67	6.18	5.77	9.16
Depreciation at 3 cents per barrel.....	.03	.03	.03	.03	.03
Total cost of flour and feed.....	4.73	4.70	6.21	5.80	9.19
Less value of feed produced.....	.69	.77	.85	.78	1.23
Net cost of flour produced.....	4.04	3.93	5.36	5.02	7.96
Sales and profits per barrel flour:					
Net sales.....	4.20	4.11	5.56	5.26	8.31
Cost of sales, including general and selling expenses ¹	4.06	3.92	5.31	5.05	7.77
Profit.....	.14	.19	.25	.21	.57
Less interest (except bond).....	.03	.03	.03	.02	.05
Net operating profit.....	.11	.16	.22	.19	.52
Rate of operating profit on net sales..... per cent.....	2.7	3.9	3.8	3.7	6.2
Investment per barrel ²	\$1.21	\$1.23	\$1.35	\$1.28	\$1.63
Rates of profit on investment, per cent.....	9.4	13.2	15.8	15.1	31.8

¹ This is the net cost of flour produced, taking into account the difference between the opening and closing flour inventories and also including gains or losses on unfilled orders.

² The investment per barrel of flour as revised is the average investment for the year after deducting all outside investments where shown and also good will, trade marks, brands, etc., but including the value of rented plants.

The total cost of flour and feed includes the cost of wheat, operating expenses, cost of containers for flour and feed, general expenses, and selling expenses. From the total cost is deducted the value of the feed or offal, which is a by-product of flour milling, to determine the net cost of flour.

In the case of many mills the value of the feed produced could not be ascertained except by going back to the invoices, since these mills failed to keep a separate record of the quantities sold or of the proceeds of flour and feed sales. In such cases the commission has used the average value of feed of mills in the same territory whose records were kept in a manner to show this amount separately.

The practice of millers with respect to depreciation was found to vary greatly. Some did not treat it as a cost item, but were accustomed to charge off an arbitrary amount at the end of the year, others did not charge any, while still others were charging off too much. Since the practice of companies regarding depreciation varied so greatly, the commission has included in its costs a uniform charge of 3 cents a barrel. This is based on a rate of 2½ per cent on a fair investment in buildings and a rate of 5 per cent on a fair investment in equipment. This provides an adequate allowance for this cost factor and was the best method available under the circumstances.

The cost of flour, as shown in the table, does not include the items income tax, excess-profits tax, and interest on borrowed funds, but before arriving at the net operating profit interest on borrowed funds other than bonds has been deducted from "profit."

The investment per barrel of flour as revised by the commission is the average investment for the year after deducting all outside investments where shown, and also good will, trade-marks, brands, etc., but including the value of rented plants. The brands of most companies, of course, have a value, some being very valuable, but as it is difficult to capitalize these values, and as most mills do not include them in their investment, the commission found it advisable to eliminate them altogether.

The above summary table and the supplementary detailed tables given in Exhibits A and B show, among other things, the following:

The cost of wheat used constitutes most of the total cost of milling and selling flour.

The net cost of flour, obtained by deducting the value of the feed from the total cost, is practically equal to the cost of the wheat used, since the value of the feed or offal under normal conditions equals roughly the sum of all expenses of milling and selling except the cost of wheat. In the fiscal year 1916-17 the net cost of flour was less than the cost of the wheat, owing to the high prices obtained for feed. The recent regulations of the Food Administration reducing feed prices should tend to restore the usual relation.

The costs for the fiscal years 1914-15 and 1915-16 were considerably above those for the two preceding years, while the cost for 1916-17 showed a large increase over the preceding year, due principally to the greatly increased price paid for wheat. The slight variation in the number of mills included in the different years does not materially affect the comparison, since only the smaller mills are missing in particular years, and the aggregate production of the mills included is large.

During the fiscal years 1912-13 to 1915-16 from 85 to 90 per cent of the total output of the mills covered by the investigation was made and sold at a cost, exclusive of wheat and sacks, ranging from 30 to 60 cents per barrel, while during the year 1916-17 only about 48 per cent was produced within these limits of cost. In that year 85 per cent of the output was produced at a cost ranging from 40 to 80 cents per barrel.

The average margin of profit per barrel for the first four fiscal years covered by the investigation was very remunerative, but in 1916-17 this margin of profit showed a tremendous increase, due in part to exceptionally favorable speculative opportunities afforded by the rapid rise in wheat, flour, and feed prices. Stocks of wheat not hedged and of flour and feed not sold, as well as supplies of sacks and other materials, showed a large increase in value.

It is the general practice of millers to inventory their stocks according to market value. The effect of writing up the inventories of wheat, sacks, etc., as prices rose was to decrease the average costs of these items per barrel of flour, and the effect of writing up the flour inventories in this manner was to decrease the cost of sales. Both operations resulted in a corresponding increase of profits for a given year by including profits that would have been shown in the results of the following years' operations had the inventories been based on actual cost. It is probable that the profit derived from the sale of stocks of flour on hand at the beginning of the fiscal year 1916-17 represented about a fourth of the total profit made during that year as shown by the books of the companies. A considerable profit was also derived from the sale of feed at a higher price than was used in determining the price of flour, especially that sold ahead. In making a price on flour sales it is customary for the miller to base the deduction for feed on average values. Hence, in a rapidly rising market, such as occurred in 1917, the difference between the amount actually obtained for the feed when it was made and sold and such average values represented additional profits.

The commission has undertaken to ascertain what the profits of millers would have been if they had inventoried their wheat and their flour at the average cost instead of at the market price. For this purpose the records of 42 companies operating 93 mills have been analyzed, revised, and averaged. These companies include the principal concerns east of the Rocky Mountains, their combined output ranging from 38,000,000 to 44,000,000 barrels per year. The results are as follows:

Year.	Net sales.	Cost of sales.	Profit per barrel.	Profit per barrel less interest. ¹	Rate of net profit on investment.	Rate of profit on net sales.
					Per cent.	Per cent.
1912-13.....	\$4.24	\$4.09	\$0.15	\$0.12	10.6	2.4
1913-14.....	4.10	3.98	.12	.10	8.9	2.0
1914-15.....	5.61	5.35	.26	.23	20.0	3.7
1915-16.....	5.24	5.13	.11	.09	8.6	1.6
1916-17.....	8.55	7.98	.57	.52	37.6	5.4

¹ Except bond interest.

The profits per barrel and rates of profit on investment and on net sales shown in the foregoing revised tabulation represent the profits realized on the operations for each year. It is interesting to compare these results with the profits shown by the books of millers given in the summary table, which include profits or losses accruing through change in the market value of flour and wheat held in stock. The method of

inventorying at the market price showed its greatest effect in distorting the actual results of operations in the two years 1913-14 and 1915-16. At the close of the former year prices rose rapidly coincident with the outbreak of the European war. Consequently the closing inventories of wheat and flour made at the market price were considerably above the opening inventories, and the difference tended to reduce costs and increase profits. Instead of making on the average of 19 cents a barrel profit, as shown in the first summary table, the millers actually made only 12 cents a barrel in that year.

A similar condition existed in the year 1915-16. The exports of wheat to Europe were not as heavy as anticipated, while the production and sales of flour in the United States were very greatly increased over the year before. This caused the millers to sell their output at about the normal margin of profit and to carry over heavy stocks. Before the close of the year, however, the certainty of a short crop throughout the world caused a sharp rise in prices, and the writing up of inventories gave the millers a book profit of 22 cents instead of about 11 cents, which they actually earned during the year.

If we assume that the rate of profit on the sales of feed was the same as the rate on sales of flour, the margin of profit from this source would have amounted to the following:

Per barrel of flour:	Cents.
1912-13.....	2
1913-14.....	1½
1914-15.....	2½
1915-16.....	1½
1916-17.....	6

These figures indicate the increase in feed profits in 1916-17.

COSTS AND PROFITS OF FLOUR JOBBERS.

The commission obtained the costs and profits of five important car-lot jobbers and some 30 of the most important small-lot jobbers for the calendar years 1914 to 1916, inclusive, and for the first half of 1917. Less complete figures were also obtained for the year 1913. These jobbers were located in the principal distributing centers east of the Mississippi River. A summary of the results brought out by the investigation is shown in the tabulation below. More detailed figures are given in Exhibit C, where for convenience the jobbers are grouped according to size and the average results for each group are computed.

Summary of costs and profits of flour jobbers for the calendar years 1913-1917 (first half).

	1914	1915	1916	1917 (first half).
Car-lot jobbers:				
Number of jobbers.....	4	4	5	5
Gross profit per barrel.....	\$0.222	\$0.215	\$0.281	\$0.545
Expense per barrel ¹	\$0.072	\$0.083	\$0.100	\$0.135
Net profit per barrel ²	\$0.150	\$0.132	\$0.181	\$0.410
Rate of profit on sales..... per cent.	3.3	2.3	3.0	4.5
Investment per barrel.....	\$0.358	\$0.471	\$0.538	\$0.602
Rate of profit on investment, per cent.....	37.5	21.3	31.5	60.7
Small-lot jobbers:				
Number of jobbers.....	24	29	31	29
Gross profit per barrel.....	\$0.524	\$0.505	\$0.591	\$0.863
Expense per barrel ³	\$0.349	\$0.353	\$0.376	\$0.388
Net profit per barrel ⁴	\$0.175	\$0.153	\$0.211	\$0.475
Rate of profit on sales..... per cent.	3.4	2.4	3.2	4.7
Investment per barrel.....	\$0.793	\$0.700	\$0.818	\$0.881
Rate of profit on investment, per cent.....	22.1	21.1	26.2	51.9

¹ Not including salaries of proprietors, partners, or officers.

² Before deducting salaries of proprietors, partners, or officers.

³ 3 concerns.

⁴ 4 concerns.

⁵ 30 concerns.

⁶ 25 concerns.

The gross profit per barrel of flour jobbers represents the difference between the selling price and the purchase price of flour handled. The expenses of flour jobbers consist of general office and selling expenses, bad debts, and for the small-lot jobbers, who maintain warehouses, cartage and storage in addition. No salaries of proprietors, partners, or officers are included in the expenses, since such salaries are not generally shown by the books.

The net profit per barrel of flour is obtained by deducting the expenses of doing business from the gross profit.

The summary table and the supplementary table given in Exhibit C show the following facts:

The gross profit, expenses, and net profit per barrel of flour of both classes of jobbers showed little change in 1914 and in 1915, but in 1916 and especially in the first half of 1917 there was a noticeable increase. The variation in the number of jobbers included in the average for each year does not materially affect the comparison except possibly in the case of the amount of investment per barrel for car-lot jobbers.

The average gross profit per barrel of car-lot jobbers increased from 28 cents in 1916 to 54.5 cents in the first half of 1917, while expenses, exclusive of salaries, only increased from 10 cents to 13.5 cents. Net profits per barrel therefore showed an increase from 18 cents to 41 cents, and the rate of profit on investment showed an increase from 31.5 per cent to 60.7 per cent.

The average gross profit per barrel of small-lot jobbers increased from 59 cents in 1916 to 86.3 cents in the first half of 1917, while the expenses exclusive of salaries increased only from 37.6 cents to 38.8 cents. Net profits per barrel of small-lot jobbers increased from 21 cents to 47.5 cents, and the rate of profit on investment increased from 26.2 per cent to 51.9 per cent.

MARKETING CONDITIONS AND PRACTICES.

The large number of flour mills in the country, absence of much concentration of ownership and overcapacity have always made competition keen in the flour-milling industry, but since the outbreak of the European war in 1914 competition has been increasingly reduced by the abnormal conditions which have developed. The foreign demand for both wheat and flour has greatly increased, so that, on the one hand, the millers have obtained a smaller proportion of the domestic supply of wheat for grinding, and on the other hand, have had a broader market for their output of flour.

The commission's investigation disclosed that competitive conditions in the industry had developed some marketing practices on the part of millers which were open to criticism but none that were particularly vicious. Such practices as did exist have been largely done away with for the duration of the war by the regulations of the United States Food Administration.

The Washburn-Crosby Co., the largest flour miller in the United States, was found to have been operating several controlled companies without identifying them, but voluntarily discontinued this practice after the investigation was begun, and is now marking all of its brands with the name "Washburn-Crosby." The operation of unidentified subsidiaries gives the controlling company an unfair advantage over its competitors in the distribution of its products and if allowed to continue is likely to spread from one company to another until a whole industry may become demoralized. (See report of the Federal Trade Commission on the Fertilizer Industry, Aug. 19, 1916.)

One of the worst evils of the flour business is the multiplication of brands, many of which are not identified by the name of any concern. Heavily advertised brands usually bear the name of the manufacturer or the distributor, but there are a large number of brands sold that bear no name to which responsibility for poor quality can be attached. It is on such brands that price cutting is apt to be most objectionable.

The pure-food law requires the correct weight to be put on the sack but does not require the name of the manufacturer or distributor. It would undoubtedly make for much better marketing conditions in the industry if such identification of all flour sold were required.

The worst practice found among distributors was that of contracting ahead for as large a quantity of flour as the mills would sell with the intention of calling for deliveries if the price went up but of repudiating their obligations if the price went down. This practice was almost entirely confined to more or less irresponsible concerns attracted into the business by the prospects of large profits. It has been effectually prevented for the duration of the war by the regulations of the Food Administration which forbids mills to sell flour more than 30 days ahead of actual delivery.

The flour-milling industry is characterized by a large number of trade associations, such as the Millers' National Federation, the Southeastern Millers' Association of Nashville, the Millers' Exchange of Kansas City, the Ohio Millers' State Association, Indiana Millers' Association, etc. Some of these associations publish daily price lists for flour based upon reports made by their members. It is probable that these price lists tend to modify competitive conditions in the selling of flour at least within the region covered by an association. This matter is now under investigation by the commission.

PROGRESS OF REGULATIONS.

The large profits made by flour millers and flour jobbers in the first half of 1917 emphasized the necessity for governmental control of the situation during the period of the war. Although only eight months have elapsed since the food-control bill became a law and the United States Food Administration was organized much has already been accomplished for the protection of the public. The guaranteed price of wheat for the 1917 and 1918 crops has been fixed and the distribution of wheat placed under the supervision of the Food Administration Grain Corporation, organized in August, 1917. The prices and profits of flour millers have been regulated through the agency of the milling division of the United States Food Administration, also organized in August, 1917.

The plan of regulation adopted provides, briefly, that each miller must have a Federal license to operate. Failure to comply with the regulations of the Food Administration makes the miller liable to have his license revoked. The different grades of wheat available for grinding are distributed pro rata among the millers by the Grain Corporation on the basis of the quantity ground during the years 1914, 1915, and 1916. Many of the millers have entered into a voluntary agreement not to pay more than the Government price for their wheat.

The maximum profits of flour millers have been fixed at 25 cents a barrel on flour and 50 cents a ton on feed, which is equivalent to about 1.7 cents per barrel on flour. The millers are required to file reports each month with the Food Administration showing their costs and profits.

The number of pounds of wheat that can be used in producing a barrel of flour has been fixed, and the miller is not allowed to separate the flour into high and low grades. Consequently, millers who have spent considerable sums in advertising special brands are no longer able to supply these brands to the trade. The maximum price of bran in ton lots at the mill door has been fixed at 35 per cent of the cost of a ton of wheat. Other feeds must be sold at fixed differentials above the price of bran.

All the important flour jobbers have been licensed and their profits regulated by the United States Food Administration, but in a somewhat different manner from those of the millers. The maximum gross profit of car-lot jobbers has been fixed at 25 cents a barrel and of small-lot jobbers at from 50 to 75 cents per barrel.

Before the above regulations became effective wheat prices had risen to about \$3 a bushel, flour prices at the mill had risen in some instances above \$16 a barrel, and bread prices had risen in some places to 10 cents for less than a 16-ounce loaf, with every indication of a continued rise in prices as a result of war-time conditions. Since the regulations have been effective wheat prices have been reduced to \$2.20 per bushel for the best grade in the Chicago market, and wholesale flour prices to from \$10 to \$11 a barrel at the mill for most mills. Bread prices were reduced as low as 7 or 8 cents for a 16-ounce loaf in most of the larger cities, but have recently been quite generally increased, either by raising the price or reducing the size of the loaf.

While the regulation of millers' profits by the United States Food Administration has accomplished much for the protection of the public, the present system has certain defects which suggest the advisability of modification.

The plan of allowing each miller to make his own prices of flour on the basis of cost plus a maximum profit of 25 cents a barrel makes it possible for him to pass on to the public any increase in cost due to mismanagement or inefficiency or any padding of costs due to misunderstanding or dishonesty.

The monthly reports of costs and profits which the millers make to the United States Food Administration were intended to furnish a check on their operations and also to serve as a practical basis for the enforcement of the regulations and the detection of major violations. These reports, however, would be of more value if they were supplemented by a comprehensive plan of audit, for the only certain method of ascertaining whether millers are conforming to the regulations would be a continuous audit by a competent force of accountants.

The present regulations of flour millers' profits also appear to have given them a larger profit than they were accustomed to make under

normal conditions, which, on the average, was not over 12 cents to 15 cents a barrel. The commission's investigation of costs and profits for recent months indicates that 25 cents a barrel is being taken by many millers as a guaranteed net profit after paying all income and excess-profit taxes, although the 25 cents is interpreted by the Food Administration as a maximum, and although the Food Administration has ruled distinctly that income and excess-profit taxes are not to be included in costs. The enforcement division of the Food Administration is charged with securing future compliance with this ruling and with the regulations in general.

A margin of 25 cents a barrel net would give the larger millers, at least, an excessive profit, as compared with that normally made, if they produce the usual quantity of flour this year. Many millers, however, will not be able to reach a normal production. The uncertainties as to the probable production have made it necessary for millers to estimate what they should make during the period of full production in order to obtain the allowable profit on their entire year's operations, including some slack months. Some have been less conservative in their estimates than others, and it is quite probable that they will make more than the regulations provide. The commission is informed that a plan has been devised for penalizing such mills.

Under the present regulations there are about as many different prices for flour as there are mills, which makes it impossible for the buyer to know whether he is paying a fair price or not. Furthermore, a considerable variation in prices charged by different mills in the same locality naturally arouses the suspicion—sometimes unjustified—that the higher priced mill is profiteering.

The control of flour prices could be much simplified by grouping the mills according to regions, and also according to size, and fixing a maximum price for flour for each group, based upon the wheat cost, and sufficient to cover manufacturing, selling, and general expenses, and also a fair profit to the miller.

If the selling price of flour were thus fixed and made a matter of public knowledge, any attempt to secure an excess price could be much more easily detected than at present. Furthermore, the elaborate monthly cost and profit reports, which have proved burdensome, especially to the small miller, and are of doubtful utility as a means of securing compliance with the regulations, could be simplified or done away with entirely. By eliminating them the overhead expenses of the millers would be reduced to that extent.

Arrangements have been made for the appointment of a special committee headed by Dr. F. W. Taussig, chairman of the United States Tariff Commission, to investigate the regulations of flour millers and make recommendations for the improvement of these regulations before the beginning of the next crop year.

WM. J. HARRIS, Chairman.
WILLIAM B. COLVER.
JOHN F. FORT.
VICTOR MURDOCK.

EXHIBIT A.

Summary of costs and profits of flour millers, by groups, 1912-13 to 1916-17.

[Footnotes at end of table.]

NEW YORK STATE.¹

Year.	1912-13	1913-14	1914-15	1915-16	1916-17
Number of mills.....	14	15	15	14	10
Flour produced (in 1,000 bbls.)..	3,212	3,636	4,584	3,600	1,962
Feed produced (in 1,000 tons)...	110	129	170	134	72
Wheat used (in 100,000 bushels)...	143	163	208	163	89
Cost of wheat used per bushel...	\$0.98	\$0.98	\$1.27	\$1.30	\$2.11
Cost per barrel flour:					
Wheat.....	\$4.39	\$4.40	\$5.74	\$5.91	\$9.61
Packages.....	.31	.30	.26	.29	.38
Operating and repairs.....	.20	.20	.19	.21	.27
General expenses.....	.14	.15	.14	.13	.18
Selling expenses.....	.15	.18	.16	.19	.30
Total.....	5.19	5.23	6.49	6.73	10.74
Depreciation at 3 cents bbl.	.03	.03	.03	.03	.03
Total cost of flour and feed	5.22	5.26	6.52	6.76	10.77
Less value of feed produced.	.83	.89	.93	.84	1.31
Net cost of flour produced.	4.39	4.37	5.59	5.92	9.46
Sales and profits per bbl. flour:					
Net sales.....	4.59	4.67	5.83	6.10	9.62
Cost of sales including general and selling expenses ²	4.41	4.40	5.58	5.87	9.20
Profit.....	.18	.27	.25	.23	.42
Less interest (except bond).....	.04	.03	.04	.03	.07
Net operating profit.....	.14	.24	.24	.20	.35
Rate of operating profit on net sales..... per cent.	3.0	5.1	3.7	3.4	3.7
Investment per bbl. produced ²	\$2.68	\$2.46	\$2.22	\$2.59	\$3.17
Rate of profit on investment..... per cent.	5.2	9.7	9.2	7.9	11.1

ILLINOIS, MICHIGAN, AND OHIO.

Number of mills.....	7	9	9	9	9
Flour produced (in 1,000 bbls.)..	1,712	2,140	2,242	2,274	1,790
Feed produced (in 1,000 tons)...	62	77	82	82	65
Wheat used (in 100,000 bushels)...	77	96	102	104	81
Cost of wheat used per bushel...	\$1.00	\$0.96	\$1.15	\$1.23	\$1.71
Cost per barrel flour:					
Wheat.....	\$4.50	\$4.31	\$5.21	\$5.60	\$7.73
Packages.....	.19	.21	.17	.15	.19
Operating and repairs.....	.21	.20	.21	.22	.28

Summary of costs and profits of flour millers, by groups, etc.—Contd. ILLINOIS, MICHIGAN, AND OHIO—continued.

Year.	1912-13	1913-14	1914-15	1915-16	1916-17
Cost per barrel flour—Con.					
General expenses.....	\$0.11	\$0.11	\$0.11	\$0.12	\$0.15
Selling expenses.....	.10	.11	.10	.10	.13
Total.....	5.11	4.94	5.80	6.19	8.48
Depreciation at 3 cents barrel.....	.03	.03	.03	.03	.03
Total cost of flour and feed.....	5.14	4.97	5.83	6.22	8.51
Less value of feed produced.....	.92	.98	.98	.93	1.23
Net cost of flour produced.....	4.22	3.99	4.85	5.29	7.28
Sales and profits per barrel flour:					
Net sales.....	4.32	4.12	5.07	5.46	7.73
Cost of sales including general and selling expenses ²	4.23	3.98	4.84	5.26	7.24
Profit.....	.09	.14	.23	.20	.49
Less interest (except bond).....	.06	.04	.03	.04	.07
Net operating profit.....	.03	.10	.20	.16	.42
Rate of operating profit on net sales..... per cent.....	0.7	2.5	3.9	2.9	5.4
Investment per barrel produced.....	\$1.36	\$1.41	\$1.38	\$1.42	\$1.71
Rate of profit on investment..... per cent.....	2.4	7.3	14.2	11.1	24.2

NORTHWESTERN.⁴

Number of mills.....	46	49	50	50	50
Flour produced (in 1,000 bbls.).....	27,477	29,059	26,692	32,725	26,078
Feed produced (in 1,000 tons).....	948	1,027	991	1,252	1,134
Wheat used (in 100,000 bu.).....	1,220	1,281	1,211	1,489	1,217
Cost of wheat used per bu.....	\$0.87	\$0.87	\$1.25	\$1.08	\$1.86
Cost per barrel flour:					
Wheat.....	\$3.88	\$3.85	\$5.65	\$4.94	\$8.69
Packages.....	.26	.27	.23	.25	.32
Operating and repairs.....	.17	.17	.18	.18	.23
General expenses.....	.07	.07	.08	.07	.11
Selling expenses.....	.21	.22	.25	.23	.32
Total.....	4.59	4.58	6.39	5.67	9.67
Depreciation at 3 cents per barrel.....	.03	.03	.03	.03	.03
Total cost of flour and feed.....	4.62	4.61	6.42	5.70	9.70
Less value of feed produced.....	.62	.72	.82	.75	1.30
Net cost of flour.....	4.00	3.89	5.60	4.95	8.40
Sales and profits per barrel flour:					
Net sales.....	4.16	4.05	5.75	5.21	8.78
Cost of sales including general and selling expenses.....	4.01	3.87	5.53	4.98	8.19
Profit.....	.15	.18	.22	.23	.59
Less interest (except bond).....	.02	.02	.03	.02	.04
Net operating profit.....	.13	.16	.19	.21	.55
Rate of operating profit on net sales..... per cent.....	3.2	4.0	3.3	4.2	6.2
Investment per barrel produced.....	\$0.94	\$0.98	\$1.15	\$1.03	\$1.44
Rate of profit on investment..... per cent.....	14.1	16.8	1.65	21.0	37.9

SOUTHWESTERN.⁵

Number of mills.....	29	33	37	37	36
Flour produced (in 1,000 barrels).....	5,723	7,163	9,092	9,736	9,160
Feed produced (in 1,000 tons).....	221	276	354	391	369
Wheat used (in 100,000 bushels).....	260	324	412	449	417
Cost of wheat used per bushel.....	\$0.94	\$0.89	\$1.11	\$1.12	\$1.68

Summary of costs and profits of flour millers, by groups, etc.—Contd. SOUTHWESTERN—continued.

Year.	1912-13	1913-14	1914-15	1915-16	1916-17
Cost per barrel flour:					
Wheat.....	\$4.27	\$4.01	\$5.04	\$5.16	\$7.65
Packages.....	.27	.28	.24	.24	.29
Operating and repairs.....	.23	.24	.22	.22	.26
General expenses.....	.12	.13	.13	.13	.16
Selling expenses.....	.16	.17	.16	.17	.21
Total.....	5.05	4.83	5.79	5.92	9.57
Depreciation at 3 cents per barrel.....	.03	.03	.03	.03	.03
Total cost of flour and feed.....	5.08	4.86	5.82	5.95	8.60
Less value of feed produced.....	.78	.86	.86	.84	1.19
Net cost of flour produced.....	4.30	4.00	4.96	5.11	7.41
Sales and profits per barrel flour:					
Net sales.....	4.39	4.18	5.20	5.32	7.87
Cost of sales including general and selling expenses ²	4.32	3.99	4.96	5.14	7.33
Profit.....	.07	.19	.24	.18	.54
Less interest (except bond).....	.03	.03	.03	.03	.04
Net operating profit.....	.04	.16	.21	.15	.50
Rate of operating profit on net sales..... per cent.....	1.10	3.8	4.3	2.8	6.3
Investment per barrel.....	\$1.09	\$1.15	\$1.07	\$1.15	\$1.44
Rate of profit on investment..... per cent.....	4.0	13.6	20.9	13.1	34.4

PACIFIC COAST.

Number of mills.....	22	22	22	22	23
Flour produced (in 1,000 barrels).....	3,704	3,641	3,116	3,227	4,156
Feed produced (in 1,000 tons).....	134	129	111	119	146
Wheat used (in 100,000 bushels).....	167	162	138	144	184
Cost of wheat used per bushel.....	\$0.80	\$0.83	\$1.04	\$0.96	\$1.37
Cost per barrel flour:					
Wheat.....	\$3.63	\$3.71	\$4.63	\$4.27	\$6.08
Packages.....	.22	.22	.20	.19	.23
Operating and repairs.....	.21	.21	.23	.24	.22
General expenses.....	.12	.13	.16	.16	.15
Selling expenses.....	.15	.15	.18	.16	.17
Total.....	4.33	4.42	5.40	5.02	6.85
Depreciation at 3 cents per barrel.....	.03	.03	.03	.03	.03
Total cost of flour and feed.....	4.36	4.45	5.43	5.05	6.88
Less value of feed produced.....	.76	.76	.87	.82	.89
Net cost of flour produced.....	3.60	3.69	4.56	4.23	5.99
Sales and profits per barrel flour:					
Net sales.....	\$3.80	\$3.83	\$4.86	\$4.47	\$6.27
Cost of sales including general and selling expenses ²	3.65	3.69	4.41	4.32	5.66
Profit.....	.15	.14	.45	.15	.61
Less interest (except bond).....	.04	.04	.05	.03	.07
Net operating profit.....	.11	.10	.40	.12	.54
Rate of operating profit on net sales..... per cent.....	3.0	2.6	8.1	2.8	8.5
Investment per barrel.....	\$2.02	\$2.05	\$2.67	\$2.70	\$2.40
Rate of profit on investment..... per cent.....	5.4	4.7	14.8	4.7	22.4

¹ Includes 1 mill in Maryland.

² Also includes gains or losses on unfilled orders.

³ The investment per barrel of flour as revised by the commission is the average investment for the year after deducting all outside investments where shown and also good will, trade-marks, brands, etc., but including the value of rented plants.

⁴ Includes 1 mill in Buffalo, N. Y., 1913-1917.

⁵ Includes 2 mills in Indiana, 1 in Kentucky, and 1 in Tennessee.

EXHIBIT B.

Classification of flour mills on basis of cost of production (operating and selling cost only).

[Table shows number of concerns producing flour at each cost specified, number of barrels produced at that cost in thousands of barrels, and per cent these barrels are of the total.]

Cost in cents per barrel.	1913			1914			1915			1916			1917		
	Number of concerns.	Output in 1,000 barrels.	Per cent of total.	Number of concerns.	Output in 1,000 barrels.	Per cent of total.	Number of concerns.	Output in 1,000 barrels.	Per cent of total.	Number of concerns.	Output in 1,000 barrels.	Per cent of total.	Number of concerns.	Output in 1,000 barrels.	Per cent of total.
Less than 30.....	2	793	1.9	3	848	1.8	2	823	1.8	1	728	1.4
30 to 39.9.....	13	4,545	10.8	17	6,966	15.2	14	6,763	14.8	8	3,081	6.0	4	2,004	4.6
40 to 49.9.....	31	27,476	65.7	21	26,179	57.4	19	13,053	28.6	31	23,606	45.8	12	3,621	8.4
50 to 59.9.....	15	8,066	14.6	19	6,744	14.8	22	18,882	41.3	19	18,625	36.1	25	15,235	35.5
60 to 69.9.....	3	1,122	2.7	11	2,172	4.8	13	4,688	10.2	14	3,519	6.9	13	3,616	8.4
70 to 79.9.....	4	950	2.3	3	1,080	2.4	2	798	1.7	2	1,060	2.0	14	14,115	32.7
80 to 89.9.....	1	364	.9	2	697	1.5	3	490	1.0	3	142	.3	5	3,203	7.4
90 and over.....	1	482	1.1	3	953	2.1	8	260	.6	4	790	1.5	6	1,292	3.0
Total.....	70	41,828	100.0	79	45,638	100.0	83	45,726	100.0	82	51,560	100.0	79	43,146	100.0

Jobbers' average receipts, costs, gross profits, expenses, and net profit per barrel; per cent net profits of receipts and investment per barrel, and rate of profit on investment, by groups 1914-1917 (first half).

	Number of jobbers.	Number of barrels handled.	Receipts per barrel.	Cost per barrel.	Gross profit per barrel.	Expense per barrel. ¹	Net profit per barrel.	Per cent profit of receipts.	Investment per barrel.	Rate of profit on investment.
Group I (200,000 barrels and over):										
1914.....	6	2,300,880	\$5.189	\$4.662	\$0.527	\$0.350	\$0.177	3.4	\$0.852	22.6
1915.....	6	2,350,170	6.483	5.986	.497	.347	.150	2.3	.623	22.9
1916.....	6	2,317,804	6.949	6.380	.569	.378	.191	2.8	.752	25.2
1917 (first half).....	4	1,078,032	9.782	9.105	.677	.369	.308	3.1	.797	41.1
Group II (100,000 to 200,000 barrels):										
1914.....	3	383,588	4.676	4.247	.429	.273	.156	3.7	.392	39.8
1915.....	3	355,434	5.869	5.423	.446	.292	.154	2.6	.476	32.2
1916.....	4	503,244	6.219	5.653	.566	.300	.266	4.3	.605	44.0
1917 (first half).....	4	299,218	9.882	9.025	.857	.348	.509	5.2	.873	57.6
Group III (50,000 to 100,000 barrels):										
1914.....	4	238,494	5.046	4.595	.451	.286	.165	3.3	.508	32.5
1915.....	7	517,091	6.246	5.804	.442	.267	.175	2.8	.499	35.0
1916.....	7	490,847	6.562	6.003	.559	.274	.285	4.3	.531	53.7
1917 (first half).....	7	264,960	10.224	9.214	1.010	.291	.719	7.0	.619	115.6
Group IV (30,000 to 50,000 barrels):										
1914.....	6	288,006	5.116	4.508	.608	.413	.195	3.8	1.326	14.7
1915.....	7	288,394	6.637	6.030	.607	.505	.102	1.5	1.541	6.6
1916.....	7	283,788	6.681	5.836	.845	.523	.322	4.8	1.789	18.0
1917 (first half).....	7	177,608	10.883	9.517	1.366	.635	.731	6.7	1.890	39.4
Group V (less than 30,000 barrels):										
1914.....	5	145,103	4.797	4.114	.683	.514	.169	3.5	1.407	12.0
1915.....	6	142,311	6.432	5.665	.767	.559	.208	3.2	1.616	12.8
1916.....	7	154,809	6.613	5.978	.635	.651	.206	3.2	1.881	23.9
1917 (first half).....	7	86,547	10.285	8.578	1.707	.534	1.173	11.4	1.048	81.9
Groups I to V, combined:										
1914.....	24	3,356,077	5.097	4.573	.524	.349	.175	3.4	.793	22.1
1915.....	29	3,635,400	6.432	5.925	.506	.353	.153	2.4	.700	21.1
1916.....	31	3,750,492	6.766	6.175	.591	.376	.215	3.2	1.818	26.2
1917 (first half).....	29	1,906,425	9.985	9.122	.863	.388	.475	4.7	1.881	51.9

¹ Not including owners', partners', or officers' salaries or interest on investment. ² Loss. ³ 6 concerns. ⁴ 30 concerns. ⁵ 3 concerns. ⁶ 25 concerns.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Speaker, it is perfectly hopeless for me to attempt a discussion of this very important measure in the time allotted. It is of such vital importance to the Nation and so far-reaching in its consequences that I can do little more than suggest the motives which inspire me to support the Senate amendment.

I trust that I may be given credit for speaking from a disinterested standpoint. I do not appear here as a special pleader, but, on the contrary, my purpose in addressing you is national in aspect and consequence as distinguished from local.

Wheat is not the principal crop in my district. Ordinarily it is raised there as a part of a crop rotation which time and experience have dictated as advisable. I have received but one request to support the Senate amendment, while, on the other hand, many farmers have written me requesting me to vote against it. My knowledge of the Nation's needs, however, and the voluminous testimony submitted to the committee leave me no choice but to urge the adoption of the amendment.

Mr. Speaker, my observation of life's philosophy has convinced me that no true thing is ever out of harmony with the incidents, the facts, the laws of existence, and no false thing is ever congenial to those elements which go to make up the general order. If it should be related to-morrow that at this hour and in this Chamber I addressed myself to this conference report, such statement would be corroborated by every fact of life. If, on the other hand, it should be related to-morrow that at this hour I was elsewhere and engaged in some other activity, such statement would be corroborated by nothing and disputed by everything. It would be out of harmony with every fact and incident relating to me as the speaker and to you as the listener.

When the conference report on the food-control bill was before this House last August I stated that never in the progress of time had the operation of natural law disturbed the equilibrium, for the reason that natural laws are founded upon the eternal equities and constitute the verities of life. So true are they that the harmonies are always preserved and conflicts are impossible. I then stated that legislative price fixing contrary to the natural law of supply and demand would prove mischievous and disappointing. Unfortunately my fears have been justified.

Every farm product has been submitted to the operation of this natural law save wheat. Corn, oats, barley, rye, and other grains, in response to an abnormal demand and uncontrolled by legislation, have ascended to dizzy heights, so that to-day wheat is the most unprofitable crop the farmer can raise. An acre of barley returns to-day approximately twice the financial return that an acre of wheat does. Corn and oats at the present price are more profitable than wheat. Consequently our experiment in price fixing to stimulate production has resulted

in a condition involving the absurdity of an attempt to increase production by reducing the profit to the producer. The Nation needs wheat as one of the vital essentials to the successful prosecution of the war. My sole interest is the production of wheat to meet the needs of the Nation. Taking into consideration the personal equation and having some regard for the inherent selfishness of man, I can not resist the conclusion that if other crops are more profitable to the producer than wheat, then crops other than wheat will be planted. The testimony before the committee shows conclusively that an imperial domain in this country will be planted in grains other than wheat if the price of wheat does not approximate the price of other cereals.

There is nothing personal in my view, because the first district of Nebraska has a greater wheat acreage than ever before, but the testimony before the committee shows a far different condition throughout the Nation.

I regret that I am so limited in time. Anyone who attempts to discuss this question in the time I have should have a guardian appointed.

Mr. YOUNG of North Dakota. The gentleman is making a good job of it.

Mr. REAVIS. Let me hurriedly take another view of it. At the present price of farm products wheat is the cheapest feed for live stock on the farm. This statement was repeatedly made to the committee and conclusively proved. The Breeders' Gazette, a recognized authority on farming, contained an article in its issue last week that two-thirds of the wheat consumed in America during the past two months was fed to live stock. This is not true with those farmers I represent, but that it is approximately correct in many localities is amply sustained by the hearings. So that the result of this false thing we call price fixing is not only to curtail production but to materially reduce the supply provided for human consumption. So long as live stock can be fattened on wheat more profitably than it can on corn, just so long will wheat be fed.

Gentlemen, there is nothing worth while now but the country. Whatever of individual sacrifice is essential to the Nation's welfare must be endured. I would not vote for \$2.50 wheat if the sole end to be obtained were to increase the profit to the farmer. I am too sensitive to the needs and the hardships of the poor to do that. But we must in some measure repair the evil of the price fixing in the food-control bill by bringing the price of wheat nearer to the price which the operation of the law of supply and demand would fix if not interfered with, if we are to have sufficient wheat to meet national needs. We must adjust the price of wheat to the price of other grains if we are to stimulate production and conserve the supply for human consumption. For these reasons I shall vote to increase the price to \$2.50 a bushel, though I should greatly prefer to repeal the price-fixing act and leave wheat where cotton and powder and steel and other war necessities are to-day. [Applause.]

Mr. OVERMYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. CANDLER].

Mr. CANDLER of Mississippi. Mr. Speaker, the gentleman who has just preceded me stated that some farm paper has made the statement that two-thirds of the wheat that has been produced or is now in possession of the farmers was being fed to live stock. That paper, if it made that statement, is just simply mistaken as to the facts in reference to the matter. The Agricultural Department, in a recent statement, has furnished facts showing that statement to be absolutely incorrect. They have a survey and have reports from throughout the United States, and I assume the Government at this time is busying itself to find out exactly what the condition of the wheat supply is in the different sections of the country.

Mr. SHALLENBERGER. If the gentleman will permit, I would suggest that the gentleman who preceded the gentleman from Mississippi has just left the room, and I think what the gentleman said was that it was the cheapest food upon the farm, but not that they were feeding it.

Mr. CANDLER of Mississippi. He stated that this paper said the farmers were feeding it. The gentleman did not make the statement of his own knowledge. If he had I would have accepted it. He stated it only on the statement made in this farm paper.

Mr. STEENERSON. May I call the attention of the gentleman to the fact that the statement issued by the Department of Agriculture of the crop estimates, the last statement has not been printed, according to my recollection, shows a large amount, several million bushels—

Mr. CANDLER of Mississippi. Wheat may have been fed in a limited amount in isolated localities, but taking the country generally throughout the United States the statement is not in accordance with the facts furnished by the Agricultural Department. The department has issued a statement very recently showing the facts to be very different from the above statement. The statement of the department was made in March. Now, gentlemen, this Senate amendment is the question which is pending before the House.

The amendment is to guarantee the price of the several standards of grain of the crop of 1918, based upon No. 2 northern spring wheat, at not less than \$2.50 a bushel at the local elevator or the local railway station where such wheat is delivered from the farm where produced. Now, I submit to you that there is no machinery of this Government that can administer that amendment if it should be put in operation in the country to-day. You could not administer it, because it would be an impossibility to have somebody at every local elevator and every local railway station and at every place where there was a wagon load of wheat, and for that reason certainly the amendment ought not to be agreed to, but should be defeated by a decisive vote.

Now, then, the food-control bill put it in the power and discretion of the President of the United States to fix by proclamation the guaranteed minimum price of wheat. He has done that, knowing all the conditions that exist throughout the country, because he has every means for obtaining information. The whole power of the Government is being used in order to ascertain not only what the quantity of wheat is, not only what the crop of wheat in hand is, but, in addition to that, to know what the plantings are, what the acreage is, and what the reasonable prospect of production is. Then, when the President of the United States knows all these facts and has them all in his possession, it is not reasonable to believe that he would fix a price that would absolutely destroy all stimulation of the production of wheat, realizing not only the necessity of having it for our own people but for our allies across the seas, to be utilized for the prosecution of the war.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. CANDLER of Mississippi. I have not the time. I am very fond personally of my friend from Oklahoma [Mr. MORGAN] and I would yield if I had the time; but I have not, and hence must decline.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. CANDLER of Mississippi. Therefore it is absolutely inconceivable to me that the membership of this House would for one moment give credence to a proposition of that character. The President of the United States has his heart and soul absolutely bound up in the success of this war, as we all have.

Every energy of our hearts and every fiber of our nature are bound up in bringing about victory and glory to the American flag. I say it is best to leave it in the hands of the President of the United States, because this law, which is upon the statute book to-day provides that from time to time, as the necessities of the case may require, he can fix the minimum price by proclamation and issue that proclamation to the country. [Applause.] When our boys are fighting and dying to save our country I would take my coat off my back and the shoes off my feet, if necessary, to help, and the President would, too, and therefore I beg you to trust him in this emergency, and if the facts require it he will do what is necessary. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. LEVER. Mr. Speaker, I yield two minutes more to the gentleman.

The SPEAKER pro tempore. The gentleman is recognized for two minutes more.

Mr. CANDLER of Mississippi. Therefore it is better to leave it in his hands and in his discretion than to attempt to nail it down by law.

That is the trouble with this whole situation to-day. Before our committee the wheat growers from all over the country came pleading with us to fix the price of wheat. We sat there day after day and gave them a patient hearing. They asked that we fix the price of wheat. When we refused to do it in the bill that came from the House Committee on Agriculture they went to the Senate.

I presume there they renewed their agitation and their solicitations and their persuasive powers with the Senate and with the Senate committee, and the Senate of the United States was the body that fixed the price of \$2. I was a member of the conference committee, and I know I was appealed to day after day by the membership of the House representing wheat districts and by these same people who had been before our committee, and asked to agree to fix the price of wheat—to agree to that amendment to fix it at \$2. We did it, and now some of them complain after it is done.

When you say the farmers of this country will not produce wheat, I say it is not fair and to do so is to question their patriotism. There is no more patriotic citizenship in the United States than those who are producing the necessities on which we live and the products required to sustain ourselves and our allies across the seas in the struggle in which we are engaged. [Applause.] The farmers in my country are patriots, God bless them. Their sons are in the ranks. They want them fed. They want wheat raised. They will do without biscuits. They will eat corn bread. Yes, they will, if necessary, live on the "crumbs that fall from the Master's table" to win this war. He who doubts the farmers of America has lost faith in the strength of the Republic. "Your right hand may forget its cunning," but let me appeal to you to never forget the patriotism of the producers from the soil. They have never failed the Republic from the Revolution to this date, and they never will. [Applause.] They live close to nature. They see the flowers bloom, hear the birds sing, and admire all that is beautiful, and work for all that is useful, and their hearts are with the country in this awful struggle, and they will do their full duty. The President has fixed the minimum guaranteed price. Stand by him and reject all amendments, and you will serve our country and our allies. [Applause.]

Recently there was a conference of the agricultural advisory committee of the agricultural producers, consisting of 23 members from all parts of the United States, and they unanimously recommended against any change in the guaranteed price of wheat. They were disinterested, and acted only in the interest of the whole country. They had all the facts.

The Secretary of Agriculture is in accord with them. Will you turn down the President when he has acted, the Secretary of Agriculture who agrees with the President, and this advisory committee, who is only interested in the welfare of the country, and all wanting to win the war as sincerely as you and I and every other real patriotic American? I can not believe you will.

Here is an article in the Scientific American of April 6, showing the wheat situation in the world of wheat supply entitled "Wheat and Ships." Listen to it:

WHEAT AND SHIPS.

We may perhaps, safely assume that it is now understood why our allies must have wheat instead of something else or nothing at all. So much has been written under this head that it seems hardly unfair to conclude that those who can not see are those who will not see. The essential facts are as portrayed graphically in the map on another page of this issue. Let us, then, accept the statement that England, France, and Italy between them must import 450,000,000 bushels of wheat before the next harvest, and that of this total 100,000,000 bushels are coming from Canada. Where will the balance of 350,000,000 bushels be found?

Now, in addition to Canada and the United States, and excluding Russia for obvious reasons, the world's great wheat-growing centers are those of Australia, Argentina, and India. Australia had, last year, such a prodigious crop that she had to store much of it in the open pending the construction of temporary cover. Her surplus available for export is 150,000,000 bushels. At the same time Argentina has a surplus of 100,000,000 bushels; and India can spare an amount which, in the absence of authenticated figures, we can only assume to be up to the mark of 100,000,000 bushels necessary to complete the tale.

Here, then, in these three places we have all the wheat the allies need. But shipping conditions are such that it is not possible to get it thence to them. From Australia and India the only route now available is that via the Cape of Good Hope, the Suez alternative being ruled out by the fact that the Mediterranean is the zone of greatest danger and least protection from the U-boats. On this basis, it is 12,500 miles from the Australian ports to Liverpool and 12,000 miles from Bombay; while the trans-Atlantic passage from Buenos Ayres is one of 6,250 miles.

It is obvious enough that it will take more ships and more time to haul a given amount of wheat 12,000 miles or 6,000 miles than to carry the same cargo 3,000 miles, the average distance of the North Atlantic seaports from western European points. But until we submit the situation to careful analysis we can get no adequate idea of how serious the difference is.

It takes 48 pounds of wheat to make a cubic foot, and 1½ cubic feet to make a bushel. Accordingly, at 60 pounds per bushel, there are 33½ bushels of the grain in a ton. The amounts mentioned above as available in Australia, in India, and in Argentina reduce, on this basis, the first to 4,500,000 tons, the other two each to 3,000,000 tons. Multiplying each of these figures by the corresponding mileage, we discover that to move to Europe the wheat surplus of Australia would employ 56,250,000 ton-miles of shipping; of India, 36,000,000 ton-miles; of Argentina, 18,750,000 ton-miles. As a net result we have that in meeting the wheat needs of our allies from these quarters we would be obliged to use up 111,000,000 ton-miles of shipping.

If, on the other hand, we convert 350,000,000 bushels of American wheat into 10,500,000 tons, and ship this amount over the 3,000-mile route from Boston and New York and Montreal, we shall come off with an expenditure of barely one-quarter as much shipping—31,500,000,000 ton-miles, to be exact.

Comment is hardly necessary. Even the latter figure involves 3,150,000 miles of steaming by 10,000-ton ships, or 6,250,000 miles of service by 5,000-ton vessels—and the latter figure comes much nearer the average for the available bottoms than does the former. This is in itself a serious enough drain upon our resources; to multiply it by four would be quite out of the question. It would be out of the question if there were involved no element of exposure to hostile attack. But there is such exposure; and it is almost superfluous to point out that the danger zone is vastly wider for vessels approaching England from the south than for those sailing into port from the west.

It is true that we have no wheat left for export, save what can be got by reducing our normal consumption. But we can, in this fashion, get wheat; and we can not, in this fashion, get ships. So there is but one answer; we must save the wheat and ship it over the shorter and safer route to our allies. In no other way can they be fed; for multiplication of our available shipping by four is not merely inconvenient—it is impossible.

This shows we must furnish the wheat. Our great and beloved President, full of patriotism, will do all that is necessary to stimulate production. He knows the facts. We can trust him. Leave it to him. If it is necessary to fix a higher price, he will do it. To vote against what he has already done is to doubt him. You can not, you will not doubt him. If you do not, you will vote against all amendments and let us go back to conference. I am for the President and my country—are you? [Great applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. CANDLER of Mississippi. I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. REAVIS. Mr. Speaker, I make the same request.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. LEVER. Mr. Speaker, I will ask the gentleman from Iowa [Mr. HAUGEN] to use some time.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. STERLING].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for five minutes.

Mr. STERLING of Illinois. Mr. Speaker, it seems to me that Congress made a very grave mistake when it started out to fix the price of farm products. I believe that it has been a failure. Every effort to fix prices of any commodities in the hands of the producer has been a failure, and I believe if this amendment as passed by the Senate is adopted it will fail of its purpose.

I have no doubt that if we had not attempted to fix the price of wheat a year ago there would have been a much greater acreage of wheat sown for the coming crop than there has been. Congress can fix the price of wheat, but it can not fix the worth of wheat. The worth of wheat is fixed by a law that is higher and more inexorable than any law that we can put upon the statute books. The law of supply and demand is just as infallible and just as inexorable as the law of gravity, and the Congress can not change it.

Now, if in fixing the price of wheat we fix it too low—that is, if we fix it at less than the wheat is worth at the time it is marketed, and no human intelligence can foretell at this time what wheat will be worth when the coming crop is marketed—if we fix the price of wheat too low, wheat will disappear from the markets. When we fix the price of anything too low, that commodity is bound to disappear from the markets. If we fix the price of wheat too low, the farmers will raise corn and oats and rye. If we fix it too high, then one of two things will happen. Either there will be no purchasers, or, if the people do continue to buy and consume wheat, then they are compelled by our act to pay more than it is worth, we have made them the victims of legalized extortion.

This question of value is not determined altogether by the cost of production. It is a relative term, and if the farmers can make more profit in producing some other crop than wheat at the price we fix they will produce something else; they will not produce wheat.

Two dollars and a half a bushel may be a very high price for wheat or it may be a very low price. When corn is 50 cents a bushel and rye and barley are 60 to 75 cents a bushel, then \$2.50 is a very high price. It is much more than it is worth. When rye and barley are worth \$2.50, then that would be a very low price for wheat. Under those conditions the farmer will produce rye and barley because it can be produced more cheaply. They are more certain crops and the yield is larger. Wheat would disappear from the market. We can not tell now what these commodities will be worth at harvest time, and, not knowing, we ought not to pass legislation that is bound to do harm either to the producer or the consumer of wheat. The farmer is entitled to receive for his products just what they are worth, no more and no less, and that is all he is demanding. He is willing to take his chance on the natural law of production and consumption. That position is entirely fair both to him and to the consumer.

Now, under the power we gave the administration, they undertook to fix the price of bran to help out the dairymen of the country, who were paying, it seemed to everybody, exorbitant prices for bran for their dairy herds. They fixed it, as I remember, at \$27 a ton. The average dairyman can not buy a ton of bran anywhere in the country at \$27 a ton.

Mr. KNUTSON. Forty dollars.

Mr. STERLING of Illinois. The price is \$40 or \$45. Wherever they go to buy they are told that the fixed price applies only to carload lots, and the average consumer of bran is paying from 30 to 50 per cent higher than the fixed price, and they are the people that were intended to be helped.

Now, I think if the law which we passed giving power to the administration to fix the price on certain commodities were administered along the line that it was intended to be administered by Congress, as I understood it would be administered and as everybody understood it would be administered, there would have been no attempt to fix the price of wheat or any other commodity in the hands of the producer.

The only time when the Government is justified in interfering with prices is when the price is monopolistic. There can be no monopoly prices of any commodity in the hands of the farmers. At no time can farmers fix a monopoly price on anything that they produce. The farmer never fixes the price of the commodity which he has to sell. The only time when the Government ought to interfere with the price of anything is when there is a monopoly. Now, it was thought by all of us, I believe, when we gave the administration the power to fix prices—at least it was so stated on the floor of this House, and Mr. Hoover said the same thing—that there was no intention to fix the price of wheat in the bins of the farmer. It was said that that should go to the market at what it was worth and what the market would pay for it, and that they would then undertake to regulate the price to the consumer by fixing the profit to the middleman. He is the man who may make monopolistic prices, and he is the man that we ought to seek to regulate. [Applause.]

I confidently believe the Food Administration would have proceeded along these lines if Congress had kept its hands off. If we had not fixed by legislation the minimum price of wheat at \$2, the Food Administration would not have undertaken to interfere with the price which the farmer was to receive for his wheat. It would have permitted the wheat to flow from the farm to the elevator at just what it was worth, and it would have been more than \$2. Then the administration would have said, under that law, to the middleman and the speculator that there shall be no monopoly; they would have said to these men, "You shall have a fair profit, and no more," and the flour would have flowed from the mill to the consumer at a less price than he has been paying. We should at least have given

them a chance to accomplish the purpose of the law as we intended it. We made a mistake when we fixed the price then, and we ought to correct it now by defeating this Senate amendment.

Mr. LESHNER. I yield 10 minutes to the gentleman from Oklahoma [Mr. FERRIS].

Mr. FERRIS. Mr. Speaker, in the few moments I shall engage your attention I shall make no selfish or groveling plea for the American farmer. He neither expects it, desires it, or deserves it.

I repeat, in the few moments I shall consume on this \$2.50 wheat amendment I shall not indulge in high-sounding phrases, silly flattery, or any vote-getting overtures to the American farmer. Such conduct on the part of Members here will neither deceive nor benefit the farmer. Neither will it beget his lasting friendship. His service in this great war entitles him to better treatment than to be cajoled, flattered, and held up as a patriotic screen between the Members of Congress and the fall election.

COMPARATIVE CROP YIELD PER ACRE IN BUSHEL AND DOLLARS.

The average yield of wheat per acre throughout the United States is 14 bushels. The average price of wheat per bushel under the Hoover regulation on April 1, 1918, was a little less than \$2. Hence, with an average yield per acre of 14 bushels and an average price of \$2 per bushel the yield in dollars per acre to the wheat grower would be fourteen times \$2, or \$28 per acre.

The average yield of corn per acre throughout the United States is 26 bushels. The average price throughout the United States on April 1, 1918, was \$1.54. Hence, an acre planted to corn will yield twenty-six times \$1.54, or \$40.04.

The average yield per acre of oats throughout the United States is 36 bushels. The average price per bushel on April 1 was 89 cents. Hence, an acre of land planted to oats will yield thirty-six times 89 cents, or \$32.

The average yield per acre of cotton throughout the United States is 160 pounds of lint cotton. The average price per pound on April 1 was 31.8 cents per pound. Hence, an acre of land planted to cotton by the farmer will yield one hundred and sixty times 32 cents, or \$51.20.

Thus it will be observed that land planted to wheat will yield \$28 per acre; corn, \$40.04 per acre; oats, \$32 per acre; and cotton, \$51.20 per acre.

It does not require a philosopher, it does not require a logician, it does not require a Congressman or the combined judgment of a Congress to know that under this condition of affairs the farmer will plant the crop that yields him the largest return in dollars and cents. Hence, the regulation of the price of wheat, which was intended to stimulate and increase the production of wheat, has, in fact, stifled it; instead of assuring a high price to the farmer it has made certain a low price; instead of securing a big crop it has made certain a small crop; instead of supplying the world with bread it is denying it to the world; instead of wheat maintaining a value which will retain it as human food it has reduced the value until it has become stock food; instead of doing good, as was intended, it has done harm, as was not intended.

Mr. AYRES. And it is not too late yet to plow up wheat fields where the average will be 8 or 10 bushels to the acre and to plant that ground in corn, and so destroy that much of the wheat crop.

Mr. FERRIS. That is true, too, perhaps. I hope, however, no farmer will do that. Every hope that I have is that the farmer will be brave, will be self-sacrificing—will not only do his share but more than his share. Those at the front have the hardest time of it; we behind in all walks of life have the easiest time; they offer all; we behind the line, in the very nature of things can only offer a little. Let us all do that ungrudgingly, uncomplainingly. Let us all do our part and not expect the American farmer to do it all.

Mr. SHERLEY. Is it the gentleman's contention, then, that \$2.50 is too little, and that we ought to fix the price at \$3 or \$4?

Mr. FERRIS. The gentleman can draw his own conclusion, and he does not embarrass me by asking that question. The figures, based on undisputed facts, will answer him more intelligently than I can, and more eloquently, as well.

Another thing, I have been told that it has been asserted hither and thither that even the farmers of America were not in favor of this increase. I do not know whether they are or not. The man who tries to quote anybody always does it at his own peril, but I have here a short letter from the president of the farmers' union. I do not know whether it represents them or not. He is their president and has been for a good many years. It is only a few lines, and I will read it:

WASHINGTON, D. C., April 10, 1918.

HON. SCOTT FERRIS,
Washington, D. C.

DEAR MR. FERRIS: The question has arisen as to the attitude of organized farmers on the Senate amendment to the Agricultural appropriation bill, providing a price of \$2.50 per bushel for 1918 wheat to the farmer. Personally I am in favor of the amendment, and know that more than 90 per cent of organized farmers are for it, regardless of location or what they raise.

Very respectfully,

C. S. BARRETT,
President Farmers' Union.

I repeat, I do not suppose Mr. Barrett either knows, or claims to know, all the wants of the farmer, but he does know a plain fact that everyone ought to know.

Mr. LEVER. Will the gentleman yield?

Mr. FERRIS. Certainly.

Mr. LEVER. And yet Mr. C. S. Barrett was on the committee that fixed the price of wheat at \$2.50.

Mr. FERRIS. That is very true. It is also true that Mr. Barrett did not have his way on the committee.

Mr. LEVER. The report of the committee was absolutely unanimous.

Mr. FERRIS. We often have unanimous reports that represent the views of very few of the men who are coerced to agree to them.

Mr. BAER. They fixed their price at \$2.20 on a promise that they would get bread for 5 cents a loaf, and they have not gotten it yet, and they never will get it. They were promised that, but they were deceived.

WELL-MEANING MEMBERS OF CONGRESS FROM CITY DISTRICTS AND NON-WHEAT-GROWING SECTIONS PURSUE SHORT-SIGHTED POLICY IN OPPOSING \$2.50 WHEAT.

Mr. FERRIS. Members of Congress from city districts and nonwheat-growing sections are to-day opposing \$2.50 a bushel for wheat. They do it on the theory that they are serving the consumer. Their purpose is well meaning, but, in effect, they are unwittingly betraying the consumer. They are supporting and advocating a policy that will diminish the opportunity of the toilers of the country to secure wheat bread at any price. Their course here to-day is one that will cause the 20,000,000 toilers of the country to pay a high price for corn bread they do not want, and render impossible of procurement wheat bread they do want, at any price. Such a course while well intended will prove disastrous to the toilers they seek to serve; a discrimination and an unfairness to the farmer they seek to curb; and so far as I can observe render no good service either to producer or consumer.

AMERICAN FARMERS NOT DISLOYAL.

It has been hinted here and elsewhere, doubtless through lack of knowledge, or perhaps through political exigency, that the American farmer is less patriotic than the rest. This charge will strike no terror to the honest, patriotic farmer who is producing each year more than he himself consumes. This slanderous untruth heaped upon him will neither deter him nor disturb him in his patriotism to the country, his attention to duty, his continued tilling of the soil, and his undivided efforts to earn a livelihood for his family on the farm. It will not cool his patriotism, it will not retard his industry; it will only prove the lack of knowledge and the unworthiness of the charge made.

The more I think on the subject, the more I study the awkward working and operation of the law, the more convinced I am that the fixing of prices by legislative bodies on one commodity while all other commodities go free and unrestrained is economically unsound, if not entirely indefensible.

TOLL OF THE WAR HEAVY FOR ALL TO BEAR—ALL SHOULD CONTRIBUTE TO ITS SUPPORT.

The toll of the war has been heavy to endure. The end may or may not be in sight. We have seen our brave boys sent to the front to make their last offering in the cause of liberty; we have seen the tears of the mothers of the land anxiously bidding their boys a last good-by. We have seen our property burdened and taken by taxes. We have seen occasional American citizens disloyal to their flag and their country. Still amidst it all, and even if it be ten times worse, the six and a half million farmers of the Republic will go forward uncomplainingly with upturned faces in an effort first to serve the world; second, in an effort to feed the world, and the bickerings of the day will neither deter them nor interrupt them in the steadfast course of patriotism and service they have mapped out. [Applause.]

May we not, therefore, in justice this day humbly ask the Members from the city districts and nonwheat-growing sections to pursue no short-sighted and unfair policy to the American farmer? May we not, therefore, in justice appeal for your help to remove a burden and a regulation that has proven discouraging, disconcerting, uneconomic, and unworkable for the American farmer? The Republic has been so good to all of us, let us all in

turn be good to it. Let each one do his part, let each one make his sacrifice, let each one stand erect to duty the day that duty calls, but do not require any class of citizens to be singled out, regulated, and depressed, when to do so does not achieve the end sought.

The Nation wants wheat, the Nation must have wheat; the allies want wheat, the allies must have wheat. I will without quaver or hesitancy support any policy that will get wheat; I will without a tremor or a fear oppose any policy that will deny us wheat. Theories are good for debating societies. Practicability alone will stand the test of war. The Nation has a right to expect practicability of us. Nothing short of practicability will suffice, nothing else do our constituents ask or demand. [Applause.]

Mr. LEVER. Mr. Speaker, I yield to the gentleman from New York [Mr. LONDON] five minutes.

Mr. HAUGEN. I also yield him five minutes.

The SPEAKER pro tempore. The gentleman from New York is recognized for 10 minutes.

Mr. LONDON. Mr. Speaker and gentlemen, the fixing of the minimum price of wheat at \$2.50 is wrong. The argument of the distinguished gentleman from Oklahoma shows the futility of the attempt to fix the minimum price of wheat at \$2.50. If it is more profitable for the farmer to produce corn, if he can get \$80 from an acre by producing corn, and with the increased minimum price he will get only \$36 for wheat, it necessarily follows that we must increase his price somewhere near \$80 to induce him to produce wheat. By his own figures the gentleman from Oklahoma showed that his argument is untenable. He can not get away from his own figures. The question addressed to him by the gentleman from Kentucky [Mr. SHERLEY] was to the point. If the farmer of Oklahoma could get \$80 by producing corn and \$36 based on a minimum price of \$2.50, you will have no wheat at all from Oklahoma.

The claim is made that these measures are socialistic. They are nothing of the kind. The trouble with legislation of this kind is that it is the socialism of the fool. That is what it is. You can not take from one class to give to another. You can not take off a burden from one group and impose it upon the rest of the community. To do so is certainly not socialistic.

Mr. BLACK. Will the gentleman yield?

Mr. LONDON. No; I do not want to get into a controversy with the gentleman on socialism; I have only enough time to abuse and not to do anything more. [Laughter.] If the gentleman will get me more time, I will be glad to take it up. You can not fix the minimum price for a product so essential as wheat and refuse to fix prices for other necessities without doing injustice to the great masses of the people. You must do one of two things. You must either permit the National Government to regulate the prices of all articles essential to sustain life or abandon the attempt to control the price of one article only. You can not attempt to fix arbitrarily the price of one commodity and leave everything else to chance. Every effort to fix prices arbitrarily for a few articles only has failed throughout the world. There is not a country which has succeeded; not even Germany has succeeded, and there is no place where the power of the State rules the entire life of the individual as it does in Germany.

When the old Russian Government tried to fix the price of grain the peasants refused to sell, preferring to lose it altogether rather than sell at what they thought a low price as compared with the prevailing prices for the things they had to buy.

It is impossible in the present flux of things to fix either a minimum or a maximum price. When you talk about the evil of profiteering you amuse me. Society to-day is based on profiteering. It is all profiteering. Business is organized for profit. You want a business man, a man who has something to sell to the rest of the world, you want him not to be inspired by profit and to be guided by the common weal. You want him to acquire a collective soul. He has none. He has not been trained to develop it. You have been telling him to go out into the world and get the better of the world if he can. Competition is your highest law. Individual against individual, group against group, class against class, all against everybody, everybody against all—such is the law of competition. To stop competition in one article and leave it unchecked in everything else is poor wisdom, indeed. Carlyle epitomized the situation when he said that out of the sum total of individual rascalities you can not produce a collective nobility. [Laughter.] Everyone for himself, although the world is on fire and whole nations are threatened with destruction. That is business, is it not? It is the law of business that you people support, you Republicans and Democrats. Not even to-day, when all the accumulated treasures of civiliza-

tion are menaced with extinction, can the petty, commercial soul of the average man rise to the necessity of the hour. What you are trying to do is just to bribe a small group of society at the expense of the rest of the community by offering a specially attractive price.

The Government should be the exclusive purchaser of every article and product of the farm. The Government should have the power to determine what is a reasonable price. There is no other solution for it. The people must for once learn to act collectively, to act as a unit, as a people, not as an aggregation of petty, self-seeking, greedy individuals trying to devour the rest of the community. If this war will not teach them that elementary principle of the ethics and economics of cooperation, what will? The Government should be the exclusive purchaser of everything that the farmer produces, and the Government should sell it to the people at a price which will be suitable to the purchasing power of the masses. There is no other way out.

Mr. SHERLEY. Mr. Speaker, I should like to ask the gentleman a question.

Mr. LONDON. Very well.

Mr. SHERLEY. If, in the crucible of world war, with necessity forcing them, they are not able to rise above their selfish interests, how does the gentleman expect his socialistic state to exist in normal times, when the predicate of it is that you can get a collective unselfish conscience?

Mr. LONDON. If we would have men of the brilliancy of Mr. SHERLEY, of the ability of Mr. FERRIS, and of men of similar caliber take up seriously and earnestly the problem of industrial cooperation, if we could get them to see the moral and economic bankruptcy of the competitive system, we would not be up with our backs against the wall and with nothing but confusion in front of us. Then you would stop talking about the law of supply and demand as a natural law, an irresistible law, which can not be overcome. You would find that that law of supply and demand which you have been reading about in textbooks of economics of 30 years ago does not exist in fact.

There is no such thing as a natural, irresistible law of supply and demand, because every human act, every law, every incorporation of a new aggregation of capital, the action and interaction of new economic and social forces, modifies and changes the so-called law of supply and demand. There is no such natural law which is beyond the control of human agencies.

I do believe that we can out of this very fire, out of this very danger which faces the world, make a better humanity. Let us appeal to the better man, to his higher intelligence. If they do not respond, we must teach them to respond. We must teach them to subordinate their individual and selfish interests to the interest of the community. The truth is, that intelligent and enlightened selfishness must result in industrial cooperation and in coordination of effort. With the Government acting as the agent of the people, a way will be found to prevent exploitation in all branches of industry.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

Mr. LONDON. Mr. Speaker, will the gentleman yield me one minute more?

Mr. LEVER. I yield the gentleman one minute more.

Mr. LONDON. Mr. Speaker, I am opposed to this amendment fixing a minimum price of \$2.50. I think it is bad class legislation. It should be left to the Food Comptroller to regulate the price of those products which are essential to the life of the people, not only the price of food but of every other article.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. LONDON. Yes.

Mr. BLACK. If the gentleman thinks it should be left to the Food Administrator to do this thing, would not that give him the power to legislate by administering against a class just as much as if we passed a law?

Mr. LONDON. He would be compelled to take the interests of the entire community into account, and not the wheat producers only.

Mr. BLACK. Any more than the Congress would be compelled to do that?

Mr. LONDON. I would have him regulate the price not only of wheat but of every article that goes into the fixing of the price of wheat.

Mr. KNUTSON. What difference does it make whether Congress fixes the price or the Food Regulator does?

Mr. LONDON. It just makes this difference, that you fix a minimum arbitrary price of \$2.50, while the reasonable price to-morrow may be \$2.20. That is the difference.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. FERRIS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FERRIS. I have a two-word amendment, which I desire to offer.

The SPEAKER pro tempore. The gentleman is recognized for one minute to offer his amendment.

Mr. FERRIS. I offer the amendment which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 100, line 22, after the word "eighteen" insert the words "and nineteen hundred and nineteen."

Mr. LEVER. Mr. Speaker, I reserve the point of order on the amendment, and I desire to say to the gentleman from Iowa that we will conclude in one speech.

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Speaker, I desire to offer an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amend by adding at the end of the section the following: "Provided, That hereafter it shall be unlawful for any miller, wholesaler, jobber, or retailer or other person to sell or offer for sale any rye flour, barley meal, barley flour, oatmeal, corn meal, or corn flour at a higher price than the price asked by such miller, wholesaler, jobber, retailer, or other person for wheat flour. Any person violating this provision shall upon conviction be fined not less than \$1,000 or imprisoned not to exceed one year."

Mr. LEVER. Mr. Speaker, I reserve the point of order on the amendment.

Mr. MCKENZIE. Mr. Speaker and gentlemen of the House, perhaps the most misunderstandable and exasperating thing that has occurred in this country during the whole administration of the Food Administration was the order promulgated some time ago requiring anyone who desired to purchase wheat flour to also at the same time purchase an equal amount of substitutes. Now, the fact of the matter is that the price of the substitutes is higher generally than the price of the flour, sometimes as high as \$5 and \$7 for 50 pounds when you can buy 50 pounds of wheat flour for \$3.50 to \$4. That has resulted in much dissatisfaction and, in my mind, injustice, and it grows out of the fact that we have undertaken to fix the price of wheat while we have not fixed the price of barley, rye, and corn. Therefore the millers in grinding corn, rye, and barley put their own prices upon the product, and when the consumers, the workmen of this country if you please, go to buy 50 pounds of wheat flour they are compelled to buy these substitutes at the same time and at a higher price. So the purpose of my amendment is to prevent that. It is to stop it and at least let the consumer have the substitutes for flour at the same price that he pays for the wheat flour, and in addition to that to encourage the growing of wheat rather than the growing of barley and rye and corn to be used as substitutes for flour.

Mr. YOUNG of Texas. Will the gentleman yield?

Mr. MCKENZIE. I will.

Mr. YOUNG of Texas. I would like to ask the gentleman if he does not believe if at this time in fixing the price for wheat at \$2.50 a bushel and leaving the price of the coarser grains now as they are, will not that have the effect of at once jumping the price of those coarser grains?

Mr. MCKENZIE. There is no doubt about it. If we are going to permit the millers of this country to fix their price on these substitutes while at the same time you are arbitrarily fixing the price of wheat flour this condition which is intolerable is going to continue, and I hope that no man in this House will make a point of order against the amendment.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. GOOD].

Mr. GOOD. Mr. Speaker, it is contended by those who are in favor of the Senate amendment that its adoption will increase the price of wheat 50 cents a bushel to the farmer. It is also contended that this will accomplish two things: First, it will stimulate the production of wheat, and, second, that it will prevent farmers from feeding wheat to their live stock.

It is idle for anyone to stand here on the floor of this House during the latter part of the month of April and contend that anything we may do now will stimulate or increase the production of this year's wheat crop.

Mr. AYRES. Will the gentleman yield just for a question?

Mr. GOOD. I have only five minutes and I can not yield.

But it is contended that our farmers are feeding their wheat in increased quantities to their live stock, and that to increase the price will prevent this practice and thereby save a great

deal of wheat for human consumption. Because some irresponsible party made that statement before the Committee on Agriculture of the House does not prove the fact. I have before me the monthly report of the Department of Agriculture, which shows that during the month of March the Secretary of Agriculture sent out telegraphic requests for reports to ascertain the fact in this regard.

What are the facts as ascertained by him? Are our farmers feeding more wheat to their live stock now than formerly? No. According to this report they are feeding less wheat to their live stock than was formerly used for such purpose. This report shows, and I will append it to my remarks, that the farmers in Montana, where they are feeding a larger percentage of wheat to live stock than in any other State, are feeding only 7 per cent, and the farmers of Ohio are feeding but 2 per cent to live stock. But the interesting part of this report is that most of that fed is screenings and spoiled wheat, and a great deal of the wheat used in this way is fed to chickens and poultry. In Ohio 64 per cent of all the wheat fed to live stock is fed to the chickens and to poultry. And yet, on the strength of an unsupported and untrue rumor, gentlemen will stand here and contend that because of the low price wheat is being fed to live stock, and that this proposal to increase the price of wheat 50 cents a bushel will put a stop to this practice.

The answer is simple. The report of the Secretary of Agriculture conclusively disproves the statement, and even if it were true the increase in price would not stop the practice. Any practice of that kind should be summarily dealt with by the Food Administrator. He has power to limit the amount of wheat which a human being can consume, and will anybody contend here that he does not also have power to limit the amount of wheat which a farmer can use in feeding his live stock?

The increase in price of wheat will not, therefore, increase production, nor will it conserve that already produced. It will have one effect, and one effect only, and that is to increase the price of flour and of bread to the consumer. It takes practically five bushels of wheat to make a barrel of flour. You increase the price of wheat to the miller 50 cents a bushel, and you increase the wholesale price of flour to the consumer by at least \$2.50 a barrel, to say nothing of a return on this increased cost.

Some of you may feel that you will hear from the wheat farmer in November if you do not support this amendment for an increase in the price of wheat. But my opinion is that more of you will hear from a consuming public that must buy flour and bread if you, without cause, arbitrarily raise the price of this prime necessary of life. When you come to explain to the consumer why you voted to increase the price of wheat to the farmer by 150 per cent over the average price of 10 years before the war, what will be your excuse? In normal times the average person consumes about a barrel of flour a year, and it is easy to compute how much the increase of 50 cents per bushel will mean to the average family, and it is also easily understood what the consumer's interest is in this legislation.

It is unquestionably true that the cost of production on our farms has been largely increased since the outbreak of the war. Everything which the farmer must buy has been increased in price, but I submit that the increased price of wheat which the farmer is guaranteed for his product is more than sufficient to cover the increased cost of the things he must buy.

In this connection it should be remembered that many of the wheat farmers—I was about to say a majority of them—are tenant farmers. They grow wheat by a system commonly called "on shares"; that is, the man who farms the land gets a part of the crop and the man who owns the land receives as his rent a part of the crop grown on the land. Everyone at all informed on this situation knows that our tenant farmers this year on wheat farms are farming on exactly the same basis that they farmed last year, so far as crop rent is concerned. The tenant furnishes all the labor, the machinery, and as a general rule all the binding twine, and so forth. He bears all of the expense and must pay all of this increased cost of production. But the landlord, who, as a general rule, bears none of this increased cost, comes in as a profiteer and receives an unfair and unjust profit during the war for the use of his land. If it is true that the cost of production to the wheat farmer is not fully provided for by the guaranteed price, then the tenant should force a modification of his lease and receive a larger share of the wheat which he raises.

Mr. CANDLER of Mississippi. The gentleman has had some personal experience, has he not? He raised some wheat himself?

Mr. GOOD. Yes; I raised some wheat last year, and it was a very profitable undertaking, notwithstanding the fact that the hail took half of the crop, and for a time the indications were that the drought would take the rest. Notwithstanding these discouragements, my experience was that wheat farming was more profitable than raising corn.

Mr. Speaker, the guaranteed price for wheat to-day is \$2.20 per bushel. Not content with that, the Senate amendment fixes it at \$2.50 per bushel, and then provides that the Government must pay the freight from the local elevators to the various points of shipment, which amounts to about 20 cents per bushel.

Mr. DILLON. Mr. Speaker, will the gentleman yield?

Mr. GOOD. I have only five minutes.

Mr. DILLON. Will the gentleman state how many farmers of Iowa produce corn per year?

Mr. GOOD. I have not that information; and what is more, that is not a pertinent inquiry anyway. The average price for wheat for a 10-year period before the outbreak of the war was 96.2 cents per bushel. The Government has guaranteed a price of \$2.20 per bushel, an increase of almost 150 per cent. And the effect of the Senate amendment for which we are called upon to vote would increase the price 30 cents per bushel and compel the Government to bear the expense of the freight allowances, averaging about 20 cents per bushel more, which would mean a guaranteed price at the primary markets of practically \$2.70 per bushel for wheat.

Let us be fair in dealing with this amendment, not only to the man who raises wheat but to the man and the woman who buys wheat and bread. Do not be deceived. The man that does not raise wheat, the man who lives and supports his family by his day's labor, as well as the man who supports his family by his mental ability, is as much and as deeply interested in the cost of living as is the man who raises wheat.

The average wholesale price of spring patent flour at New York for five years before the outbreak of the European war was \$5.22 per barrel. The wholesale price of flour in wood during the month of February this year was \$12.30 per barrel. Adopt this amendment and the retail price of flour to your consumers and mine, who are just as much interested in what we do to-day as is the wheat farmer, will not be less than \$15 or \$16 per barrel. I represent almost wholly an agricultural community. I am interested in the prosperity of that community, and certainly would do nothing to retard the progress of the farmer or to deprive him of his legitimate profits. But I want to say to you that if we are to win this war we must commence to think of something besides profits. We must commence to think a little of sacrifices. [Applause.] This House opposed almost to a man the profiteering on the part of real estate men in the District of Columbia, whom we were told were profiteering to the extent of 100 per cent. Strange to say that many of my colleagues whose sense of justice was outraged by the discovery of this profiteering of 100 per cent in rents now favor a profiteering on the part of the wheat farmer to the extent of 150 per cent. The farmers are not asking for this, and the demand for it in their name does them a great injustice. They are opposed to profiteering in all its forms at this time, but the Senate amendment makes the wheat farmer the chief offender.

We will not win the war that way. We will win the war when all of us commence to think of sacrifices and cease to seriously consider the demands of unreasonable profiteers, for these excessive profits only add to the problem of our Government and to the burdens occasioned by the increasing high cost of living. [Applause.]

APPENDIX.

[From Monthly Crop Report published by authority of Secretary of Agriculture, March, 1918.]

A special telegraphic inquiry was made under date of March 2 to the field agents of the Bureau of Crop Estimates in the 15 leading wheat-producing States concerning the amount of the 1917 wheat crop fed to live stock.

The responses show that the amount of wheat fed to live stock is less than in former years, except in a few States or sections where there was difficulty in obtaining other feedstuffs.

The highest figure reported, 7 per cent, was from Montana, where in some sections feeding of wheat was necessary to prevent live stock from starving. In Oregon 6 per cent was fed. These two States together account for about 2,000,000 bushels thus fed. Washington reports 4.5 per cent, being 1,500,000 bushels against 2,300,000 usually fed. Moderately heavy feeding in western and west central Texas and Oklahoma, in sections where other crops were almost a total failure, in order to save live stock, has required about 800,000 bushels in the former State and 900,000 in the latter, being 5 per cent and 2½ per cent of the total crops of those States. Something over 1,000,000 bushels has been fed in North Dakota, about 2 per cent of the crop. Ohio has fed less than a million bushels, and less than 2 per cent of its crop. Pennsylvania reports almost 1,500,000 bushels, or about 6 per cent of the crop.

The remaining States report very small quantities of wheat being fed. It appears that the total quantity of wheat fed to live stock will not exceed 2 per cent, and that the sound wheat fed is probably within 1 per cent of the crop. A large part of the wheat fed is inferior or musty grain unfit for milling. A considerable amount of it represents the screenings from seed wheat. In Ohio it is reported that 49 per cent of the wheat fed was of grades 1 and 2, 15 per cent of grade 3, and 36 per cent of grade 4—screenings and spoiled wheat. Sixty-four per cent of that was fed to poultry, 26 per cent to hogs, and 10 per cent to other animals.

Except in some of the Western States named, the principal consumption of wheat fed has been to poultry.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. MOORE].

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for five minutes.

Mr. MOORE of Pennsylvania. Mr. Speaker, I do not like the element of speculation in this proposition. I do not like the element of price fixing, because if price fixing is to prevail we must go to other extremes with it.

Mr. SLOAN. Mr. Speaker, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. SLOAN. Will the gentleman join with me in a motion to prevent anybody fixing the price of wheat in this country? We will have a unanimous vote in this House and the farmers will have much more for their wheat.

Mr. MOORE of Pennsylvania. I am not in favor of price fixing as a policy. I do not see how we can fix the price of wheat without fixing the price of cotton. [Applause.] I do not see how we can fix the price of wheat without also fixing the price of labor; and I venture to say that no friend of labor in this House will stand for a legislative enactment fixing the price of labor. Organized labor would not stand for that.

Why should we make the situation worse than it is? Congress has not yet fixed prices. It has authorized the President to do so, and he has done so as to wheat. But this ought to be the first and the last of it. Instantly we begin this scheme of price fixing the element of speculation steps in, and the man who gets so much this year will demand of the legislature that he shall get so much more next year and so much more the next. There will be no stopping when this proposition gets in full swing.

People who are skillful in the manipulation of prices and markets take advantage of the opportunity to make money under the price-fixing system. This price fixing was done for war purposes; but, even so, there is speculation in it. It necessitates the Government sending agents out to find out whether or not the law against hoarding is being enforced, resulting in reports that the law is being evaded.

I have in my hand a number of clippings on this subject. There are so many of them that I will not attempt to read them to you, but they show just how the human element of speculation crops out. Here is a paper published in my own State, announcing that large quantities of wheat are found stored on the farms. For what reason? To get higher prices. They will not sell now, because, perchance, sooner or later, the Government will fix the price higher and the producer will get more for his wheat. Therefore he does not sell now. Meanwhile the war is going on. The demands from the allies are coming in. Our own people are suffering from high prices, although there is plenty of food. Here is an article from the Evening Star of Friday, March 8, headed:

Farmers holding vast wheat stocks—10,622,000 bushels more on farms than for same time last year. Corn also held back. Speculators waiting for a rise in prices.

Yet people suffer for want of food on the other side and consumers suffer for food here. It is higher prices we are after. March 31 appears this in one of the Washington papers:

Farmers pay little heed to appeal made for wheat. Mr. Hoover's appeals to the farmers in vain.

Human nature. I am not inveighing against the farmer; but he knows that the price of wheat is fixed, and he knows that if he has plenty of wheat and he can prevail upon his Member of Congress to get the price of wheat advanced he will get a higher price for his wheat, and he does not sell. Those of us who are consumers in the large cities of the country go without the wheat and our allies over yonder go without it.

The spring wheat crop will be the biggest since 1911 record—

Says one of the papers here in Washington the other evening.

Reports from all over the Nation show farmers responding to appeal for increased acreage.

I hope that is so. And then comes this:

North Dakota. Wheat ordered sold in a month.

Why? Are they holding their wheat?

Announced by the State food administrator to-day in an official order—

And this is dated April 13—

that wheat will be seized if not sold before a certain date.

In other words, there is wheat, but those who have it will not let it go. The Government actually proposes to seize the wheat if those who have it will not sell.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. I ask for five minutes more.

Mr. HAUGEN. I have but 10 minutes left, and I have four requests for time. I ought to give those 10 minutes to the other four Members.

Mr. MOORE of Pennsylvania. How much time will the gentleman give me?

Mr. HAUGEN. I have just 10 minutes left against the proposition, and I have four more requests for time.

Mr. MOORE of Pennsylvania. I ask for two minutes.

Mr. HAUGEN. I yield to the gentleman two minutes.

Mr. MOORE of Pennsylvania. There is much information like this coming to the front all the time. I have taken the trouble to make some inquiries in my own State with regard to the price of wheat. I find the Commercial Exchange, with which I would like to agree, favors the fixing of the price. These are the business men who deal with the producers. One of our leading flour concerns, however, writes me against the fixing of the price. They are in touch with the consumers—and I also hear from the consumers. They see the retail price of flour going to \$14 a barrel. This letter is so pertinent that I insert it here in full:

PHILADELPHIA, Pa., April 16, 1918.

HON. J. HAMPTON MOORE,
Washington, D. C.

DEAR SIR: We understand discussion of the advance of price of wheat from present \$2.20 per bushel to \$2.50 per bushel basis price will take place at an early date.

We believe that such an advance is unwise and would ask you to vote against it, because—

(1) It will discredit and hamper the work of the Food Administration.

(2) It will result in the hoarding of whatever wheat now remains upon the farms.

(3) It will make the retail price of flour to the consumer about \$14 per barrel.

The present outlook for the wheat crop is excellent. With 42,170,000 acres of winter wheat sown, the indicated yield is 560,000,000 bushels winter wheat. (Government crop report, April 8, 1918.) Reports from the Northwest state seeding there practically completed to large acreage. With only fair and average conditions, this should add not less than 250,000,000 bushels spring wheat, or a total of 810,000,000 bushels.

This wheat crop was undertaken and planted by the farmers under the guarantee of \$2 per bushel price for the 1918 crop.

Can not see why it is necessary to turn over to the farmers now a subsidy of over \$400,000,000 for supposed purpose of increasing a crop that is already planted and can not be greatly increased at this late date.

Further believe the price of wheat was impartially fixed by a representative committee of the consumers, laboring men, and farmers. Why should the consumer be so heavily taxed at this late date?

We hope for your favorable consideration of this question.

Yours, truly,

SAMUEL BELL & SONS,
By C. HERBERT BELL.

What are we to understand from this testimony? Is there plenty of wheat? Was it planted this season with the understanding that the farmer was to stand pat on prices? Is the farmer holding out now against his own agreement with the President. If so, the consumer must be taken into consideration. My constituents are consumers of wheat and they are paying heavily for what little they get of it. I do not want to put heavier burdens on them except it be to win this war. I am not persuaded at present that this increase in the grain price is a war measure. I do not believe the President thinks it is.

I am told the President is not for this proposition. I am told the Secretary of Agriculture, who ought to know the facts, is not for it, and I am quite sure the consumers are not for it. I want to treat the wheat producer fairly, but I do not think he should have an undue advantage over those who consume his products, whether in this land or in our service across the seas. [Applause.]

Mr. LESHNER. I yield five minutes to the gentleman from Nebraska [Mr. SHALLENBERGER].

Mr. SHALLENBERGER. Mr. Speaker, I agree with the gentleman from Iowa and others who have expressed the idea that this war time is a time for rigorous sacrifice upon the part of the people; but we who are from those sections that produce the wheat, we from those sections that are agricultural, contend that we should not be the only ones to be required to make sacrifices. The gentleman from Pennsylvania [Mr. MOORE] read that much wheat was being held in the hands of the farmers. The Department of Agriculture states that the amount in elevators is lower than for years. The claim that large amounts are in farmers' hands has no foundation in fact. On the contrary, farmers are forbidden to hold wheat, and they obey the law and regulations of the Food Administration. I will say that no product in the United States except wheat is being required to be sold by those who hold it, or else subject them to punishment. In the State of Nebraska the farmers are being notified, and the gentleman from Pennsylvania referred to the fact that also in South Dakota the farmers are being notified by the Federal Food Administrator that they must sell their store of wheat immediately, retaining only that which they require for seed next year, or subject themselves to punishment. Men who have been holding crops are being haled into court and subjected to the law and to punishment because they

have refused to sell the products of their labor. There is no other product that is produced in America that is subject to that sort of penalty. Great profits are being made by other men in other lines of business. The cotton producer is not being told that if he does not sell his crop, the product of his labor, he will be put in jail, and he is not being told that he must retain only enough for seed for next year. Tremendous profits are being made by people in the State of Pennsylvania out of this war, but they are not being threatened with prosecution if they do not sell at once at a fixed price the product of their labor.

Mr. AYRES. The corn producers of Illinois and Iowa are not subjected to that either, are they?

Mr. SHALLENBERGER. No. There are two things that the farmer has to sell to this Nation, upon which the price is being fixed. Those two things are the wheat and the mules and horses that he has to sell. The farmer is receiving no benefit from the fact that the United States Government is purchasing 500,000 horses and mules. The only market he has is the Government, and the Government has fixed the price arbitrarily. Prices have been fixed on wheat. The only thing upon which the price has been arbitrarily reduced since war was declared is wheat. Everything else has been advanced.

The price of leather has advanced 200 per cent and nobody threatens prosecution. Locomotives have advanced 200 per cent in price to the Government, and enormous profits made upon them by the people in the gentleman's own city in Pennsylvania. Rifles have advanced 300 per cent in price to the Government, and nobody threatens prosecution. Cotton has advanced 200 per cent; harness, 200 per cent; wool and woolsens, 300 per cent. Farm machinery has been advanced 100 per cent and nobody is threatening prosecution because of that fact.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. SHALLENBERGER. I can not yield. I have here a letter from a merchant in Nebraska calling attention to the fact that the Federal Trade Commission states that the packers of the United States are hoarding 147,780,271 pounds of hides, holding up the price and the public. The price of hides to the farmer is reduced 300 per cent, and shoes advanced 200 per cent because the Government will not purchase any leather except from the packers' hides. The public is being held up and no one is punished for that monopoly.

I agree with the gentleman from Illinois [Mr. STERLING] who says that interference should only be had when a monopoly exists. No monopoly is possible upon the part of wheat farmers. When I asked the gentleman from Ohio who it was that fixed the price of wheat he replied the President. Everyone knows the President only acts upon the advice and information furnished him by the Food Administration. I am willing to take the gentleman's definition of the intelligence of the men on the Food Administration and the ones who advised the fixing of the price. The only reason that could be given for it was to stimulate production and at the same time to reduce the price to the consumer. As the gentleman from Nebraska [Mr. REAVIS] stated, that is an impossible thing to do. We have not stimulated production. The report of the Agricultural Department claims there is 1,000,000 acres increase in winter wheat, but when the returns come in it will result that with the losses from weather and other conditions there will be an actual decrease in production. As the gentleman from Illinois [Mr. MCKENZIE] stated, because of the advance in the prices of the substitutes which the Food Administration requires us to purchase, the flour price to the consumer is higher now than before it was regulated.

The letter which I will include in my remarks shows that the man in town, the laboring man, has to pay an advanced price of 100 per cent for his flour because he has to buy substitutes, that have gone up 200 per cent, that are not regulated. The final result of all this regulation has been to diminish the production of wheat flour and to impose a sacrifice upon the farmer that nobody else is asked to make.

It has been said that this price is only the price for the next year. Gentlemen, when we began to buy money for the war we started out to buy it at 3½ per cent per annum. It did not come fast enough and we raised it to 4 per cent. Then we raised it to 4½ per cent. Does anybody think that if we have to buy money next year that it will be any cheaper than it is now? Does anybody think that if we fix the price at \$2.50 a bushel it will be any cheaper next year? You will never lower the price of wheat during the period of the war. You fix the price at \$2.50 and you fix it for the war and every farmer knows it.

The report of the Federal Trade Commission which is just published shows who is getting the increase of profits out of the flour produced in this country. This report states in its summary of conditions:

The average cost of production of flour increased somewhat during 1917, due chiefly to the advanced cost of wheat, while operating profits per barrel increased 175 per cent. Expenses of flour distributors and middlemen increased somewhat, while their profits, both gross and net, show a very large increase, several large car jobbers showing an increase of more than 125 per cent. The average net profits of small-lot jobbers showed a similar increase.

This report shows that middlemen and millers are permitted to make largely increased profits, while the farmer, the producer of the raw material, is permitted no increase in price over that received in 1917, although his expenses have greatly increased.

We give everybody else the inspiration of war profits upon war material and deny it to the farmer and say he must perform his part for patriotism alone. Why should we require him to take a lower price for his product than the market before regulation was established and require it of no one else? The farmer is patriotic always, and only asks a square deal with every other business. [Applause.]

GUIDE ROCK, NEBR., April 1, 1918.

HON. A. C. SHALLENBERGER,
Representative of Fifth District of Nebraska, Washington, D. C.

DEAR SIR: I take this opportunity to write you in reference to the flour and substitutes, of which there is a great deal of complaint. It is costing the most of us around \$8 to get a sack of flour. The 48-pound sack of flour costs \$3; corn flour and barley flour sells over our counters at 10 cents per pound; corn meal, 6 pounds, 40 cents; 12 pounds, 75 cents; oatmeal, 9 cents per pound. The farmer can take 2 bushels of corn to the mill and get it ground and bolted for 30 cents; so he gets his meal at about 3 cents per pound. He gets a statement from the mill of his having the meal made and can present this at the stores and get 2 sacks of flour, at a total cost of about \$9 for 200 pounds of flour and meal. The average laboring man and common folks in town can not do this. A number of my customers have told me that it cost them \$8, as above stated.

Last week two farmers of Nebraska were indicted at Lincoln, Nebr., for allowing 500 or 600 bushels of grain to spoil. Then, how about the distillers, who rot a million bushels of grain each year to make liquor? Our Federal Trade Commission recently made a report to Congress finding that the packers of the country were hoarding 147,780,271 pounds of hides, which is a gain of about 60 per cent of this holding of hides. Now, at the same time, imports of hides was 70 per cent greater in 1917 than in 1912. There is a great deal of complaint among these 'ines. It looks as if there should be more price fixing than on wheat alone, and that our Government should confiscate these hoarded hides and make shoes for your boy and mine.

Yours, truly,

JOHN S. MARSH.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LESHNER. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Speaker, there could have been but one reason and one reason alone for fixing the price of wheat—to reduce the cost of bread to the consumer. When wheat was selling at \$2.65 to \$3.46 a bushel the price of bread was 5 to 6 cents a loaf, possibly some places 8 cents. To-day it is 10 cents a loaf and not two-thirds of it is wheat. The price of bread is higher to-day than it was when wheat was selling at \$3.46 a bushel. The way to reduce the price of bread is to increase the amount of wheat that is produced in the country. And you can not increase the production of wheat by reducing the price to the producer. You can not increase the zeal of the farmer to produce wheat by reducing the price of wheat below the cost of production or below the cost of producing oats, corn, barley, and other farm products.

Let me give you an illustration. A year ago potatoes were very high, beyond the pocket of the average consumer. The price was not fixed by the Food Administrator or by the President. It was left to the law of supply and demand. The farmers proceeded to take advantage of the high price of potatoes and produced potatoes, and to-day potatoes are within the reach of all. There was a large production because of the attractive prices offered for potatoes. Do the same thing with wheat, and you will increase the production of wheat and reduce the cost of bread to the consumer, just as the farmers by increasing the production of potatoes have reduced the cost of potatoes to the consumer. [Applause.]

But aside from the question of increasing wheat production by stimulating it, there is no more reason for fixing the price of wheat, which is a daily necessity in every family, than there is for fixing the price of cotton, which is a daily necessity in every family—not a bit. No one here says that cotton shall be 18 cents a pound. There would be a revolution on the Democratic side of the House if we were to undertake to fix the price of cotton. Many of you are in favor of fixing the price of wheat, however, and why?

Mr. AYRES. There would be a revolution on the Republican side of the House if we were to undertake to fix the price of corn, too.

Mr. CAMPBELL of Kansas. Yes.

Mr. AYRES. I am in favor of fixing the price of both cotton and corn.

Mr. CAMPBELL of Kansas. I am not in favor of fixing the price of either. I am in favor of giving the farmers who produce cotton and corn and wheat the benefit of the law of supply and demand.

Mr. AYRES. I mean to say that if we fix the price of anything, we should fix the price of all things.

Mr. CAMPBELL of Kansas. Oh, yes; I understand my colleague now. If we fix the price of one thing, then we should fix the price of all farm products. [Applause.] I agree with my colleague from Kansas. There is no reason why wheat should be selected and an arbitrary price fixed upon that. I shall vote for this amendment if I can not have an opportunity to vote to give the farmer the opportunity of getting all that his wheat will bring upon the market, just as he gets for his corn and barley and oats and potatoes all that they will bring, just as the southern farmer gets all that his cotton will bring. I do not understand why the farmer who produces wheat should have been selected and the price fixed and nothing said about the price of cotton and oats and other farm products or the hundred and one things the farmer buys. There is absolutely no hope to the consumer of reducing the price of bread by fixing the price of wheat at \$2.20 or \$2.50 while you leave the price of everything else as it is. When the price of wheat was fixed at \$2.20 it was selling at \$2.65 to \$3.46. At that time, as I have said, white-flour bread was selling at 5 to 8 cents a loaf; shorts, a wheat product, was selling for \$2.25 a hundred. Now the price of shorts is \$2.75 to \$3 a hundred, and bran is more than that. As no one can show any good purpose that has been served by reducing the price of wheat and fixing it at \$2.20, the price should be increased or, better, wheat put along with other products where the law of supply and demand fixes the price.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. COX. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LEVER. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. KREIDER].

Mr. KREIDER. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KREIDER. Mr. Speaker, I have carefully listened to the arguments presented on the proposition before us, namely, whether we shall agree to the Senate amendment fixing the price of wheat at \$2.50 per bushel or leave the matter as it now is in the hands of the President and allow him to fix the price as he may see fit. I wish to say that, in my judgment, it is a mistake to fix the price at all; I believe that it is a mistake and will not result in increased production.

This whole price-fixing proposition is based on the fact that the Government desires to stimulate the production of wheat, so we may raise not only enough for our own use, but enough to supply our allies.

The raising of a sufficient amount of food products is a gigantic and far-reaching proposition, affecting both producer and consumer; in fact, it affects every man, woman, and child in this country, as well as the countries of our allies who are depending at least in part on us for their food supplies, and is therefore worthy of our most careful and serious consideration.

In my judgment, the proposition to fix the selling price on any article, whether it be a food product, grown on the farm, or an article manufactured, when it is impossible to ascertain the cost, is fundamentally unsound, and only leads to disappointment and confusion.

Mr. Speaker, I contend that if the Government wants to go into price fixing on farm products, on one commodity, it should fix the price on all products of the farm, but before this is done—in fact, before it can be done intelligently—we must first ascertain the cost of production and, unfortunately, it so happens that the cost of production of farm products can not be ascertained until after the crops are harvested for the simple reason that we have no way of knowing what the yield will be per acre. It may be in the case of wheat that we will have a yield of 5, 10, 20, 30, or even 40 bushels per acre. We all know that should the yield be less than 10 bushels per acre the cost of production will be over three times as high as it will be if the yield is over 30 bushels per acre. In addition to this, we do not know what the labor cost will be; nor the cost of fertilizer, binder twine, nor any other expense connected with the raising of wheat. The cost of production, as I have said before, is determined entirely by the yield.

Again, I am firmly convinced that it is a mistake for the Government to attempt to control prices or values by legislation,

and I seriously question whether this bill, regardless of whether the amendment is agreed to or not, will have the desired effect, namely, that of stimulating production of wheat. In fact, in my opinion it will have directly the opposite effect. It is true that we are depending upon the patriotism of the farmer to raise wheat, because we need it to prosecute the war, but when he figures out and knows by experience that he can make more money by raising corn, barley, oats, or rye, it is only reasonable to suppose that he will cut down his acreage of wheat and raise more of the other cereals.

Mr. GOOD. Mr. Speaker, will the gentleman yield?

Mr. KREIDER. Yes; for a question.

Mr. GOOD. Is not the gentleman aware that it was the Senator from North Dakota who, in the interest of a wheat grower, secured the adoption of the amendment guaranteeing the price of \$2 last year?

Mr. KREIDER. I think that is true, but that does not prove that the Senator from North Dakota may not have been in error and made a mistake when he did so. I believe that the Congress was justified in the passing of the food-control bill last year upon the basis that it prevented the allies going into the open market and bidding up the price of American products. In that regard, and in that only, it was justified. However, the fixing of the price of any one farm product without fixing the price of others, especially those used in wheat productions as well as those that might be used as substitutes, is a very unfortunate blunder. It is unscientific and can not be justified upon economic grounds. The fixing of the price of wheat last year was done because it was believed that unless the grower could be assured a stable price he would not increase the acreage. The Government therefore fixed the price for this year's crop in order to secure the planting or seeding of a larger acreage. When this price was fixed, it was fixed on a comparative basis, and it was thought that the price was sufficiently high to guarantee a maximum amount of acreage. We have now one year's experience. The result is that the prices of other crops have advanced, so that it is more profitable now for the farmer to raise other crops rather than wheat, and this, in my judgment, will unquestionably result in a decreased acreage for wheat when seeding time comes in the fall of 1918.

It is perfectly foolish for men to stand on the floor of this House and appeal to the patriotism of the farmer and insist that he shall grow wheat, when he can raise other crops that in his judgment are far more profitable. There is no question about the good intention of the Government; but, unfortunately, good intentions do not always bring results, nor will they solve our problems. Possibly six or eight months ago the Government told the farmers of the country and the people that they should raise all the beef and pork possible. They inaugurated meatless days, and advised the conserving of fats, oils, and so forth. This request was complied with to a very large extent. Many farmers bought large quantities of steers last fall that were thin in flesh and fattened them during the winter months, and added from 300 to 500 pounds to the weight of each steer. When they came to sell them this spring, however, they found the market glutted with cattle and beef, and the result was that when they had sold their cattle and took account of the cost of the cattle, the cost of the feed, they found that they had received less than one-half for their corn and other feed than they could have realized by selling the grain. No sane man will contend that farmers will continue to do this year in and year out. The same is true of hogs. There is practically nothing that the farmer can buy or feed to his hogs which will enable him to get his money back when the hogs are sold. In fact, the price of the coarser cereals has advanced to such a point where many farmers, especially in isolated districts, have found it more economical to feed wheat to their live stock than to buy other grains or feed. The Government reports would indicate that the feeding of wheat has been practiced rather extensively and that millions of bushels of wheat have been fed to live stock and have not been conserved for human food.

I know there are those who contend that the fixing of the price of wheat is absolutely essential in order to protect our workmen and wage earners from paying abnormally high prices. I think this is a mistaken idea, which can also be proven by present conditions. We all know that the Food Administration has restricted the sale of flour and no householder can buy flour unless they buy an equal amount of so-called substitutes and these substitutes have been advanced so that the price on those is out of all proportion to the price of flour, and yet they are compelled to buy them or do without flour. My contention is that it would be cheaper for the consumer to buy what he wants and needs, even though the price

on that one commodity was a little higher than to be compelled to buy, at an exorbitant price, the things he does not need and does not want. [Applause.]

Mr. Speaker, the truth is that we have no settled program; we are drifting about in a slipshod manner with no definite object. In my judgment, the Government should now give the agriculturists of the country an idea of the crop requirements for 1919—it is too late for 1918; should give the requirements for beef for 1920 and 1921, and dairy requirements for 1922. To follow the policy we have been following, a hand-to-mouth, makeshift proposition, is a mistake. We must have a program consistent, thought out, and with a vision of the future. We have passed through the first year, the second year's campaign is already either won or lost, and the campaign for the third year opens with this fall's plowing and planting of winter wheat and crop planting for 1919. If the Government and the country are satisfied with the results and with the sidestepping, cross-firing advice, illy digested council, and so forth, we, of course, have nothing further to say; but in my judgment the time has come when this program should be replaced by a program that is plain, clear, and straightforward; and in order to have such a program we must have men to formulate this program who are not only patriotic and who can be trusted, but they must be men who know the problems they are supposed to solve. Men who can see and have a true vision beyond the narrow limits of one growing season; men who can realize the need of a far-reaching program; men who have the strength of heart to call the farmers of America into council and let them share in the preparation, even as they must and shall share in the final victory which we all hope and believe we shall achieve.

Lawyers, statisticians, and college professors and college presidents are no doubt patriotic men, but they lack the essential qualifications and actual business experience to outline a program such as I have referred to.

When I see statements made by men high in official positions and articles written on the subject of farming in which they give advice and make suggestions, I am tempted to believe that all that they know about farming they learned by looking out of a Pullman-car window when they were riding upon a train going to Florida for their winter vacations and then, added to this valuable knowledge thus gained, by repeating the performance when they went to Maine or the seashore to spend the hot summer months, at the very time when the farmers to whom they were giving their valuable advice were harvesting the crops and were providing for the Nation's requirements. If, in conversation with some of these men and speaking of a well-known strain of live stock, you should mention the word "Holstein," they would not know whether you were referring to a breed of horses, cattle, hogs, or chickens; and should you speak of "Berkshires," they would probably think you were talking of a breed of dogs, sheep, or geese, or possibly cats. [Applause.]

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. KREIDER. I will.

Mr. YOUNG of North Dakota. I understand the gentleman represents a district which is largely a consuming district, and yet, I assume, he is now speaking from a national viewpoint.

Mr. KREIDER. I wish to say to the gentleman that I represent a district which contains a large consuming population; some of the largest manufacturing interests in the country, are located in my district; the greatest railroad on earth has its division headquarters in my district, and yet, at the same time, my district contains the richest agricultural lands in the United States. The Lebanon Valley, the Cumberland Valley, and the Lykens Valley are known throughout the State and even throughout the United States for their fertility of soil, but more particularly because of the scientific, up-to-date farming that is carried on. However, I am not viewing this matter from a sectional viewpoint, nor from a political viewpoint; my desire is to do what I can to assist in perfecting legislation which will produce the best results for the Nation as a whole.

Mr. Speaker, the time has come when we need to sink all political or sectional pride and everyone of us throughout the entire country stand together shoulder to shoulder for the winning of this war. I believe that we have been entirely too optimistic; I believe the attitude of the Government has been too optimistic; there are too many people in the country to-day who are taking it as a matter of course that we are going to win this war. The idea that there is a possibility of losing the war has never entered their minds. They simply feel that it is unthinkable, and no matter how many blunders are being made the war is going to be won just the same.

I, too, believe that we are going to win this war, but I also believe that by standing together and all interests standing by

the Nation and every individual doing his utmost will result in winning the war in the quickest possible time, with the least possible loss in life and treasure.

In short, we simply must stand together, and the quicker we realize this the better it will be. We have to-day too many slackers—yes, I may say traitors—in this country. In my judgment the time has come when any individual who for private gain will hold up or in any way retard the production, the manufacture, the mining, or the transportation of those things needed by the Government for the prosecution of the war should be regarded as a traitor to the country, and any individual, firm, or corporation who will refuse to manufacture goods needed by the Government simply because the profit is not satisfactory is a traitor and should be prosecuted as such and made to pay the penalty prescribed for treason. [Applause.]

I do not desire to say a single thing against the Government, but I do say that we must become more efficient, and the authorities must sooner or later come to the point where they will call to their aid men with experience and practical knowledge of the things they are to control. College presidents, professors, and theorists and scientists have all, no doubt, their missions to fulfill and duties to perform, but why they should be called to handle gigantic business propositions without an atom of practical experience or a scintilla of evidence that they know anything at all about it is more than I can understand.

It is, however, very gratifying indeed that we can see signs of awakening along this line, and the appointment of Charles M. Schwab as the Director General of the Emergency Fleet Corporation and Shipping Board a few days ago is one of the signs. It happens to be my good fortune to be personally acquainted with Mr. Schwab, and I want to say in my judgment it will be hard to find a man with a clearer mind or one more energetic and resourceful or one who has had more experience in handling propositions of gigantic proportions. I want to assure every Member of Congress from now on we are going to have an intelligent administration in the Shipping Board, and we are going to have results. In other words, we are going to have ships, and if we do not we will know the reason why. Would to God we had a Schwab to put at the head of every department, especially where the results have been so extremely distressing and disappointing. We must have these men if we want to win the war in the quickest possible time.

As I have said, politics must be relegated to the rear. I am proud to say that every bill that has been presented to this Congress since we are in this war and before we were in the war that has had for its object the speeding up of the war program has had my unqualified support, notwithstanding the fact that many of them might have been improved. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none.

Mr. LONDON. Mr. Speaker, I make the same request.

Mr. DILLON. Mr. Speaker, I make the same request.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that all gentlemen who speak on this subject may have leave to extend their remarks in the Record on this subject. That will save time.

The SPEAKER pro tempore. Well, for how long?

Mr. LEVER. For five days.

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consent that all Members who have spoken on this subject have the privilege of extending their remarks on the subject under debate for five calendar days. Is there objection?

Mr. JOHNSON of Washington. Mr. Speaker, reserving the right to object, will the gentleman ask unanimous consent to make it all Members?

Mr. LEVER. Mr. Speaker, I will modify the request by making it that all gentlemen have five days to speak on this subject.

The SPEAKER pro tempore. Is there objection to the modified request?

Mr. MOORE of Pennsylvania. Mr. Speaker, I object.

Mr. JOHNSON of Washington. Does the gentleman object? Some gentlemen can not get time and others can. If the gentleman does that, I shall object to all extensions.

Mr. MOORE of Pennsylvania. I would not object to the gentleman—

Mr. JOHNSON of Washington. I am not asking for time.

Mr. HAUGEN. I trust the gentleman will withdraw the objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I will withdraw the objection.

Mr. HAUGEN. In view of the fact that I have so many requests for time—

Mr. MOORE of Pennsylvania. I withdraw it.

Mr. JOHNSON of Washington. Mr. Speaker, I renew the request, the objection having been withdrawn.

The SPEAKER pro tempore. Is there objection to the modified request of the gentleman from South Carolina?

Mr. FIELDS. Mr. Speaker, I want to amend the request of the gentleman from South Carolina by making it all Members instead of all gentlemen.

Mr. LEVER. I do not accept the amendment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Carolina?

Mr. MOORE of Pennsylvania. Mr. Speaker, in order that the matter may be settled, the rules provide that Members of the House shall be regarded as gentlemen, and I make the point of order against the suggestion of the gentleman from Kentucky [Mr. FIELDS].

Mr. FIELDS. Mr. Speaker, the gentleman should bear in mind that we have a lady in the House, and every time that request is made that question is raised.

Mr. MOORE of Pennsylvania. If the gentleman puts it upon that ground, I have no objection.

Mr. FIELDS. That is exactly the ground. [Laughter.]

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. ANDERSON. Mr. Speaker, I was interested in the remarks and the attitude of the gentleman from Iowa [Mr. Good]. The gentleman from Iowa, of course, can vote on the side which he thinks has the most votes if he wants to, but I hope this House will consider this question from the standpoint of giving to the country and to those who raise wheat that measure of even-handed justice which all the circumstances and conditions under which we are now legislating justify.

I was also interested in the remarks of the gentleman from New York [Mr. LONDON]. He started out with the proposition that price fixing has been a failure the world over, and he proposes to correct this failure by more price fixing, and although he claims to be a modern Socialist, he seeks to enact into the law as a corrective of the ills and evils of this day the policy and the code of Diocletian.

If we had this year a crop of 850,000,000 bushels of wheat, which would give us an export surplus of 350,000,000 bushels; if we had an assured prospect of such a crop now, I venture to say there is not a man in this House who would not willingly, who would not gladly vote to repeal every section of the food-control law which authorizes the fixing of either maximum or minimum prices. [Applause.] We do not, however, confront that situation. We have dealt this year with a short crop. We are confronted with the possibility of having to deal next year with a short crop, and we must consider this question upon that basis.

I intend to support the amendment of the gentleman from Michigan [Mr. McLAUGHLIN]. That amendment reduces the proposition involved here to the single question of whether the minimum price for wheat shall be not less than \$2.50 per bushel at the principal primary markets instead of \$2 per bushel as now fixed by the law, which would require an increase of 30 cents per bushel over the absolute price fixed by the President. I think that the questions involved here are debatable, because no man and no set of men can determine absolutely that \$2 or \$2.20 or \$2.50 or \$2.65 represents the absolute of impartial justice touching the price which should be paid for this year's crop of wheat which every citizen everywhere in the United States would accept as such. But in determining that question—and we must determine it, for the question of wiping out the fixed price altogether is not here for consideration—we have a right to take into consideration that the price of wheat fixed last August was fixed at \$2.20 a bushel, when the average price of wheat in the United States in the open market was \$2.78 per bushel; we have a right to consider that the price of \$2.20 was fixed at a time when there was the greatest demand for wheat, backed by the imperative necessity of war, that the world had even seen; we have a right to consider that when the price of \$2.20 was fixed by the President, in August, corn and barley were both selling at a relatively higher price than wheat would represent at \$2.20; we have a right to take into consideration the fact that the fixing of this price, or of any price, deprived the farmer of an open market for the commodity at a time when an open market would have given him a price far in excess of \$2.20 per bushel; we have a right to consider that no action has been taken fixing or in any way controlling the prices of commodities which the producer of wheat must buy and use in raising his crop.

But, for the purpose of the argument which I propose to make here, I intend to assume that \$2.20 was a fair price for wheat when it was fixed last August by the board established by the Food Administration under the President's direction, in view of all of the circumstances which then surrounded the question.

Now, then, that reduces the question to this: Has anything occurred since the price of \$2.20 was fixed, last August, which justifies us now in enacting into law a provision which will require that price to be increased? In order to get at that proposition I want to submit some statistics which I have taken from the report of the Bureau of Labor Statistics in the Department of Labor. I take their statistics because no one can claim that the Bureau of Labor Statistics in the Department of Labor is interested in this question from the standpoint of increasing the price of wheat, and because these statistics must be recognized by everyone as impartial, so far as they relate to the question under consideration.

These statistics show that while the price of wheat has remained stationary since it was fixed at \$2.20 last August, the price of other commodities has steadily increased. In order to get at this relative increase it is necessary to take figures representing relative increases rather than absolute price figures, and in the quotations I am going to make I shall quote figures representing relative increases rather than actual and absolute price figures. In other words, the table from which I quote takes the different commodities and represents the then existing price by the figure 100 and subsequent prices are represented by figures either higher or lower than 100 in the proportion in which there has been an actual increase or decrease.

The table shows that in August, 1917, the price of wheat was represented by the figure 310, and that in December, as a result of the fixing of the absolute price, the price of wheat was represented by the figure 241, a reduction of 50 points. During the same period, from August to December, 1917, the price index figure for oats increased from 161 to 204, barley from 244 to 276, rice from 133 to 146. During the same period, while the price of cattle and hogs remained practically stationary, the price index figure for beef increased from 126 to 137, on bacon from 186 to 223, on ham from 136 to 170, and on lard from 222 to 240.

These figures indicate that while during that period the farmer sold his cattle and hogs at a uniform price, he bought back the beef, the ham, the pork, and the lard made from the cattle and hogs at a relatively high price.

We now come to some of the articles in which many of the gentlemen who so insistently oppose an increase in the price of wheat are especially interested. During the period to which I have already referred, from August to December, 1917, the price of cotton increased, as shown by the index figures, from 197 to 233, cotton yarn from 204 to 230, cotton sheeting from 200 to 235, bleached muslin from 188 to 211, worsted yarn from 253 to 307, clay worsted suitings from 274 to 302, leather from 164 to 180, and sole leather from 296 to 303.

Relative index figures could be quoted almost indefinitely during the period I have referred to, showing by impartial authority that since August, when the price was fixed upon wheat at \$2.20 and at which price it has remained stationary, there has been a relative increase in practically every article which the farmer has to consume, and that this increase has been equivalent to a percentage greater than is represented by the increase of 30 cents a bushel proposed by the amendment offered by the gentleman from Michigan [Mr. McLAUGHLIN].

If these figures could be projected into the months following December, 1917, they would show a still greater relative increase in the price of these commodities. I have some figures gotten up by the Food Administration which show the relative price of wheat and certain farm implements. These figures show that the price of wheat in May, 1917, as compared with 1911, is represented by the figure 291, and that the price of wheat in October, after it had been fixed by the Food Administration, is represented by the figure 237, and it will be represented by the same figure in May, 1918.

In the case of farm implements these statistics show that in May, 1917, the price of the selected farm implements was represented by the figure 126; in October that price was represented by the figure 151; and that in May, 1918, it will be represented by the figure 170. In other words, that while there will be during the period from May, 1917, to May, 1918, a reduction in the price of wheat equivalent to 54 points, there will be a relative increase in the price of farm implements of 44 points, and the implements selected have not been selected with a view of making a basis for an increase in the price of wheat.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. ANDERSON. I yield for a question.

Mr. MOORE of Pennsylvania. Granted that the price of farm implements has gone up, is it not a fact that the farmer does not buy his implements with the regularity that he sells his products?

Mr. ANDERSON. I suppose that is true; but taking the country over, that statement, which only applies to individuals, has no bearing on the general argument I am attempting to make.

I intend to append to my remarks a statement showing the absolute average farm price of oats, corn, barley, rye, and wheat by 10-year periods from 1870 to 1913, during the period of the war prior to our entering it, and in 1917, and a second table showing the relation of the prices of other farm grains to corn represented by the figure 100 for each of these periods. The latter table shows that the price of wheat as compared with corn, represented by 100, during the 10-year period from 1870 to 1879 is represented by the figure 245; in the 10-year period from 1880 to 1889 the price of wheat in the same ratio is represented by the figure 205; during the following 10-year period by the figure 189, and in the following 10-year period by the figure 161; from 1909 to 1913, by the figure 151; from 1914 to 1916, the war period, by the figure 169; and in 1917, by the figure 142. To express the conclusions of those figures in general terms, they show that wheat was worth less in comparison with corn in 1917 than at any time since 1870, and this despite the fact that wheat has a certain and a peculiar value in time of war.

These figures show that wheat was worth less in 1917, in comparison with corn, than it was in the three preceding years of the war before we entered it, although during a part of the year 1917 the price of wheat was higher than it has ever been in the history of the country and the world's available crop so short that wheat rationing is resorted to over half of the entire world.

The conclusion is inevitable from the facts I have stated that the price of \$2.20 fixed last August for last year's crop is not a fair price for this year's crop, everything considered.

It is argued that this whole matter should be left to the administration, and in the same breath the administration is lauded because in August last year the President increased the minimum guaranty of \$2 established by Congress by fixing an absolute price of \$2.20 per bushel, based upon Chicago. If it was a praiseworthy act for the administration to increase the price to \$2.20 per bushel last August, how can it be a crime for Congress to increase the price to \$2.50 per bushel when it is shown that no effort has been made to keep the price of other commodities which the farmer must buy and use upon an even level with the price so fixed on wheat?

Wheat is the most precarious of all staple grains to raise. On the basis of present prices it is less profitable than any other. The farmer is patriotic, and, notwithstanding this fact, he has put in a crop this year larger in acreage than any in the history of the country. Ought he to be penalized because of this patriotism in comparison with other industries and other fields of endeavor, whose commodities seek an unrestricted market and have increased in price during a period when the price of wheat has been kept stationary by law?

I append hereto the statistical tables upon which my argument is based:

Relative wholesale prices August, 1917, and December, 1917, compared with July, 1914, represented by 100.

Article.	July 1914.	July 1917.	December 1917.
Cattle.....	\$100.0	\$142.9	\$143.6
Beef.....	100.0	126.7	137.0
Hogs.....	100.0	197.6	192.2
Bacon.....	100.0	186.5	223.4
Hams.....	100.0	136.2	170.6
Lard.....	100.0	222.5	249.0
Wheat.....	100.0	310.8	241.9
Corn.....	100.0	270.6	240.7
Corn meal.....	100.0	363.2	333.3
Oats.....	100.0	161.5	204.9
Rye.....	100.0	294.2	294.8
Rye flour.....	100.0	327.3	324.9
Barley.....	100.0	244.5	276.4
Rice.....	100.0	133.3	146.3
Cotton.....	100.0	197.7	233.6
Cotton yarn.....	100.0	204.7	230.2
Sheeting.....	100.0	200.0	235.7
Bleached muslin.....	100.0	188.2	211.8
Worsted yarn.....	100.0	253.8	307.7
Clay worsted suitings.....	100.0	274.8	302.9
Storm serge.....	100.0	247.5	247.5
Hides.....	100.0	164.9	180.4
Leather.....	100.0	196.4	203.6
Petroleum, crude.....	100.0	177.1	200.0
Petroleum, refined.....	100.0	100.0	116.6

Average farm value, per bushel, United States.

	Oats.	Corn.	Barley.	Rye.	Wheat.
1870-1879.....	33.7	40.5	71.3	66.4	99.4
1880-1889.....	32.9	40.6	58.2	60.8	83.5
1890-1899.....	27.8	34.5	43.3	52.3	65.4
1900-1909.....	35.5	47.6	47.9	62.2	77.0
1909-1913.....	38.1	57.1	61.0	71.6	86.1
1914-1916.....	44.1	70.2	64.7	97.3	118.9
1917.....	63.4	141.4	107.4	156.1	201.2

Ratio of price of corn, represented by 100.

	Oats.	Corn.	Barley.	Rye.	Wheat.
1870-1879.....	83.4	100	151	162	245
1880-1889.....	79	100	144	149	205
1890-1899.....	80	109	123	151	189
1900-1909.....	74	100	100.6	140	161
1909-1913.....	67	100	106	124	151
Average.....	76	100	125	143	193
1914-1916.....	62	100	92	138	163
1917.....	44	100	76	110	142

The SPEAKER pro tempore. The time of the gentleman from Minnesota has expired.

Mr. ANDERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. The gentleman already has that right.

Mr. LESHNER. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. DILL].

Mr. HAUGEN. Later, Mr. Speaker, I will yield five minutes to the gentleman from New Jersey [Mr. HUTCHINSON].

The SPEAKER pro tempore. The gentleman from Washington is recognized for five minutes.

Mr. DILL. Mr. Speaker, if the prices of the things which the farmer must buy and which he uses were fixed on a basis in proportion to the price of wheat at \$2, I should be opposed to raising the price of wheat. But when the prices of everything else that the farmer uses, including the wages that he must pay the help with which to harvest his crop, not only have gone up but are going up and will continue to go up until this crop is harvested, it seems to me but proper and right that we should increase the price of wheat by the small amount of 30 cents a bushel, as is proposed by the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

The farmers are a more important factor in this war to-day than ever before. If they produce enough wheat for our own people and the peoples of the European allies, Germany will be whipped. If they fail to produce enough wheat, our people will be as bad off as the people of Germany and her allies. In short, the production of wheat is a military necessity.

Some Members here have said \$2.50 wheat means profit to the farmer. I do not think so; but, even if it does, if it will bring about a larger production of wheat, why draw the line on farmers' profits? We do not hesitate to pay prices which mean big profits for more ships, more guns, more airplanes, more ammunition, and more war supplies. Why? Because we want enough of these military necessities with which to win the war.

It has been argued here that the fixing of the price of wheat at this time will not affect the amount of wheat for this year. I do not know whether that is true or not; but granting that it is, I believe it will affect the amount of wheat that will be put upon the market for the purpose of making bread, because with the price of meat-producing stock continually rising it becomes a question of a farmer making his expenses. Oftentimes it is a question whether he will feed his wheat to some meat-producing animal or whether he will sell it in the market, in order to make enough to pay expenses.

Why, Mr. Speaker, wheat to-day is one of the cheapest articles of food on the market. It is cheaper than corn, cheaper than rye, cheaper than oats, and cheaper than barley. Thus the very situation is an encouragement for farmers to feed wheat to their stock rather than the higher-priced foods. Either we should raise the price of wheat or let it be free on the market or regulate the price of other grains to a similar level.

Another point that it seems to me it is well to remember is that in fixing the price of wheat now we are really fixing the price of wheat for the farmers who are to sow in the fall. Congress will adjourn and will not meet until after all the fall wheat is planted, and there is little probability that any new price of wheat will be fixed next year. As the gentleman from Minnesota has so well shown, \$2.50 for wheat during the coming fall, with all prices going up, will in the end be no more, if even as much as \$2 when the price was fixed last year. In

the light of these facts and conditions, with everything going up and no limit being put on the prices that do go up and with no proposition to put a price limit on those things, it seems to me the proposition of \$2.50 wheat is proper, and I shall support it. [Applause.]

Mr. HAUGEN. I yield five minutes to the gentleman from New Jersey [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, to be consistent in this matter—and I am—the greatest thing this House could do to-day would be to eliminate price fixing. [Applause.] I was opposed to it in the framing of the bill in reference to food control. When that matter was brought before us the entire object was to increase production. Certain conditions were proposed, whereby the President had to give public notice and the farmer had to sign certain agreements in order to get the benefit of the law. Unfortunately the \$2 amendment of the Senate last year was adopted, and that is something that is going to run away with the people. In the short time I have I want to explain just what this means, and I think we ought to be fair. This does not mean an increase of 30 cents only, but it means 80 cents for the people in the East. It costs 50 cents a bushel for freight and elevator charges to get a bushel of wheat from the far West over to New York, and this will increase the price of flour about \$3.50 a barrel. Now, if we can take the estimates of the Government, we are going to have in the neighborhood of 850,000,000 bushels of wheat, and the millers in Chicago on last Friday estimated that we will have a crop of 1,000,000,000 bushels. If we have 850,000,000 bushels, we can have food for our allies, food for ourselves, and the Government will have 200,000,000 or 300,000,000 bushels left.

I feel confident that the Food Administration has been a great help to this country. It has kept the price of flour down; and while probably the farmer would have gotten a great deal more for his wheat, it has been a great benefit to the entire country. The next three months is going to be the crisis in food conditions. When we get the new crop we can handle the price, but we have not very much wheat now except what is in the hands of the farmers, because the millers and the dealers are selling it just as fast as it comes in. If we can regulate the supply for the next three months, and keep the price of flour down, we shall then have passed the most critical time. This provision affects the 1918 crop. It has nothing to do with the crop of last year.

The consequence is that if we are not careful we are going to have \$15 or \$16 flour and 200,000,000 or 300,000,000 bushels of wheat on hand. We want to consider this very carefully and try to avoid such a condition as that.

To give you an idea how farmers regard this proposition, I would like to read a letter in part received from a man who knows his business, and which, to my mind, expresses the feeling among farmers generally in my district.

The following is a copy in part of a letter received from Mr. Ward O. Collins, of Brookvale Farm, Califon, N. J., dated March 24, 1918:

Hon. E. C. HUTCHINSON, M. C.,
Washington, D. C.

DEAR SIR: Permit me to express my views regarding the proposed legislation in reference to \$2.50 wheat. While I raise about 200 bushels of wheat, along with a large amount of other grains, I am opposed to a further artificial increase in the price of wheat for the following reasons:

First. At this date the amount of wheat to be planted this spring could not be materially increased, as all the farmers have made their plans for spring crops, and with the present inefficient transportation seeds could not be secured in time.

Second. The present price of \$2.20 would give good returns if the crop is good; if the crop is bad, no amount of legislation could make it pay.

Third. An increase in price for the next crop will cause all wheat now in farmers' hands and in country dealers' hands to be held until the new crop is harvested.

Fourth. An increase in the price of wheat means an even greater increase in the price of unregulated grains, which means that no poultry or stock of any kind can be kept or raised at a profit.

My experience during the last year has shown that more money can be made by selling grains. As a consequence there will soon be a shortage of milk, poultry, and eggs, as the cost of production of these things, with grain prices as they are now, has actually exceeded the prices received.

Yours, truly,
WARD O. COLLINS,
Califon, N. J.

Producers have not asked for legislation of this character, but are perfectly willing to prove their patriotism and loyalty and give to the Nation a maximum crop regardless of the sacrifice involved, and they can not be fooled by the mere passage of a bill that pretends one thing and has absolutely no meaning in fact.

This section provides that the President must first find that an emergency exists requiring stimulation of production of wheat; he is then to give public notice from time to time, seasonably and as far in advance of seeding time as practicable,

that under specified conditions a guaranteed price will be paid to producers of wheat who comply with the specified conditions. Yet later on in the same section this arrangement is annulled by the positive statement which provides that—

This guaranty shall not be dependent upon the action of the President under the first part of this section, but is hereby made absolute and shall be binding until May 1, 1919.

For my personal benefit I would like to know how it is possible to stimulate production under specified conditions if there are no conditions specified.

No better evidence of the loyalty of the American farmer can be found than the statement published within the last few days by authority of the Department of Agriculture, which indicates that, as a result of increased acreage and intensive methods, the 1918 crop of winter wheat will be 142,000,000 bushels more than last year, and the prediction was unofficially made that if the spring wheat crop maintained the same ratio the total wheat crop will be 850,000,000 bushels, or enough to take care of the needs of this country and the allies next year. Last year the wheat crop was estimated at 651,000,000 bushels.

In addition, there is an increase of 26,000,000 bushels in the prospective rye crop, making an estimated increase of about 225,000,000 bushels of bread grain.

The bill also provides that the basis for grading wheat shall be the same as that established under the United States grain-standards act, which means that, in justice to both seller and buyer, it will be necessary to have an inspector at every local buying point, and, instead of appropriating \$456,580, as provided for on page 84 of this bill, that amount will have to be increased to several million dollars.

The act approved August 10, 1917, provided that the guaranteed price of not less than \$2 should be based on No. 1 northern spring wheat or its equivalent, delivered at the principal interior primary market, while this bill provides that the price shall be based on No. 2 northern spring wheat or its equivalent at not less than \$2.50 per bushel, delivered at the local elevator or local railway market where such wheat is delivered from the farm where produced.

What this means to the consumer I do not feel free to predict; but when you take into consideration the fact that most of the wheat grown must pass through the hands of several parties before it reaches the mill, and each handling involves additional expense, it will be seen that flour prices must be figured on the basis of the total of these charges, or about \$3 per bushel. The freight rate from the local elevator to the mill or terminal elevator, plus the elevator charges and commissions, will, no doubt, equal 30 cents per bushel, and if the wheat is then to be moved east the cost will be increased by an additional 20 cents. This will figure just 80 cents per bushel more than the present market price, or \$3.52 more as the actual cost of wheat alone in a barrel of flour; and bread now costing 8 cents a loaf will be advanced to 10 cents, or just 25 per cent.

Therefore it will be seen that the bill not only fails to increase production but complicates the situation more by providing expensive and impracticable methods of handling what we do produce.

Mr. LESHNER. I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, the observations made by the gentleman from New Jersey are pertinent and rather convincing. He always speaks from personal investigation, and informs the House whenever he addresses it. However, I think the suggestion that we may have over 300,000,000 bushels of wheat unsold, under the stress of the demand in Europe, is hardly warranted. The demand from that quarter must increase with the continuance of the world war. Also I fear that the estimate of this year's crop which he has just announced is too high and that we will not have anything like the amount he suggests. We had better not proceed upon the basis of a surplus of wheat for the coming year.

I believe that the Congress was justified in the passing of the food control bill of last year, upon the basis that it prevented the allies going into the open market and bidding up the price of American products. In that regard, and in that only, it was justified. Price fixing by the Government when all the world was bidding for our products seemed necessary. I think, however, that the fixing of the price of any one farm product, such as wheat, without fixing the price of others, especially those used in wheat production as well as those that might be used as substitutes, is a very unfortunate blunder for the country. The fixing of a product of sale without fixing the product and articles needed for said production is unscientific and not justified from economic grounds. The fixing of the price of wheat was done because it was believed that unless

the grower could be assured a stable price he would not increase the acreage. We therefore fixed a price for this year's crop to insure a greater acreage of planting, since the farmer would know that he would get a certain price if he planted it, no matter what the contingencies growing out of a world war might be. That was all right last year for this year's crop, but it will not do for next year, since the range of prices is not the same. This year, instead of his getting as good a price as last year in comparison with other products, which are not fixed by law, he finds wheat his least profitable crop. At the price of other farm products, which are the result of the law of supply and demand rather than legal enactment, there is no advantage at all in his sowing wheat, because he can get so much more for the substitutes for wheat. He will most certainly raise the crops which will yield the greatest profit at least risk and labor. I think it is perfectly foolish to talk about the raising of wheat if you can raise twice the amount of something else, like corn, and sell each bushel for as much or more than you can sell the wheat for. There is no doubt about that. It will not suffice to charge a lack of patriotism to the agriculturist if the Government, by its interference with the law of prices, makes wheat the least profitable crop the farmer raises. There is always great risk in the final outcome of a wheat crop. It must pass through the March period, when a good crop may be ruined by freezing. It must run the risk of the wheat pests. The farmer can never be sure of his wheat crop until he has it ready for the elevator. It must not be discouraged by a price below its comparative range with other products.

Mr. MADDEN. Will the gentleman yield for a single question?

Mr. FESS. I yield to my friend from Illinois.

Mr. MADDEN. Does the gentleman think that any legislation fixing the price of wheat or any other of these commodities now will add one bushel to the output this year?

Mr. FESS. It would add very little if anything this year. I admit that. It is too late to increase the yield. But a price fixed now will be a suggestion for another year, and if increase is necessary it will stimulate another year provided the price comparative will make wheat raising profitable. If it is not done then, wheat land will most certainly be abandoned for other crops more profitable. Instead of increasing the yield the Government has discouraged it.

My own opinion is that price fixing is an economic blunder. The year's experience has shown conclusively that it has been a palpable failure. The Food Administration, however sincere and arduous its labors, has completely broken down in the matter of prices.

Mr. OVERMYER. Will the gentleman yield?

Mr. FESS. I yield to my colleague.

Mr. OVERMYER. Following the question of the gentleman from Illinois [Mr. MADDEN], if that is true, as the gentleman from Ohio answered it, is it not a fact that the patriot who sold his wheat for what he could get is going to be the loser if this amendment is adopted, while the slacker who kept back his wheat will be the one who will make a profit on it?

Mr. FESS. The difficulty is here, that if the price is fixed by the Government as the minimum price, that minimum price becomes the maximum price to the producer. This is an economic principle so apparent that I need not press it. It is not the maximum price to the consumer, but it is the maximum price to the producer, because immediately the price announced becomes fixed whether the crop is purchased by the warehouseman or the Government becomes the buyer, the man selling it sells it for the price that is fixed by the Government. When that statement was made last year that the minimum price would become the maximum price many Members said it would not occur, but it certainly has occurred.

The wheat farmer for years past has followed the plan of thrashing his wheat from the field and taking it at once to the elevator. If the Government states a price, of course, the elevator will not offer more. The bulk of the wheat will be sold, and at the price named. It therefore becomes the maximum price to the grower. But before it is made into flour it passes through other hands, who may demand more than the grower's price. So the consumer of flour will find the minimum price to grower is not the maximum price to him. There is something in what my colleague says, if there is any interruption between the grower of wheat and the consumer of flour, as there generally is. In our fixing this price, if we pursue this policy, the wisdom of which I am greatly in doubt, we must fix it high enough in comparison with other articles to insure a profit in its growth, else we will be disappointed in the future wheat yield.

Mr. McLAUGHLIN of Michigan. The gentleman might further answer his colleague from Ohio [Mr. OVERMYER] by saying

that a farmer can not see the crop of 1917 for this price without perjuring himself. This applies to the crop of 1918 only. When gentlemen talk about holding wheat they should remember that.

Mr. FESS. Now, let me give you some figures which were given to the Senate some days ago when this question was discussed. They are very suggestive as to the average yield and price of farm products for the 50 years preceding 1916. They include five standard articles, including wheat, corn, oats, barley, and rye. The average yield per acre of wheat was 12.94 bushels, realizing \$11.34. The average yield per acre of corn, 25.4 bushels, realizing \$11.28; that of oats was 28.22 bushels, yielding \$9.54; that of barley was 23.53 bushels, yielding \$13.66; while that of rye was 14.37 bushels, realizing \$9.43.

It will here be noted that of these five articles the farmer realized as an average per acre about the same amount of money. When compared with wheat as the standard, they stood as 1 to 2 in the yield of corn. In other words, it was necessary for an acre to produce twice as many bushels of corn to make it as profitable as wheat. This was the comparison until we fixed the price of wheat. After that wheat stood stationary in price while corn doubled. This made it unprofitable to raise wheat. The increase of the other articles was due to an artificial legal demand for substitutes of wheat since the food-control authorities required the purchase of quantities of substitutes in order to secure flour.

The price of corn, for example, ranges so high that it will reach the market directly instead of the usual hog route. The farmer can not afford to feed his corn when he can get a better price for it when sold as corn rather than as live stock. There can be only one result of this situation, namely, a shortage of meat. This leads me to note the inevitable effect of such legislation upon the meat supply as a food. If we stimulate the price of feed by making it a food—in other words, if we require our people to substitute corn for wheat—we withdraw the feed for stock in the degree of the substitute. If the price of corn is thus shoved beyond that of wheat, as was the case this year, two things must follow: Farmers will either cease to raise hogs or will substitute wheat as a feed for corn. In this case the wheat supply for Europe must be lessened and the price of meat must be greatly increased. No farmer can afford to feed \$2 corn to hogs unless he can secure an abnormal price for his pork. If it takes from 12 to 15 bushels of corn to produce 100 pounds of pork on the foot, that pork must be sold at prices prohibitive.

The cattle situation is similarly affected. The cattle feeders were assured that they could purchase safely stock for winter feeding and realize upon their corn and labor, but now they find, after having fed their corn into cattle for the corn-fed market, they are faced with competition that sees the corn-fed product sold at the same price that feeders are sold for. This discourages the cattlemen against corn feeding. It must be admitted that the Food Administration problem is stupendous. I have much sympathy for those attempting to work it out. Candor compels an admission that thus far it has been far from a success. The hit-and-miss method of price fixing, with the inevitable consequences, so palpable to anyone who is willing to observe, has been a serious procedure. I am in grave doubt about the wisdom of price fixing at all. I am sure that if it is justified at all, we should not single out one article and leave all others to be determined in the open market. I shall vote for the price of \$2.50 on wheat, since if we omit all other articles wheat must be high enough to make it profitable to produce. If I followed my own judgment, I would leave the prices to the open market, and proceed to punish the speculator who hoarded any articles of food for speculative purposes. In this way we would secure the needed food products and maintain a reasonable price scale.

Mr. HAUGEN. Mr. Speaker, I yield five minutes to the gentleman from New Hampshire [Mr. WASON].

Mr. WASON. Mr. Speaker, I agree with the statements of some of my colleagues that what little we have attempted to do in price fixing has not been very advantageous to the general welfare of the country. I am not much of a believer in the fixing of prices on every article in the market by a bureau in Washington or by a public official located in Washington or elsewhere. I believe that the underlying natural principles of commerce will fix the prices of commodities in the markets much better than the judgment of one man or the judgment of a collection of men, especially if that collection of men or that individual has not the highest experienced minds or mind that there are or is in the Nation.

Much has been said about the Government fixing the price of wheat. As a member of the Committee on Agriculture I did

not understand that we were reporting a bill to fix the price of wheat. I understood that we were reporting a bill and asking Congress to enact into law a minimum guaranteed price to the agricultural producer of wheat. [Applause.] A price that would guarantee him his harvested crop against loss. And yet a little over one year after that law was passed, and as demonstrated by actual application, we find to our surprise, or to mine, at least, that by manipulation and by misinterpretation which no man expected, the minimum guaranteed price thus established by that act became not only the minimum but the maximum price also.

I say to you, my colleagues, that the honest intent of the act, as I understood it, was that we were helping the American farmer, guaranteeing him against loss of his wheat crop that he might raise and harvest. [Applause.]

Now, what has been done? Under that act the President of the United States was authorized, as you all know, to create and use such agency, and so forth, as he saw fit to put into effect the provisions of that law. That being so, I suppose he created the agency and appointed a Food Administrator. And yet I do not know that such branch of this Government was actually created, although we have seen considerable of its work. The reason I say that is shown by the following correspondence:

NASHUA, N. H., February 16, 1918.

Hon. E. H. WASON,
House of Representatives, Washington, D. C.

BROTHER WASON: Mr. Spaulding, our New Hampshire Food Administrator, has asked me to act as his personal representative in Nashua, and I have been doing so for a week or 10 days. Although I am sure I am receiving from the Concord office all the information relative to food-administration work that the present working machinery allows, I find I am not getting all the information that is necessary to enable me to be as helpful locally or even as intelligent as I would like to be in this important and interesting matter.

If possible to get it, I want a copy of the law authorizing the President to create the food commission and a copy of the Executive order of the President appointing Mr. Hoover. Do you suppose I could also get all circulars or pamphlets issued from Mr. Hoover's office, including those relating to licenses of food dealers, hoarding of food, and methods of securing compliance with the orders of the State food administrators?

Truly, yours,

H. P. GREELEY.

WASHINGTON, D. C., February 18, 1918.

UNITED STATES FOOD ADMINISTRATION,
Washington, D. C.

GENTLEMEN: I would respectfully request that a copy of the Executive order of the President, appointing Mr. Hoover as administrator, be sent to Mr. H. P. Greeley, Nashua, N. H.

Thanking you in advance for your attention to this matter, I am,
Very respectfully,

EDWARD H. WASON.

UNITED STATES FOOD ADMINISTRATION,
Washington, D. C., February 25, 1918.

Hon. E. H. WASON,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Acknowledging your favor of February 18, the request for sending the copy of the Executive order of the President to Mr. H. P. Greeley, Nashua, N. H., has been referred to the Secretary of State, in whose custody it remains.

Faithfully, yours,

HERBERT HOOVER.

DEPARTMENT OF STATE,
Washington, February 28, 1918.

The Hon. E. H. WASON,
House of Representatives.

SIR: In response to your request of February 18, referred to this department by the United States Food Administration, I have the honor to advise you that the Executive order of August 10, 1917, appointing Mr. Hoover as United States Food Administrator, has not been made public, and for that reason the department can not furnish Mr. H. P. Greeley, Nashua, N. H., with a copy thereof.

I have the honor to be, sir,
Your obedient servant,

ROBERT LANSING.

MARCH 2, 1918.

To the honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: May I ask you for a verbatim copy of the Executive order of August 10, 1917, appointing Mr. Herbert Hoover as United States Food Administrator? If there is any expense attached to the furnishing of the same, I will gladly reimburse your department.

I would like a copy of this order at as early a date as convenient.
Respectfully, yours,

EDWARD H. WASON.

DEPARTMENT OF STATE,
Washington, March 6, 1918.

The Hon. E. H. WASON,
House of Representatives.

SIR: In response to your request of March 2, I have the honor to advise you that the Executive order of August 10, 1917, appointing Mr. Hoover as United States Food Administrator has not been made public, and for that reason I regret to say that your request can not be complied with.

I have the honor to be, sir,
Your obedient servant,

FRANK L. POLK,
Acting Secretary of State.

WASHINGTON, D. C., March 9, 1918.

To the honorable the SECRETARY OF STATE,
Washington, D. C.

SIR: Your letter of March 6 is at hand and contents noted, and I am surprised to learn that you can not furnish me with a copy of the Executive order appointing Mr. Hoover United States Food Administrator.

Mr. Hoover is a public official of this country. The law was passed by Congress creating this position. I desire to ascertain just what responsibilities and authority the order appointing him conferred upon him. As a Member of Congress I am unable to receive that information.

Can I be permitted to read this Executive order if I personally call at your office?

Your early attention is respectfully solicited.

Respectfully, yours,

EDWARD H. WASON.

DEPARTMENT OF STATE,
Washington, March 18, 1918.

The Hon. E. H. WASON,
Committee on Agriculture, House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter of March 9, asking permission to read the Executive order of August 10, 1917, appointing Mr. Hoover as United States Food Administrator.

In reply I wish to say that inasmuch as the order is confidential, and as I have no authority to show it to you, it is regretted that I can not comply with your request.

I have the honor to be, sir, your obedient servant,

ROBERT LANSING.

The author of the letter addressed me is a young lawyer residing in the city in which I live, a man of ability, of integrity, and solicitor of that city. He is also a personal representative of the State Food Administrator, and in connection with his duties as the local representative of the Food Administrator of the Nation and of my State, he evidently desired to ascertain the scope and power of his position in order that he might discharge the duties of his office properly. Being unable to obtain a copy of the Executive order appointing Herbert Hoover Food Administrator for Mr. Greeley for the reasons stated in the letter of the Department of State, signed by the Secretary of State, Mr. Lansing, I was surprised at such secrecy and began to wonder why, hence I turned to the act of Congress, dated August 10, 1917, and found that section 2 of the act provided as follows:

Sec. 2. That in carrying out the purposes of this act the President is authorized to enter into any voluntary arrangements or agreements, to create and use any agency or agencies, to accept the services of any person without compensation, to cooperate with any agency or person, to utilize any department or agency of the Government, and to coordinate their activities so as to avoid any preventable loss or duplication of efforts or funds.

Knowing that the President had created a Fuel Administrator and appointed a distinguished citizen to that place, and that he had clothed him with certain powers and duties and had assigned certain other powers and duties authorized by that act to the Secretary of Agriculture, I wondered just what power and duty had been assigned to the Food Administrator to which, according to report and newspaper information, the President had appointed Herbert Hoover. His appointment, if made, the creation of that office, if created, became a matter of doubt in my mind; yet it seemed impossible that with such a large organization and as much advertising of the activities of the Food Administrator could be related in the press, in circulars, and in other ways, including the weekly page in the Literary Digest, with the picture of Mr. Hoover and sayings accredited to him relating to food conservation, that he was not exercising the duties of a legally created office or that he had not been legally appointed; and in order to understand clearly and comprehensively his powers and duties, I made the request personally for a certified copy, offering to pay the expense thereof, and later made the request for an opportunity to call at the office of the Secretary of State and read this heavily guarded, precious, secret document.

Mr. Speaker, for over a century our people have lived under a democratic form of government. Such a government has been our pride and the pride of our ancestors. In the early dawn of the twentieth century one can hardly understand and appreciate my amazement that a Member of a legislative branch of this Government is refused the opportunity of perusing an official document authorized by Congress. What subtle magic does this order contain? What secret that the American people or a Member of Congress should not know is therein? Is there anything in that document if made public would lend aid and comfort to our enemies? Is there anything in that document which, if made public, would be prejudicial to the administration or to our people or the peoples of our allies? And if that document does not contain some important secret above indicated, why should it be a confidential communication between the Executive of our people, the Department of State, and the man who is conserving the food resources of this Nation? There are no secrets in that act that Congress passed, and Congress intended no secrets in the administration of that act that the American people should not comprehend and know.

Mr. Speaker, I hope that that document contains no word, power, instruction, or prohibition that the loyal American citizen of this country can not be informed about, and I ask in all candor that the finger of suspicion may be dismissed by pitiless publicity and printing in full, or at least allowing Members of the legislative branch of this Government to be informed or read the contents thereof.

All over this broad land, in every State and in every community, are representatives of this Food Administrator. He is dealing directly with a hundred million souls to-day, and each of his subordinates and agents is entitled to know the powers, the duties, and the responsibilities of himself and his representatives; and I ask that the mantle of secrecy that enshrouds this sacred and important order be raised, thereby allaying and quieting any thought of suspicion or distrust of this important function of our Government at this time.

The proposition before the House relates to the modification or changing of the order of the President establishing a minimum guaranteed price of wheat for the 1918 harvest. The Senate amendment to this bill proposes the raising of that guaranteed minimum price of \$2.20 per bushel at the primary markets to \$2.50 per bushel at the local elevator or local railway market, where such wheat is delivered from the farm. The section of the country producing winter and spring wheat is the Northwest and Middle West. Here we find the great areas devoted to this important crop. We are told by some that it is essential to stimulate and encourage production to adopt this increased price. The winter wheat for 1918 was seeded long since, and is now nearing maturity, and the acreage thereof can not be affected by the proposed increase. Most of the area for the spring wheat is ready for seeding, and much of it has been seeded. Hence that argument is of no avail for this year's crop. Are our wheat areas limited in scope for the present crop? Statistics collected show that the winter wheat is about 67 per cent of our wheat production, and that the acreage planted last fall was 7,000,000 acres more than the average for the five years before the outbreak of the European war. With good climatic conditions there is no reason why this year's crop should not be a record-breaking crop. With unfavorable climatic conditions it will be otherwise, and a higher or lower minimum guaranteed price will not give us a greater or less production.

As bearing upon minimum guaranty affecting acreage planted, let me call your attention to the statistics of three States from the Northwest. For the five-year period from 1912 to 1916, inclusive, the States of Idaho, Oregon, and Washington averaged, for winter wheat, 1,950,000 acres, without any minimum guaranteed price. With a minimum guaranteed price of more than twice the average price of wheat prior to the establishment of the minimum price for this year's crop these same States seeded last fall only 1,286,000 acres. The American farmer is not satisfied with the minimum guaranteed price as provided in the act of 1917, for the reason that by interpretation and manipulation the Food Administration has arranged conditions surrounding the wheat crop so that the guaranteed minimum price is the maximum price. It is one price. The Food Administration, by the license system and orders, control all the buyers of wheat, and those purchasers so controlled can not pay the market price of wheat, because if the market price of wheat exceeded the minimum guaranteed price these purchasers so licensed will lose their respective licenses. The theory, of course, in establishing a minimum guaranteed price was that it would induce the agriculturist to increase acreage and increase production of wheat and to protect that producer from overproduction or importation from other countries into our own.

The producer of wheat under the principle laid down by Congress was secure of a minimum price, which was much higher than the average price of wheat, against competition, overproduction, speculation, and manipulation. The farmer or producer had to take his chances only with the climatic or season's conditions with his crop. Once the crop was harvested and matured he was safe and secure against loss. How have that theory and that understanding and that act of Congress been administered? First, has the Food Administration been legally created? Do we know what its powers and duties are, and can we ascertain those powers and duties until the darkness and the mantle of secrecy is raised that now enshrouds it in safety in a Cabinet office? Second, what has the Food Administration done? They have licensed every miller in the country. They have prohibited and prevented competition by foreign countries from bidding for our wheat—and I do not complain about that. They have established the minimum guaranteed price as the maximum price of wheat by means of licensing the millers and others who buy wheat. A miller who pays more than the minimum guaran-

teed price loses his license. They being the great purchasers of this food product, when they are controlled it controls the price per bushel of the entire season's crop.

Under the law as passed by Congress every grower of wheat in this land is entitled to such price for his wheat as market conditions may regulate, free from manipulation and speculation. Under the administration of Mr. Hoover, by circumvention and manipulation and control of the purchasers of wheat, the act of Congress thus administered does not mean what Congress intended it should mean. Let this act be administered according to the purpose and intent of the lawmakers and the feeling of discrimination among the tillers of the soil will be dispelled. Let us assume the authority, or let us provide authority, for fixing the price of all articles of food, of raiment, and machinery needed for agricultural production and industrial essentials that are vital for war purposes. Let us have one rule for all. Let us not fix prices for one class for their protection and leave that class to the mercy of all other classes without price fixing for products that this class may have to buy from the others. Let this Congress follow the golden rule and fix a price on every commodity or abandon any price fixing by the Government. Let us oblige the Food Administration to administer this act fairly, and not allow it to change that act to price-fixing legislation by limiting the purchasing market by means of a license system. Let the Food Administration give all a "square deal"—the producer, the consumer, and Congress who enacts the law.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Speaker, when the food-control bill was before this House I favored its passage. I thought food regulation was a war necessity. I did not, however, favor the fixing of the prices of farm products, and I so stated in my remarks made at that time. I did not think that it was wise to attempt to control artificially the prices of wheat, corn, and other farm products. However, the majority of the Members of the House disagreed with me, and the bill as it was passed contained a provision to the effect that there should be a guaranteed minimum price for the 1918 crop of wheat of \$2 per bushel at the principal interior primary markets. This act became effective August 10, 1917. Following the passage of this act, on August 30, 1917, the President issued an order to the Food Administration that the Government price to be paid for wheat would be \$2.20 per bushel. The Government price, of course, fixed the price of wheat at Chicago at \$2.20 per bushel. That price has secured to the wheat grower an average price of about \$1.90 per bushel, and that price will continue unless some change is made in the law or by rule or order of the President.

The amendment proposed by the gentleman from Michigan is to incorporate into the food-control act a provision that the farmer shall receive, at the principal interior primary markets, a minimum price of \$2.50 a bushel for his 1918 crop of wheat.

As I have said, I do not think it advisable to fix the price of farm products, but if the law is that a guaranteed price shall be fixed for wheat, then I believe this amendment to the law should be adopted. This view of the matter, I think, can be sustained by good and sufficient reasons.

The principal object of the passage of the food-control act was conservation of our food supplies. We early appreciated that food was to be a mighty factor in this contest, and that if we were to win the war and at the same time protect our people against the exactions of the profiteers, we must establish a control of food products. Wheat and wheat flour, it was known, were prime factors in the problem. For this reason a majority of the Congress thought it best to establish a minimum price on this product. From that time to this, every effort of our Government has been to conserve wheat and increase its production. We are told the allies must have a considerable, perhaps a major portion, of our wheat. The people of Italy, England, and France, not accustomed to the use of corn, demand and require wheat flour for their sustenance. Also, the corn products, which we have in abundance, do not stand shipment across the waters. Therefore we have saved and economized and cut down our use of wheat and are shipping every pound of wheat and wheat flour we can spare to our soldiers and allies across the seas. This is as it should be. No one objects to it. I have yet to hear the first American grumble at his deprivation. [Applause.] The Food Administration has issued order after order intended to conserve wheat. On April 14 every baker in the country, under orders from the Food Administration, began to use substitutes for wheat flour in his bakery products, varying from 15 per cent in crackers to 66½ per cent in such products as quick breads and waffles.

The average percentage of substitutes under that order is 33½ per cent. The amount of bread to be served to any one person at a meal at any public eating house was fixed at 2 ounces. Under rule 25, after February 24, 1918, a miller can not sell wheat flour to a baker unless the baker buys 1 pound of wheat-flour substitutes for every 4 pounds of wheat flour purchased. Under rule 31 of the same orders retailers must not sell wheat flour to any person unless such person buys at the same time an equal amount of wheat-flour substitutes. It will thus be seen that in one year's time the people of the United States have been artificially restricted to the purchase of one-third of the normal amount of wheat flour purchased by them. This has been done to conserve wheat. It is universally conceded that we must save and raise every pound of wheat we possibly can. It is claimed by our Food Administration that we must raise 1,000,000,000 bushels of wheat this year to maintain ourselves and our allies. This will necessitate an increase about 40 per cent over the past year's crop. I have no doubt the statement made is correct.

Conceding, therefore, that it is necessary to stimulate the production of wheat, the inquiry is whether the increase of the price of wheat to \$2.50 a bushel will promote that object. It is not so much an object whether the wheat flour will thereby be increased in price to us as it is to produce more wheat. We can afford to pay a little more if we can thereby get something which will make it easier to win the war. I have no doubt this increase of price will produce the desired result of an increase in the supply of wheat.

I think I am stating an axiom when I say that nothing will so stimulate production as high prices. Fix a good price for a certain farm product and the farmer will naturally raise all he can of it. Fix a poor price and he will turn his attention to some other crop or product. What is true on the farm is true anywhere. It is a universal rule. If banking is more profitable than anything else, every man who can will be a banker. If the practice of criminal law is more remunerative than any other branch, every lawyer who can will practice in that field. If prices are to be fixed on wheat by law, if we would stimulate production to its highest, we must fix a high price for it to the producer.

Wherever you select any particular farm crop and discriminate against it by legislation, you automatically decrease production in that crop. The very fact that wheat is selected as an object of legislation, and a fixed return is established for the labor and means employed in making such a crop, discourages those who may be engaged in raising it, unless you place such a high price upon it that there is no chance of other crops being so profitable. So long as there is a chance of something else being more profitable, the ordinary man will, under ordinary circumstances, usually raise that other crop.

Another proposition I make, which I think must be conceded, is this: In order to make the maximum production of wheat, you must fix such a price that it is manifest the wheat crop will be more valuable to the producer than some other crop would be on the same land. I have said that about the average price paid to the farmer for the 1917 crop of wheat was \$1.90 per bushel. At present prices of other farm products, wheat at this price is not as profitable a crop as is almost any other farm crop. Let me illustrate by some concrete examples from my own State. I live in the military tract of Illinois, where our farm lands are very productive and range from \$100 to \$300 per acre; I presume \$175 per acre is about a fair average. It is not strictly a wheat country, but good wheat can be and is raised there. We also raise corn and oats, and some barley, but not much of the latter. An average crop of the farm products, at present prices, would produce the following results:

Wheat, 20 bushels per acre, at \$1.90	\$38.00
Corn, 50 bushels per acre, at \$1.15	57.50
Oats, 50 bushels per acre, at \$0.85	42.50
Barley, 40 bushels per acre, at \$1.50	60.00

The slightest consideration of this statement will immediately convince anyone that the farmer who engages in wheat growing is not using his land to the best financial advantage. You must put wheat on equal grounds with other cereal crops, and to do so you must raise the price. No one can expect land to be used for the production of crops at a loss from its real money-producing value. In addition, to make the difference more pronounced, the farmer with his oats crop in my latitude usually starts a crop of clover with his oats, and thus accomplishes a double purpose. It will be understood, furthermore, that there are very large tracts of land in this country where spring wheat can be raised, but where its raising is a somewhat precarious proposition.

All through my section of the country, where an average crop of 20 bushels of wheat can be raised, we have learned to fear the chinch bug in connection with spring wheat. I remem-

ber to have seen them sweep through our country like a devouring demon and lay waste everything in their path. So serious was the blow to wheat raising in Illinois, that for many years, no spring wheat was raised in the greater part of the central Mississippi Valley. Just now, some return to spring wheat has taken place, and if this bill passes, in my judgment, it will have a tendency to stimulate more spring-wheat production in the central Mississippi Valley. However, the Illinois farmer knows when he embarks in the raising of spring wheat on a large scale, the chinch bug pest will return. There is no such discouraging prospect when he raises corn and oats.

The cost of raising and harvesting a crop of corn is not much more than the raising of a crop of wheat. During the years 1908-1912 the agricultural department of the University of Minnesota conducted a series of researches to ascertain the respective costs of producing cereal grains of various kinds. Their work is detailed in Bulletin 145 of that institution. The cost of producing and harvesting an acre of spring wheat was found to be \$13.038; of corn, \$16.207; and of oats, \$13.07. A similar set of experiments was conducted by the College of Agriculture of the University of Missouri in 1913-14, a statement of which is found in Bulletin 125 of that institution. The respective cost is given as: Corn, \$13.522; wheat, \$12.30; and oats, \$10.87. These results, of course, were obtained from medium-priced lands of a value of about \$50 to \$60 per acre.

It is manifest that there is not enough difference in expense to justify a farmer in raising wheat at \$1.90 when he can produce corn at \$1.25 or more, if it is entirely a question of financial return. Wheat must be put on a competing basis with corn and oats. I am speaking now of the general rule. I have no doubt that many farmers are this year raising wheat from patriotic motives, where something else will pay better, and that this will continue in the future.

I have recently received from Prof. W. J. Spillman, of the Bureau of Farm Management, a letter which is illuminating and which illustrates the proposition I have just been speaking of. It reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF FARM MANAGEMENT,
Washington, D. C., April 3, 1918.

Hon. W. J. GRAHAM,
House of Representatives, Washington, D. C.

MY DEAR MR. GRAHAM: Replying to your communication of March 6 concerning the cost of production of wheat, particularly of grade No. 2 of northern spring wheat, I will say that while we have considerable data on the cost of wheat production, very little of it is from the northern spring wheat area.

We find the cost varies so widely from farm to farm and from locality to locality—in fact, there is wide variation even on the same farm in different fields—we feel that the figures we have are not a sufficient basis for drawing conclusions. Under the circumstances, therefore, it is not believed to be desirable for the department to make public the fragmentary data it possesses on the subject. We could, of course, give you some data in confidence, which would make it of little value to you.

It may be of interest to you to know that in reports just received from our survey in West Virginia the farmers of that State report an increase of 28,000 acres of wheat, or 8 per cent of the acreage of last year, and of 20,000 acres of corn, an increase of 25 per cent over last year's acreage. We attribute this difference to the stronger economic position of corn at the present time.

These figures bear out an opinion which has been forced upon us by our study of this subject, that the cost of producing a single farm product is not the only, or even the most important, factor in determining the price of that product. If the price of a single product is fixed at a lower relative level than the price of other products, farmers, most of whom are free to choose between a number of crops, will naturally gravitate toward those crops that are most profitable. We believe, therefore, that very serious consideration should be given to factors other than cost of production when arbitrary price fixation is undertaken by governmental agency.

Yours, very truly,

W. J. SPILLMAN, Chief.

(Dictated by Prof. Spillman and signed after he left the office.)

But it is said that the amendment, concerning only the crop of 1918, will not increase the production of wheat for this year. I do not agree with this. Thousands of acres in the Northern States can still be seeded to spring wheat, if this bill promptly passes. I believe that those who are opposed to this amendment have attempted to delay its passage with this argument in mind. I believe, in the northern part of my own State of Illinois even, there are many areas that can yet be seeded to wheat. Again, there are thousands of acres of winter wheat, which for one reason or another may appear to promise only a meager yield of perhaps 5 or 10 bushels per acre, which will be plowed up and planted in corn unless this amendment is adopted. Two years ago I knew of one tract of 800 acres of wheat in my district which was treated exactly this way. The farmer is not apt to raise 10 bushels of \$1.90 wheat if he can raise on the same ground 50 bushels of \$1.25 or \$1.75 corn. An increased price for wheat will save a great deal of this wheat acreage. An increased price also will prevent the feeding of wheat to live stock. How much of this has been done I

do not know, but probably considerable. A price of \$2.50 for wheat will promise conservation of every bushel of wheat. It is also no doubt true that if Congress passes this amendment it will be considered that the attitude of the Government is to favor a reasonable profit for wheat growing. This will induce farmers to plant a greater area to fall wheat than heretofore, and while the price fixed by the amendment immediately affects only the crop of 1918, it will have the effect to greatly increase the crop of 1919. Fail to pass it, however, and the farmer, believing the attitude of Congress is unfriendly to wheat, will be inclined to decrease his 1919 acreage.

It is generally thought that the farmers of the country are making untold profits out of their farming operations. We judge that to be true from the immense prices we pay for all farm products when converted into food and sold to us. But, as a matter of fact, it is not the farmer who makes the profit. The bulk of it is made by middlemen and jobbers.

Take a few concrete instances: Corn is selling at \$1.25 or more per bushel of 56 pounds. One of the substitutes for wheat flour that is prescribed by the Food Administration is corn meal. Corn meal sells at 7 cents per pound; and while 56 pounds of corn is worth \$1.25, 56 pounds of corn meal is worth \$3.92. Who gets the difference of \$2.67? Who gets two-thirds of the price? It is not the farmer. Hominy, another substitute, sells for 7½ cents per pound; while 56 pounds of corn sells for \$1.25, 56 pounds of hominy sells for \$4.20. A pound of corn will make a pound of hominy. Who gets the difference—\$2.95? Again, who gets two-thirds of the profit? It is not the farmer. Oats sells for 85 cents per bushel of 32 pounds. Rolled oats, however, sells for 7½ cents a pound, and rolled oats is nothing but oats run through rollers. While 32 pounds of oats sells for 85 cents, 32 pounds of rolled oats sells for \$2.40. Who gets the difference of \$1.55? Who takes two-thirds of the profits? It is not the farmer. Barley sells for \$1.50 a bushel of 48 pounds. Barley flour, another substitute, sells for 9 cents a pound. While 48 pounds of barley brings \$1.50, 48 pounds of barley flour brings \$4.32. Who gets the difference of \$2.82? Who, again, makes two-thirds of the profit? It is not the farmer. Many other products might be thus compared.

I respectfully submit to the Food Administration that these are matters that present food for thought. By the order of the Food Administration, wheat alone is limited in price, and as a result wheat flour is cheaper than it otherwise would be, but at the same time our consumption of wheat flour is reduced to one-third of the normal, while we use two-thirds of substitutes. And these substitutes, which constitute two-thirds of our consumption, soar to the skies, and the profiteer plies his trade and imposes such burdens as he pleases upon the people. What does it profit our people to save money on wheat flour and spend vastly more on something else? Thereby they suffer a double privation—they deprive themselves of wheat flour and pay more because of it. The people are willing to go without wheat flour absolutely if it will help the country. But the point I make is that you should not place the blame for the high cost of living on the farmer. He is not responsible, nor does he make the profit.

Finally, I am certain in my own mind that the farmer can not under present conditions make a profit at wheat raising in many parts of the country. It is probably true that in the northern wheat countries, where large tracts are planted to wheat, the business may be profitable; but in the central Mississippi Valley, where diversified farming on smaller farms is practiced, wheat raising is not now profitable. A price of \$1.90 a bushel for wheat five years ago would have promised great returns; now it does not. The difference arises from the difference in the cost of producing the crop. There are three factors in the problem that affect the high cost of production. They are labor, conscription, and the cost of machinery and living.

I presume the section of the country I live in is fairly typical of the balance of the farming country. The labor situation there is critical. Farm hands are almost unobtainable at any price. Three years ago farm hands received from \$30 to \$35 a month. Now, they are demanding and receiving \$75 a month, their board, and a horse kept. One hand—I know of specified \$75 a month, his board, and gasoline for his Ford. He got it, and the farmer was glad to get him. Anyone who has been through that country knows the dire need of farm labor. It is not to be had. Recently we passed a bill for the mobilization of labor for the farms. The plan is to go into the cities and pick up men or go to the high schools and get boys and take them to the farms and let them farm. The gentlemen who preside over some of our departments evidently think that all you need to do is to take a man or boy to a farm and let him farm. To one who knows something of farming this is a joke. Farming to-day

is a science. The successful farmer must understand the chemistry of the soil; he must be somewhat of a veterinarian; he must understand animal husbandry; he must understand the art of surface and deep cultivation. He must have an intimate knowledge of a thousand things which the city worker or the schoolboy never heard of. Most of these mobilized city or high-school workers will require a man each to watch them and tell them what to do. I have a mental vision of one of these mobilized workers putting in a crop or officiating as midwife at the birth of a litter of pigs or a colt some squally spring night. Somebody somewhere must enlarge his mental vision and appreciate that you can only farm successfully with farmers.

I do not believe the general public appreciate how much the selective draft has affected the farmers of the country. The intention of the act and the intention of Congress was to keep farmers on the farms, where they could be more useful than in the field. Otherwise the provision would not have been inserted in that act permitting rules to be promulgated extending special exemptions to agricultural workers. But no such exemptions have been granted, except in very exceptional cases. I think the proportion of agricultural workers taken into the military service has been as great as that from any other walk of life. Recently I inquired of the Provost Marshal General as to the situation in my district. The district is mixed urban and country. In this district 18,150 men were registered; of these, 5,834 were agricultural registrants. From the district 1,417 men have been accepted for military service and of these 485 are agricultural workers. Thus it will be seen that only 0.321 of the total registrants are farmers, while 0.335 of those taken are farmers, a difference of 0.014 against the farmers.

Understand me, the farmers are not complaining. If the Nation needs their boys in the Army, the farmers are ready to give them willingly and ungrudgingly. Whatever is best for the Nation they want to do. But if we want our farms to run at full capacity, it would be wise to leave as many genuine farmers on the farms as is possible. The recent agricultural furlough act will help a great deal if properly administered.

Finally, the cost of farming operations is more than doubled over the days before the European war began. Farm labor has more than doubled. Everything the farmer buys has more than doubled. On February 27, 1918, the farm implements committee, representing the industry, made a report to the Secretary of Agriculture presenting the necessity of increased prices for their products. On page 9 of this report the following table is given, which is interesting in this connection:

Percentage of increase, 1918 over 1914.

14-inch walking plow	80 to 87½
16-inch sulky plow	85 to 92½
14-inch gang plow, 2 bottom	85 to 93
14-inch engine plow, 3 bottom	80 to 84
Riding cultivators	90 to 98
5-foot mowers	70 to 76
7-foot binders	65 to 71
70-bushel spreader	60 to 68
Farm tractor	45 to 60

The food that he eats, the clothes he wears, almost everything he uses has more than doubled. None of these prices are regulated by law. Thus the farmer finds that while he is restricted in the price he may get for his wheat, the people who sell to him are not restricted in their charges. This makes farming to-day a much more expensive and precarious business. In the early part of my remarks I alluded to certain estimates of crop costs made as a result of experiments in Minnesota and Missouri. I believe to-day, with our higher-priced lands, these estimates might be doubled. I feel certain this is true in my section. If so, instead of \$13,038 as the cost of an acre of wheat and \$16,207 for corn, and \$13.07 for oats, the estimate would be \$26.06 per acre for wheat, \$32.40 for corn, and \$26.14 for oats. Taking into account the chances a farmer takes with drought and storms and insect plagues, the business of farming under war conditions is not the bed of roses it is supposed to be.

These are my reasons, substantially, for supporting this amendment. I believe, if adopted, it will greatly increase our supply of wheat and help win the war.

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from North Dakota [Mr. BAER].

Mr. BAER. Mr. Speaker, I have the honor to represent a State whose chief and fundamental industry is farming. My constituency includes a large proportion of people who live in the cities as well as farmers. I do not believe, however, that in supporting this measure for \$2.50 wheat that I am voting against the interests of anyone in my district or any group of citizens in the United States. It is not a sectional matter with me. It is the principle of a square deal. The farmers want a fair field and no favor. Farming is the basis of our national

credit and prosperity, and when the farmers prosper the people in cities also prosper.

Let us take this matter up from the standpoint of the increased cost of flour to the consumer. The average consumption of flour per capita in the United States is one barrel a year. If we raise the price of wheat 30 cents at the terminal markets, it will only be an increase of \$1.35 a barrel for each citizen. Each consumer then would only have to pay an additional 11½ cents a month for his flour. This is a small amount for the consumer and it means millions to the producer. On the other hand, if the Government will take the millers under control by eliminating their excess profits, the price of a barrel of flour would not be increased one cent. If we eliminate bread profiteering in all branches, the loaf can be sold for less than it is now.

Let me give you comparative prices for bread in the different countries which are now at war. In France and Italy one can buy from the Government about 4½ ounces of bread for 1 cent. In England one can obtain 3 ounces for a cent, and poor, starving Belgium, after passing through three years of ruthless warfare, sells bread to its consumers at the rate of 3¼ ounces for 1 cent. Here in the city of Washington we are compelled to pay 1 cent for 2 ounces. Think of it! You can buy over twice as much bread with the same money in France and Italy as you can in the United States to-day. Yes, some one says that the Government pays part of this, but that only applies to England, and the amount which the Government pays in furnishing bread to its people is less than the additional cost of shipping in the wheat, most of which it imports from the United States. Accurate figures prove that there are 345 12-ounce loaves of bread in a barrel of flour. At 6 cents a loaf this means \$20.70. I shall take bread in this case at the lowest price it has been sold for during war times. I understand, however, that a 14-ounce loaf is being sold for 10 cents in many communities. Figuring the loss of feed, the farmer only receives \$7.44 out of each barrel of flour. Somebody else receives \$13.26. The fact in the matter is that if we will eliminate the excess profits of the millers and those who handle the bread, a 12-ounce loaf could be sold for less than it is to-day, providing we do pay the farmers \$2.50 for their wheat. Let us look for a minute at the profit the millers have been making. It has been as high as 175 per cent in one year. The flour millers' net profits increased from 11 cents a barrel in the crop year of 1912-13 to 52 cents a barrel in 1916-17; operating profits per barrel in 1916-17 increased nearly 175 per cent over the preceding year, and the rate of profit on investment increased more than 100 per cent. It was pointed out in the first installment of the report of the Federal Trade Commission's general food investigation.

The investigation was a part of the general food inquiry made by the commission by direction of the President. The section made public to-day deals only with wheat flour milling and jobbing, but further installments will take up the packing industry and other branches of profiteering in food. Not only have the millers made big profits but prices were fixed on cattle and hogs, and as a result the packers made big profits also. In looking over Swift & Co.'s financial statement I find that its balance sheet, September 30, 1917, published on page 56 of its yearbook, reports a profit of dividends paid of \$10,000,000; added to surplus, \$24,650,000; profits for the year, \$34,650,000; on a capital stock of \$100,000,000 and a surplus of \$59,965,000. In looking over the report for former years I find that Swift & Co.'s profits for 1913 were reported to be \$9,250,000; for 1914, \$9,450,000. According to the reports, profits have increased more than 300 per cent over those years.

If we are going to fix the price of the farmers' wheat, let us cut out the excess profits that the millers are still making. Let us fix the price of bran and shorts. Let us fix the price on implements, on harness, on clothing, shoes, and all the other commodities which the farmer and consumer are compelled to buy at extortionate prices. According to a statement made two or three years ago before the committee by Dr. Spillman, Chief of the Office of Farm Management, Department of Agriculture, one who has made a life study of the subject, the farmer, with his family, with an average of 4.6 persons, gets \$142 in cash every year as the earnings of the family, in addition to \$260 for food, fuel, and house rent. According to Dr. Spillman's statement, an average of \$30.87 cash for a year's work to provide themselves with groceries, clothing, and other necessities to maintain life.

In view of the liberal profits allowed the miller, the packer, the implement manufacturer, the munition manufacturer, and in view of the compensation guaranteed to railroads and the increased price in farm machinery, in wages paid farm labor, and the expenses all along the line incident to production, is it asking too much to allow the producer to sell in open, unre-

stricted markets and to give him the benefit of the law of supply and demand or that accorded to others; and if price fixing is to be resorted to, if he is to be singled out, can we not afford to grant this slight increase?

In North Dakota to-day they are selling hides for 7 cents a pound; a new harness costs \$100. The farmer raises the leather and sells the 80 pounds in the harness for \$5.60. He pays \$94.40 for labor and profits—mostly profits. Similar injustices prevail in everything that the farmer and the consumer must buy.

From our own experience in buying we know how rapidly everything but flour has increased in price.

Mr. Speaker, this price fixing should be determined by the cost of production. I have mentioned the name of Dr. Spillman, of the United States Department of Agriculture, and read a letter from him in regard to the cost of production. Dr. Spillman appeared before the price-fixing committee last year and made the statement that in 1917 it cost \$2.11 on the average to raise a bushel of wheat in the United States. Dr. Ladd, president of the North Dakota Agricultural College, showed figures before the price-fixing board proving that it cost \$2.08 to raise a bushel of wheat in the Northwest. Senator Pendray, from North Dakota, made a statement that it cost \$1.92 a bushel on his farm, and, by the way, this is a fair average price for what the farmer receives now for his wheat in North Dakota. Farm experts have shown that it costs \$16.50 to raise an acre of wheat—this is from the time you put the seed in the ground until you dump the grain into the elevator, and, mind you, this does not include the loss of soil fertility, which is \$4.50 on a 10-bushel crop.

I want to say here that in North Dakota we have an agricultural college which has better machinery for determining the cost of production and the milling value of wheat than we have in Washington. Dr. E. F. Ladd, the president of the college, has a flour mill on the campus and determines the milling of all grades of wheat. I can obtain more information from our agricultural college at Fargo than I can from the great Agricultural Department here in Washington, which costs the people of this country over \$25,000,000 a year.

In 1916 we raised an average of 5½ bushels of wheat in North Dakota and in 1917 it was 7½. You can plainly see that with \$2 or less at local elevator and a yield of 7½ bushels of wheat the farmer's gross receipts would be about \$15. The cost of production is \$16.50, and consequently the average farmer is losing money raising wheat at the price of \$2.20. I admit, however, that the gentlemen from Kansas and Nebraska, where they raise 20 and 30 bushels of wheat each year, can make a profit out of \$2.20 wheat, and so as not to reflect on my own State I want to say that with the average yield of 11 bushels, prior to the European war, the average farmer broke even in this wheat-raising game. But in spite of this loss I want to say that the farmers of the Northwest are ready and willing to patriotically serve their country and do their utmost to raise a bumper crop, and take \$2.20 a bushel for it, if we go down the line and fix the price on everything they as consumers have to buy. In doing this the farmer is not only doing his bit but his all. If you do not fix the price of shoes, clothing, implements, fertilizer, and everything else that the farmer must buy, then I believe the Government should assure the farmer a better price for what he has to raise.

At the beginning of this Congress the President appeared before this body and delivered the following words, which I quote from his message:

Recent experience has convinced me that Congress must go further in authorizing the Government to set limits to the prices. The law of supply and demand, I am sorry to say, has been replaced by the law of unrestrained selfishness.

While we have eliminated profiteering in several branches of industry it still runs impudently rampant in others.

The farmers, for example, complain with a great deal of justice that while regulation of food products restricts their incomes no restraints are placed upon the prices of most of the things they themselves must purchase, and similar iniquities obtain on all sides.

The President is right, and I thoroughly agree with him. When an effort has been made to fix the price of all other commodities in accord with his request, I shall be the first one to see that wheat is put on the same basis it is now.

Let me cite you a few prices on April 12. Take corn, which is selling at \$1.70 a bushel—and you all know that corn has been much higher than this. Corn always brought about half as much as wheat on the open market; therefore wheat would be worth \$3.40. In the corn belt they raise an average of 75 bushels of corn per acre, while wheat averaged 14 bushels per acre. Take it also from the standpoint of nutrition. Twelve bushels of wheat are equivalent to 20 bushels of corn in its feeding value; consequently wheat would be worth \$2.83, as compared to corn. Barley sold for \$1.78 a bushel. In North

Dakota we can raise 3 bushels of barley to 1 of wheat; therefore wheat, at the same proportional price, would be worth \$5.34. Rye sold on that day for \$2.65. We can raise 2 bushels of rye to 1 of wheat; consequently, in the same ratio, wheat would bring \$5.30 a bushel.

If we are to fix the price on wheat, why, then we should fix the price on all the substitutes also. The consumer goes to the market to-day and he pays a certain price for flour, and then he pays a higher price for every substitute that he is compelled to buy through the order of the Food Administration. Corn meal, oatmeal, barley flour, and all the substitutes are much higher than wheat flour. The consumer when he pays for his flour and his substitutes is required to pay more than he would for the equivalent in pure flour.

Cotton sold for 5 and 6 cents before the war. It is now selling as high as 31 cents. A short time ago it brought 40 cents. I would vote against \$2.50 wheat with the same reluctance as the gentlemen who raise cotton would vote for 15-cent cotton in preference to 25-cent cotton, but if conditions were reversed and the farmers were receiving a high price for wheat and the price had been fixed on cotton at 15 cents, in all justice to the farmers of the South I would vote for higher-priced cotton.

It is unnecessary for me to call your attention to the enormous profits that are being made off of steel, off of guns, ammunition, and all the things, except flour, that the Government is buying. It would only be a repetition of the Hog Island incident, and Congress is well acquainted with these facts. One thing can be said though, even if we fix the price of wheat at \$2.50, the farmers can not be classed as "profiteers." We must be consistent. We can not have a semiprice-fixing program, but it must be applied to all things alike. We should not discriminate against the wheat grower and penalize him for the product that is most needed to win the war. I would rather see the price of wheat stay at \$2.20, providing that all other things were fixed in accord for the sake of the thousands of people in the cities whose salaries are already too small to reach the high cost of living, which is ever increasing. I spent the first six weeks of my official life in Washington trying to obtain a fair price for wheat.

If I can be assured right now by the committee that prices of all products will be fixed on the same basis as wheat, I shall not vote for \$2.50 wheat. I feel that if we raise wheat 30 cents and do not curb the profiteers, the farmer will have to pay back the 30-cent raise with interest. In other words, the profiteers will get it if we do not restrain their uncurbed selfishness, to protect the farmers and consumers alike.

The farmer, however, is tired of reading in the reactionary newspapers that he is making all the money out of the cost of living. Just the other day I read that the New York department of foods and markets stated that out of the average dollar paid by the ultimate consumer the farmer receives 35 cents and the distribution system 65 cents. Think that over. For the farmer's produce the middlemen receive two-thirds of the consumer's dollar and the farmer only receives one-third for producing it. I do not claim it is illegitimately handled, but I do claim that it is legitimately mishandled. Our Government will be compelled to work out a plan before this war is over to eliminate all the unnecessary middlemen in the great marketing centers, as it has eliminated the gamblers in the wheat pits. In so doing it will carry out the program that the Nonpartisan League has been advocating for the past three years. The object of the Nonpartisan League is to bring the producer and consumer closer together, thereby giving the farmer a fair profit for what he produces and also reducing the price to the men who must buy the food that he raises. Two-thirds of the dollar gives plenty of margin for both adjustments.

Other industries do not take the chances that the farmer does. As you know, farming is one of the biggest gambles there is. He puts his time, labor, and money into his business in the spring, and then he takes the chances of hail, drought, rust, and other elements that may destroy his entire crop, while interest plus a generous profit is the worst that can happen to the profiteer. When the munition makers, the shipbuilders, and the manufacturers come down to Washington, the Government says to them, "How much money do you want to borrow? How much profit do you desire on your produce? Have you a labor shortage? Is there anything else we can do?" We guarantee them everything, including money, labor, and profits. But what do you say to the farmer? Nothing.

Our enormous exports for the last few years have been the wonder of the civilized world. We have surprised ourselves with their magnitude. Ships loaded with gold come from all nations to our shores. These things have contributed largely to the present prosperous conditions of certain sections of our country. It is well to pause and reflect upon the sources from which these exports come. Nearly 80 per cent of the products

that have produced these vast sums have been wrung from the soil by the producers. In faith the farmer has sown and planted. He has with industry cultivated and with rejoicing harvested the grain and cotton that has gone abroad to feed and clothe the people of other nations. He has reared, watched, cared for, and fed the herds and flocks which, together with the grain and cotton, have brought twice their value to the distributors and carriers of farm products.

To-day, with his products, the farmer stands as a breastwork against the possibility of the rule of autocracy. In the considerations of questions that affect the welfare of the Nation no group of citizens are entitled to greater or more candid attention, and yet, during all our deliberations here, the farmer, with his vast contributions to the general welfare, receives comparatively little consideration. His interests have not been directly attacked, but quietly ignored. I do not say this to complain. I realize that in an advanced state of civilization society will always be divided into groups. We have our business men, farmers, bankers, mechanics, and professional men. It is the function of government to see that no group is favored to the injury of other groups; that much government should do; the farmer does not expect it to do more. Nothing short of united, determined public opinion will bring the necessary relief. Because of their general isolated condition and want of organization, they have failed in the past to contribute their share toward molding public opinion in proportion to their numbers and magnitude of their contributions to society.

To-day the farmer is awake to the things that pertain to his own interests. The farmers' movement is inspired by patriotism, based on truth and justice, organized by reason, propagated by education, and perpetuated through sheer necessity. He has learned that the ballot box is the natural place for the American people to fight their economic troubles. They ask for no special favors, but demand even-handed justice and exemption from threatened dangers. They desire to live and let live. Their purpose is not to tear down but to build up. Their demands are not made solely for themselves, but in behalf of all the great interests of the Republic. Without a reasonably prosperous agriculture other interests can not prosper.

The farmer has ever been the mainstay of the Nation in times of peace and war. While he is a peace-loving citizen, he would rather fight than sacrifice principle. Since the time the Minute Man of Concord left his plow standing in the furrow, the farmers have been the vanguard in every movement for democracy. He has not and he will not fail the Nation in this crisis. He has increased his acreage this year in spite of discouragement and price fixing. The farming districts have met their quota of the third liberty loan with quicker response than in other sections of the country. I am proud to say that North Dakota oversubscribed the second liberty loan by 72 per cent, which was the greatest additional subscription for any State in the Union. This year the State legislature passed a law and have loaned the farmers over \$4,000,000 to plant a large crop in order to feed ourselves and our allies. While he does not hold his views on public questions loosely, he does not question the loyalty or patriotism of those who simply differ with him on economic questions. The farmer fired the first shot in the great conflict that gave us liberty, independence, and power. That liberty they still prize, and to-day you will find the aged farmer, with his wife, daughters, and boys of tender years, toiling from early morn until late at night to help feed and clothe the world, while his first born, to whom he looked to be the stay and comfort of his old age, is in the trenches "somewhere in France" fighting to make the world safe for democracy and democracy safe for the world.

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Speaker, I come from that part of the country where we can raise wheat and corn each with success. But if we raise wheat at \$2.20 a bushel and corn, as we ordinarily produce it, we will make at least \$2 from our corn where we make \$1 from our wheat. That is true in our part of the country. I thought it was true over in eastern Iowa, where I was born and raised, the State from which the gentleman hails, who was talking about the rapacity of the wheat raisers trying to boost the prices, and how corn should be left immune—that old fifth district, where they raise 4 bushels of corn to 1 of wheat.

Mr. GOOD. Mr. Speaker, will the gentleman yield?

Mr. SLOAN. They did that then, and they do it now, and hence the magnanimity of the good gentleman from Iowa who comes from a corn district.

Mr. GOOD. Mr. Speaker, will the gentleman yield?

Mr. SLOAN. I have only three minutes.

Mr. GOOD. The gentleman does not want to be unfair.

Mr. SLOAN. I never was and am not now. I have not given it half as hard to the gentleman as he deserves. [Laughter.]

Mr. GOOD. Mr. Speaker, will the gentleman yield for a question?

The SPEAKER pro tempore. Does the gentleman yield?

Mr. SLOAN. Not just now. I have only three minutes. I desire to say this: You must keep faith with the folks at home just as nations are required to keep faith with other nations. The one power in this country this year that sought until recently to adjust the price of wheat for the purpose of increasing the yield of wheat, not in our neighborhood but throughout the great spring-wheat areas of the country, was the body at the other end of this Capitol. There were frequent hearings by various farmer bodies here. They went before Mr. Hoover and others, endeavoring to obtain justice. They obtained nothing until they went before the Senate of the United States. That was over a month ago. It was determined, although not voted on until the 21st day of last month, that there should be granted to the farmers of the United States \$2.50 for the wheat that they should raise and market. I think it is up to the Congress of the United States to say that we will redeem that promise which has been held out for more than 30 days now, not from the date of the vote but from when it was determined it should be so voted. During that time all over the great spring-wheat raising belt of the United States the farmers have been exerting every power they have to plow every additional acre they could and sow it to wheat, in response to the Senate of the United States guarantee to them of \$2.50 per bushel. The question now is, Will the American Congress make good on that pledge, or will it repudiate it? The Senate made the pledge. Shall we keep it, or shall we repudiate it?

Wheat is the only product of the soil or factory for which the Government has named a price. It has denied opportunity of a supply-and-demand market, and this in utter disregard of production cost. Wheat is sowed and harvested by labor more than doubled in cost, on land enhanced in value by the production of other products whose prices are not fixed; it is bound with twine trebled in cost and controlled by a trust the Government is doing nothing to control; and the ground is prepared, harvesting conducted, and thrashing done with tools and machinery the height of whose prices are limited only by the blue arching dome.

If you would be fair, make the price correspond with other things which the farmer could raise instead of wheat, or take away the control of price altogether and let the farmers' wheat take its chances on a market thrown into governmental strait-jackets. Let all crops be bond or all free. [Applause.]

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Speaker, the big question before us is not the particular percentage of profit that some certain class shall receive, but the extent to which we can increase the production of such a vital necessity in our food supplies as wheat.

Gentlemen speak of the fixing of the price of wheat as if thereby a special favor had been conferred upon the wheat producer. Far from it. The wheat producer has been discriminated against as compared with producers generally. Inspired by a desire to encourage the production of wheat and by a realization of its vital importance as a food staple for ourselves and our allies, Congress last year passed the law guaranteeing a minimum price for wheat, guaranteeing the wheat producer against loss except by crop failure. The Food Administration has, in violation of positive assurances made to Congress, fixed a maximum price upon wheat, but has done nothing to regulate other agricultural products. The gentlemen from nonwheat producing States, parading the favoritism they allege is shown the wheat producers by that kind of price fixing, refer to the fact that corn growers and cotton growers are not asking similar action. Certainly not. The southern grower of cotton, with the sky the limit upon the price of raw cotton, with the wheat producer paying unheard-of prices for cotton goods for clothing or farm use, would certainly object to a guaranteed maximum price of 12 or 14 cents for raw cotton. The guaranty would not be objectionable, but the placing of such a maximum, one at which cotton can be profitably produced, would take all the pleasure out of the guaranty.

The question is not one of showing favor to the farmer, and it matters not whether 6 or 50 per cent of the farmers are wheat growers. We want this year and next the biggest possible acreage of wheat, because our people need the wheat and our allies need it, every bushel we can possibly raise. We should give the farmer more encouragement to increase his wheat acreage rather than his corn acreage, for it is wheat we want primarily. But we are doing the contrary. We limit the price of wheat, force the people to use many new and

strange substitutes, place no limit on the price thereof, run the price of such substitutes up out of reason by such new demand, and thereby encourage the farmer to increase his corn acreage and not the wheat.

Some gentlemen seem to fear that the consumers are going to be damaged by an increase in the guaranteed price of wheat to \$2.50 a bushel, because of a possible increase in the price of flour. As a matter of fact, the consumer is interested at the present time not only in the price of flour but also in the price of substitutes, and in the extent to which he is obliged to buy substitutes that he does not want or does not know how to use in order to get enough flour. By reason of the unrestricted price of those substitutes, and because of the rise in the price of corn and other wheat substitutes, the farmer is led to plant more corn and less wheat, and thereby the fate of the consumer is a more or less critical one.

I will ask the Clerk to read in my time an expression from certain consumers as to the way they view this present unrestricted rise in the cost of substitutes, and to remind you that if we are able to encourage the farmers by way of a proper guaranteed price to increase their wheat acreage rather than their corn acreage, then the consumers will not be required to buy so much of substitutes. They can well afford the trifling increase in the cost of wheat flour if they do not have to buy as many pounds of high-priced substitutes which they do not want. I will ask the Clerk to read it in my time.

The SPEAKER pro tempore. The Clerk will read the letter in the time of the gentleman.

The Clerk read as follows:

PORT HURON TRADES AND LABOR COUNCIL,
Port Huron, Mich., April 12, 1918.

(Copy—Original to Food Administrator H. C. Hoover.)

DEAR SIR: At a recent meeting of the Port Huron Trades and Labor Council the ever-ready subject of food and food substitutes was brought up. To the wage earner the substitute proposition is one of no small account. A sack of flour in this city, together with the necessary amount of substitutes, costs the consumer in the neighborhood of \$4, and this fact, together with other high prices charged for every-day necessities, prompted the writing of a request that the price of substitutes be put within reasonable reach.

To the ordinary observer it would seem that the farmer is going to raise corn at the present price before he will wheat, as he can, in most cases, double his yield per acre; and as has been shown by recent reports that there is grave danger of a wheat shortage, we are of the opinion that if the farmer was given to understand that he was expected to raise wheat instead of wheat substitutes, there would be a much larger yield and the need for such substitutes materially lessened and the price of these things forced down to a reasonable price.

The Food Administration has our hearty support in all that they are at present trying to bring about, but we do ask a reduction in the price of substitutes, if such a thing can be brought about.

Cordially, yours,

PORT HURON TRADES AND LABOR COUNCIL,
GEO. VAN NORMAN, Recording Secretary.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent that the time be extended 15 minutes. I dislike very much to make that request, but I have a number of requests here for time, and I would like to accommodate them to the extent of two or three minutes each.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent that the time for general debate be extended for 15 minutes. Is there objection?

Mr. COX. Mr. Speaker, reserving the right to object—

Mr. HAUGEN. Let me say to the gentleman I would not make this request if it were not for the fact there are such urgent requests for time and this is a very important proposition, and I do not think that 4 hours and 15 minutes is too much time to give to a question of this importance.

Mr. COX. I may state to the gentleman that every Member has a right to insert in the RECORD his remarks.

Mr. HAUGEN. Oh, they have the right; but they would like—

Mr. COX. In view of the fact that all have the right to insert their remarks in the RECORD, I hate to object, but I think in the interest of time I shall have to object.

The SPEAKER pro tempore. The gentleman from Indiana objects.

Mr. HAUGEN. Mr. Speaker, I yield two minutes to the gentleman from South Dakota [Mr. DILLON].

Mr. DILLON. Mr. Speaker, South Dakota in 1917 produced 97,150,000 bushels of corn, 52,024,000 bushels of wheat, 65,450,000 bushels of oats, 26,520,000 bushels of barley, and 5,600,000 bushels of rye. It is needless to say that the farmers of my State are deeply interested in this price-fixing movement.

I maintain that Congress never intended that the price of wheat should be absolutely fixed by congressional law. The food-control law was enacted as a war measure. There were not sufficient ships to carry the Argentine wheat to our allies in Europe. The Russian wheat supply was cut off by the armies

of the central powers. Congress foresaw the shortage in food supply, and no one could tell how long the war would last. Wheat is an uncertain crop, and the object of Congress was to stimulate the production of wheat by saying to the farmer, "We want you to increase your wheat production, and we will guarantee you a minimum price."

The minimum price fixed for wheat in the food-control act for the 1918 crop was \$2 per bushel. Under the powers granted in this law the President fixed the basic price of 1917 wheat at \$2.20 per bushel.

The Senate amendment which we are now considering seeks to amend the original act by providing a minimum price of \$2.50 per bushel for the 1918 wheat crop. The entire purpose of this legislation was to fix a minimum price for wheat, leaving the law of supply and demand in full operation. The Congress said to the farmer, "If you will increase your wheat acreage, the Government will guarantee you a reasonable minimum price" as an inducement in order to secure increased production and to relieve the farmer of some of the chances of loss.

Under the operation of the food-control act the minimum guaranteed price has become the sole price. The law of supply and demand has been suspended by the administration of this law. The farmer, in good faith, used every effort to increase wheat production, but he did not suppose that the guaranteed minimum price would become the maximum or sole price of wheat.

I shall support the \$2.50 wheat proposition, not that I believe it will materially increase the production but rather as an act of justice and fairness to the American farmer. About a year ago, on a hearing before the Agricultural Committee, it was claimed that the Northwestern farmers were losing \$340,000,000 a year through the manipulation of the markets. There is much truth in that statement. When wheat was put upon the market in the fall of 1916, it started at \$1.50 per bushel; it rapidly increased until it reached \$3 per bushel.

The Government being the principal dealer in wheat, making purchases of wheat for our allies, and under the administration of the food-control act by putting into force a system of licensing dealers of the products of wheat, has been able to absolutely fix the price of wheat.

Oats went upon the market in 1917 at a price a little less than 50 cents per bushel. The price gradually increased until it reached 93 cents per bushel. Then the Chicago Board of Trade, under its rules and regulations, undertook to fix a maximum price for oats by providing that the price should not exceed 93 cents per bushel. The grain exchanges have been able through their combinations to arbitrarily fix a maximum price for oats and other products.

When the Government established a fixed price for wheat the grain exchanges ceased their dealings in options, but they are now dealing in options on corn, oats, rye, barley, and other products. Let it be remembered that the Chicago Board of Trade, composed of 1,640 members, prior to the passage of the food-control act was selling 90,000,000 bushels of phantom wheat per year—wheat that was never owned or grown—and when the entire shipment of wheat to Chicago was about 36,000,000 bushels per year.

If we allow every bushel of wheat that went into the Chicago market to be hedged 25 times there would still be over \$9,000,000,000 bushels of wind sold on the Chicago market. No wonder Chicago is called the "Windy City." A similar situation prevailed at the other exchanges. The food-control act gave power to control these exchanges, but according to my information but little has been accomplished toward bringing them under Government control. They are still engaged in speculating in food products. It is said that in 1917 on the Chicago exchange were sold 4,000 carloads of fictitious eggs, and each sale would register an increased cost of actual eggs to the consumer.

The farmer can not sell his own grain in these markets. It is said that a farmer can not personally sell a bushel of his own wheat to a miller in Minneapolis. He must employ a member of the grain exchange and pay a commission on every bushel sold. The commission charged for selling other grain has been raised since the price of wheat was fixed.

Twenty years ago South Dakota had 130 flour mills, but they have been practically driven out of business, as we now have not to exceed 30 in the State. The millers at the terminals and the boards of trade are still manipulating the markets. The profiteers are not on the farms; they are at the terminals.

I believe the farmers of my State are opposed to the fixing of the price of wheat, especially so when the price of everything the farmer must buy is governed by the law of supply and demand. The Government can not compel a farmer to raise wheat or to sell the wheat he has produced. If the price is too low the producer will not sell. Again, if the Government maintains a price that is too low the farmer will not produce wheat.

When the price of wheat is high, production will be increased. When the price is low, production will be decreased. Overproduction brings down the price, underproduction raises the price. Fixing the price is wrong in theory, and it can not be maintained for any great length of time. The farmer will produce the grain that brings him the best returns.

The cost of labor has trebled, and the cost of farm machinery has more than doubled. These products are subject to the law of supply and demand, yet the finished product is to be regulated by law without taking into consideration the price of other cereals. Corn yields about three times as much per acre as wheat, while rye and barley bring better returns per acre at present prices than wheat will at even \$2.50 per bushel.

The farmer should not be expected to raise wheat at a loss. Farm labor is being employed at \$60 to \$100 per month; other labor at from \$5 to \$12 per day. The increase in the price of wheat should be in keeping with the increase in the cost of living. It is my belief that the open, honest market, from which speculators and manipulators are barred, will do more to produce fair and stable prices than any price-fixing device. Profiteering and gambling should be eliminated in favor of an open, honest market.

Mr. HAUGEN. Mr. Speaker, I yield two minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Speaker, whether or not wheat at \$1 per bushel is high and wheat at \$2.20 per bushel is low depends entirely upon the purchasing power of the dollar. If barb wire could be bought at \$2.10 per hundred pounds, as it could not many years ago; if shoes that you pay \$10 for could be purchased for \$5; if farm implements could be purchased at the price for which they could be bought before the European war; if farm labor could be employed at the prices that were current in this country prior to four years ago; and if the prices of everything else that enters into the production of wheat occupied a similar ratio, then \$1 would represent a good price for that commodity.

On the other hand, with the prices of everything that the farmer has to buy raised enormously, wheat at \$2.20 does not appeal to him as attractive as the production of other crops.

We may doubt the wisdom entirely of attempting by legislation to fix the price of any commodity; we may doubt it especially when at the same time we do not fix the price of all essential commodities; but that is not the question that is before the House at this time. The problem that we face is whether or not we owe it to the wheat grower to guarantee that he shall receive \$2.20 per bushel for wheat, measured by prices fixed at certain markets and based upon almost a mythical standard, No. 1, or whether he shall be entitled to our guaranty of a price more nearly in harmony with the prices of other commodities.

In studying this question, I desire to call attention briefly to the following propositions:

First, the price of wheat when compared with the price of other grains.

Second, the comparative profitableness of growing wheat and other grains.

Third, the price of commodities the farmer must buy.

PRICE OF WHEAT COMPARED WITH THE PRICE OF OTHER GRAINS.

Now, let us consider for a moment the price of wheat when compared with the price of other grains. That this may be clearly before us, I have prepared a table which indicates the Chicago December prices for the past several years, and I am quoting only the highest price for each grain, and I am also comparing the price of wheat with the price of another great staple agricultural product—cotton. The wheat is No. 1 northern spring, with the exception of the quotation for 1917, which is for No. 2 red winter. The price of wheat for that year is that fixed by the market in August prior to the taking effect of the \$2.20 price:

	Corn.	Barley.	Oats.	Wheat.	Cotton.
	<i>Per bushel.</i>	<i>Per bushel.</i>	<i>Per bushel.</i>	<i>Per bushel.</i>	<i>Per pound.</i>
1913.....	\$0.73	\$0.79	\$0.40	\$0.93	\$0.122
1914.....	.68	.75	.49	1.31	.068
1915.....	.75	.77	.44	1.28	.113
1916.....	.96	1.25	.54	1.90	.193
1917.....	1.90	1.40	.80	2.60 to 2.75	.273
1917, September.....				2.20	

CHICAGO—FEBRUARY 15, 1918.

1918.....	\$2.00 to \$2.05	\$1.80 to \$1.92	\$0.89	2.20	\$0.303
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No. 1 northern spring.
No. 2 red winter (in August).
* Price fixed by Government.

* No. 2 yellow.
* White.
* New Orleans Cardam.

From the foregoing it will be seen that the farmer who had corn to sell received 98 per cent more for his corn in 1917 than he received in 1916 and 142½ per cent more than he received in 1915.

The grower of barley received almost double in 1917 what he received for his barley in 1915.

The grower of oats received practically double in 1917 what he received in 1915.

The grower of wheat received \$1.90 a bushel in 1916, while in 1917, under the price fixed, he received an increase of 16 per cent. In comparison with the price received in either 1915 or 1914, he received a far less increase than did either the grower of corn or barley or oats.

The comparison is likewise striking when an examination is made of the price received by the cotton grower for his cotton. The crop of 1917 commanded 27.7 cents per pound; the crop of 1916 commanded 19.36 cents; 1915, 11.3 cents. The other day the price of cotton was quoted, New Orleans, Cardam (middling), at 30.63 cents per pound.

It will at once be seen from the foregoing that, generally speaking, the farmer who raises wheat—which, it would seem, is the most essential of all these commodities I have mentioned—is receiving the least encouragement instead of the greatest.

Again, remember that if \$2.20 represents a fair value for wheat in September, 1917, the ratio of increase in cost of other commodities since that time abundantly argues in favor of \$2.50 to-day.

Consider the question from another point of view—the relative value for food purposes of oats, corn, and wheat:

In 1915 oats were worth 44 cents per bushel, while wheat was worth \$1.28—almost three times the price of oats. In 1916 oats were worth 54 cents and wheat \$1.90; or, in other words, between three and four times the price of oats. Last year oats were worth 80½ cents, while the price of wheat was fixed at \$2.20.

From the foregoing it will readily appear that the price of wheat, with relation to the price of oats, should be from \$2.50 to \$3.

Again, making a similar comparison with corn, in 1915 corn was worth 75 cents per bushel; wheat, \$1.28, or about 50 per cent more than corn. In 1916 corn was worth 96 cents, as against \$1.90 for wheat, or nearly twice the value of corn. Last year corn was worth \$1.90, and you can readily see that with wheat arbitrarily fixed in price at \$2.20 the arbitrary price was far below that which food values would suggest. From this comparison the price that could reasonably be fixed for wheat would be even upward from \$3 per bushel.

Again, let me ask you to take the prices received for corn, barley, and oats for the years 1914, 1915, and 1916, which are the years immediately preceding the year in which the Government fixed a guaranteed price, and compute therefrom the price that wheat would have commanded in 1917. You will observe that, with the exception of years that are unusual, as where there is tremendous underproduction or overproduction of one of the grains that I have mentioned, the ratio of the price of wheat to the price of these other grains is almost constant. Upon the ratio of price that appears for wheat for each of the years 1914, 1915, and 1916 the price of wheat for 1917 would have been about \$2.68 per bushel, instead of \$2.20.

But some one says the price that we are guaranteeing is the minimum price. If the war should come to an end to-day the price of other commodities might fall however low, but the price of wheat to the farmer would remain fixed. In theory that is true, but the farmer would much prefer to carry his own risk and trust to the market for the price of his commodity than to be required to sell it at the price that is guaranteed.

THE COMPARATIVE PROFITABLENESS OF WHEAT AND OTHER GRAINS.

We are asking the farmers to grow wheat, and then more wheat. We have fixed a price as a guaranteed price that I think is clearly below the price of other grains that are in competition more or less with wheat. Let us consider the question from the standpoint of the yield per acre of wheat and other grains, of the prices paid per bushel for wheat and other grains, and the income per acre received by the farmer from growing corn or wheat or barley or some other crop. Take rye; the average yield of rye throughout the United States for a period of 10 years prior to 1917 was 16.3 bushels per acre. The average production of flax was 8.6 bushels per acre; of oats, 29.9 bushels; of barley, 25.2 bushels; of corn, 26 bushels; and of wheat, 14.7 bushels. Last year the average yield of these commodities was much the same; oats being somewhat larger, or 36.4 bushels per acre, while the yield of corn was 26.4 bushels, and wheat 14.2.

Now, if you will take the yield per acre that I have indicated and multiply the yield by the price for each particular grain

you will arrive at the gross income per acre to the farmer for the production of each of the commodities indicated: Corn, at 26 bushels per acre, at the rate of \$1.90 per bushel, means \$49.40 per acre to the farmer; rye, at 16.3 bushels per acre, upon the basis of \$2.20 per bushel, means \$35.86 per acre; barley, with a production of 25.2 bushels, at \$1.40 per bushel, means \$35.21 per acre; oats, on the basis of a production of 36.4 bushels, at 80¢ cents per bushel, means \$29.35 per acre, gross-receipt returns for the United States; wheat, upon the basis of 14.7 production, at \$2.20 per bushel, means \$32.34 gross returns to the farmer.

This is rather a rough analysis, but it seems to indicate that the farmer who is asked to produce wheat is asked to do so at a price that guarantees to him returns considerably lower than the returns that the market guarantees to the farmer who produces rye or barley or corn. Upon the theory that we need to encourage the production of wheat it would seem that the price fixed by the Senate amendment is not unreasonable.

THE PRICE OF COMMODITIES THE FARMER MUST BUY.

Now, let us consider the price of commodities the farmer must buy. I shall not dwell long upon this feature of the subject. It is perfectly obvious. A farm paper that I hold in my hand contains in an advertisement in red ink the cancellation of the words "50 cents per year," and in lieu thereof the substitution of the words "75 cents per year." The papers that you bought upon the streets of Washington last year for 1 cent you are paying 2 cents for to-day. You are paying more for all the commodities that you have to buy, and I want to call to your attention that this phenomenon is not limited to everybody else excepting the farmers; but he, too, is sharing the burden of paying high prices for that which he would buy in order to carry on his farm work.

During the five years preceding 1918 grain bags in the Pacific Northwest have sold as low as between 7 and 8 cents, while to-day they are about 25 cents each.

Binding twine likewise has increased in cost. Last year it was sold at 14 cents, to-day it is 25 cents.

Drills that could be purchased in 1917 for \$180 have increased to \$250.

Discs that could be purchased in 1916 for \$75 and in 1917 for \$100 have increased to \$180.

Plows that could be purchased in 1917 at \$135 have increased to \$180. A pull binder that was sold in 1917 for \$220, now commands from \$260 to \$325. A push binder that in 1916 sold for some \$275 or \$295, sold last year for \$350, and this year the price is from \$475 to \$500.

Barb wire that a few years ago was sold for \$2.10 per hundred pounds has increased more than 400 per cent.

Labor cost also has increased enormously. Under normal conditions in the Pacific Northwest, for spring work, farmers were accustomed to paying \$1.25 to \$1.50 per day, in addition to board. This continued up to 1916. Last year they were required to pay \$2 per day, and this year it will be far more than that.

In the harvest season, up to 1916, our farmers were accustomed to paying from \$2.50 to \$3 per day for common labor, while last year they had to pay from \$4 to \$5 per day, and for some kinds of work as high as \$8 and \$10. This year in all probability the minimum price will be not far from \$5.

CONCLUSION.

In the limited time that I have had I have tried to call attention to the condition that surrounds the farmer who is asked to produce wheat in comparison with the condition that would have been his if no minimum guaranteed price had been established. I have contrasted the returns to the farmer who is producing wheat with the returns to the farmer who is producing other of the great commodities that enter into the necessities of life. I believe that it must be apparent that the farmer who produces wheat is called upon to sell his wheat at a price lower than that which would be fixed in the market place if the law of supply and demand could control. If this is true, it means that the farmer is asked to bear a loss. Whatever that loss may be, it is a loss borne primarily for the Nation. I believe if the price shall be fixed, as indicated by the Senate amendment, the wheat farmer will still bear a loss in comparison with the farmer who produces cotton or corn or barley. However, to the extent of the amount indicated in the Senate amendment, shall not the people as a whole, who make up our country, bear the burden instead of placing it upon the shoulders of the grower of wheat? That is all there is to the proposition.

Mr. HAUGEN. Mr. Speaker, time will not permit a discussion in detail. However, I desire to say the question involved

in the amendment offered by the gentleman from Michigan is, Shall the present price fixed for No. 1 wheat, at \$2.20 per bushel at the principal interior primary markets, be increased to \$2.50 per bushel for No. 2 northern spring wheat, or its equivalent? Now, gentlemen, what is the situation? A year ago when this question was under consideration wheat was then selling for about \$3.42 a bushel. Mr. Hoover expressed the opinion that it might go to \$7 a bushel. Nobody wanted it to go to \$7. It was suggested that we should enact legislation that would make it possible to depress the price. Mr. Hoover later expressed the opinion that it would be his task to make flour \$6.60 a barrel, which would net the wheat grower about \$1.10 a bushel. Later he expressed the opinion that wheat might be fixed at \$1.50 a bushel. In view of the conflicting reports as to Mr. Hoover's proposition in fixing the price, the Senate took the matter in hand and fixed the price at \$2 a bushel. Later the commission fixed it at \$2.20 a bushel. Now, the gentleman from Illinois [Mr. MADDEN] says that the farmers were compensated for their wheat. What happened? Wheat was worth \$3 per bushel. The commission fixed the price at \$2.20. The farmers were compensated to the extent of \$2.20, less freight and expenses of marketing. But, I submit as to the rest, they have never been compensated.

That price has been determined for 1918 also. What were the results as to the 1917 crop? Certainly not satisfactory. With the low price fixed on wheat and the high prices on other cereals, as a result much of the wheat has been fed to stock instead of being ground for food. Naturally so, though the farmers, generally speaking, are patriotic; their stock has to be fed as well as food provided for their families, and if he has wheat in his bin, and no corn, and has pigs to feed, it means a considerable sacrifice for him to sack and haul his wheat and sell it at less than \$2 per bushel and to buy and haul corn to his feed lot, paying \$2.25 for a bushel of corn of less value for his purpose than the bushel of wheat which he sold. Hence we are confronted with this situation—the wheat grower has been denied the opportunity to sell in competition, to have the benefit of the law of supply and demand, and has been the loser to the extent of from one to two dollars a bushel, which in the aggregate would amount to several hundred million.

The consumer has and is paying more for bread than ever as a result of the unreasonable and extraordinary profit guaranteed the miller. The millers have been pocketing the millions. Not only have the millers made big profits, but prices were fixed on cattle and hogs, and as a result the packers made big profits also. In looking over Swift & Co.'s financial statement, I find that its balance sheet, September 30, 1917, published on page 56 of its yearbook, reports a profit of dividends paid, \$10,000,000; added to surplus, \$24,650,000; profits for the year, \$34,650,000; on a capital stock of \$100,000,000 and a surplus of \$59,965,000. In looking over the report for former years I find that Swift & Co.'s profits for 1913 were reported to be \$9,250,000; for 1914, \$9,450,000. According to the reports profits have increased more than 300 per cent over those years. According to Mr. Cotton, Chief of the Meat Division, United States Food Administration, and assistant to Mr. Hoover, and particularly in charge of the meat and provision buying under the pooling system, who I understand was an attorney for the packers, packers were limited to a profit of from 9 to 15 per cent on their invested capital, including borrowed money. Certainly a satisfactory arrangement so far as the packers were concerned. What a splendid inducement for the packers to borrow money. Under such an arrangement there is, of course, no limit as to its profits. Take for instance, if one's capital stock is \$100,000,000 and its profits are \$100,000,000, as a 100 per cent on the capital, all that would be necessary to do to bring itself within the requirements would be to borrow a billion dollars, and it would be entitled to \$990,000 profit, and by adding \$10,000 to salaries and deterioration of the plant, the packer would have complied with every requirement of the Food Administration. But why stop at borrowing a billion when money can be borrowed at, say 4½ per cent with a guaranty of 9 per cent or 100 per cent profit? One hundred per cent profit may not attract the packer, but to the average business man it would appear as a profitable investment. Compare it, if you will, with the net income of the farmer. According to a statement made two or three years ago before the committee by Dr. Spillman, Chief of the Office of Farm Management, Department of Agriculture, one who has made a life study of the subject, the farmer with his family, with an average of 4.6 persons, gets \$142 in cash every year as the earnings of the family or 4.6 persons in addition to \$260 for food, fuel, and house rent. According to Dr. Spillman's statement, an average of \$30.87 cash for a year's work to provide themselves with groceries, clothing, and other necessities to maintain life.

In view of the liberal profits allowed the miller, the packer, the implement manufacturer, the munition manufacturer, and all along the line, in view of the compensation guaranteed to railroads, and in view of the increased price in farm machinery, in wages paid farm labor, and the expenses all along the line incident to production, is it asking too much to allow the producer to sell in open unrestricted markets and to give him the benefit of the law of supply and demand or that accorded to others, and if price fixing is to be resorted to, if he is to be singled out, can we not afford to grant this slight increase? What does it amount to? To the farmer in the aggregate it amounts, as I have before stated, to a few hundred million; to the consumer it is less than one-fourth cent per loaf of bread.

The American people consume about a barrel of flour per capita. Five bushels of wheat make a barrel of flour, including the miller's expense of grinding and sacking, and loading it for shipment. Thirty cents increase on 5 bushels equals \$1.50 per barrel. The \$1.50 will neither make or break anybody. If we are concerned about the consumer, there is a way of protecting and benefitting him; that is, by regulating charges and prices of combinations and price-fixing concerns. We now have laws upon our statute books which will make that possible, but so far no one seems to be concerned about them, and until laws are enforced, and profits restricted by the manipulators and the so-called profiteers, the consumer can, of course, look for no relief. The question of a quarter of a cent on a loaf of bread is, of course, a question that should be taken into consideration. But, gentlemen, it sinks into insignificance when compared with the importance of supplying our people and our allies with food. Owing to our proximity to the field of activity, our source of supplies, with that of Canada's, is practically the only supply available. Our wheat crop for 1917 was estimated by the Department of Agriculture at about 668,000,000 bushels. It is now believed to have been less than 600,000,000. Compare it with the average for five years, 1911-16, of 806,000,000, we had less than 75 per cent as compared with those years, and less than 60 per cent as compared with 1915. I have no desire to sound an undue alarm as to the food situation or disclose any secrets, but having given the matter considerable consideration, and having come in contact with a number of people who are familiar with our supply, as well as the conditions in general, it seems clear that special consideration should be given to questions of production, and encouragement.

I quote from the Washington Star:

GYPSY SMITH THRILLS THOUSANDS WITH APPEAL FOR BONDS TO WIN THE WAR.

The war is being fought in France, but it must be won right here in America. You can strike your blow for American freedom by supporting the third liberty loan.

DEPICKS CONDITIONS ABROAD.

The manner in which England is meeting its sorrows, its sacrifices, and its hardships was touched upon by the evangelist in a graphic manner. He told of the scarcity of food among the allies, and of the bread lines. He stated that in England an adult is allowed only 4 ounces of fat each week, three-fourths of a pound of meat each week, and 2 ounces of bread at a meal.

"The world is looking to us for salvation," he said. "Thank God this country is beginning to realize the gravity of the situation, and that its peoples will do everything to aid. We are fighting for the safety of all mankind—for our children, and our homes. No price is too great to pay for victory."

Gypsy Smith is fresh from the field and his statement is worthy of consideration and credit. With such a situation before us, this is no time to discuss or delay. Rather than to discuss the question of 30 cents a bushel on wheat, or a quarter of a cent on a loaf of bread, we had better devote our time to production and how to successfully prosecute this war.

Now, that we are at war, no matter what one's views as to our entering it, our President and a majority of Congress, the highest authority of our land, in a regular way, have declared war, and in so doing have pledged our national resources, blood, treasure, and credit, and our national honor is at stake.

Now, that our boys are on the firing line, all will, I am sure, do their duty in helping to redeem that solemn obligation in sustaining our national honor and our boys who have willingly taken their lives in their hands and are willing to lay them on their country's altar as a sacrifice defending it. Will we desert them? A thousand times, no.

There were honest differences of opinion as to our entering this war. There was a time when it was everyone's duty to voice his honest sentiments about entering the war, but that time has passed. That question has been settled for all time. Congress and the President have pledged the best that is in us; in fact, all that we have.

There is only one course to pursue and that is to uphold our national honor and dignity, our grand and glorious Government

with its splendid and magnificent institutions, our boys going to the front and exposing themselves to shot and shell, the boys for whom every heart is filled with joy, hope, and aspirations. Rest assured that wherever they go, whoever they may encounter, they will acquit themselves like men, as did their fathers and their grandfathers some 50 years ago, who now part from their sons and grandsons that the work for which they rendered such valorous service may be carried into its fullest fruition.

This war can not be fought by debating societies, by boasting, or criticizing. No; it will require courage, statesmanship, patriotism of the highest type, money, and the united endeavor of all to win it.

If so, and with the profits which others are permitted to earn and with the sacrifices our allies are making, it is up to us to act and not quarrel about a quarter of a cent on a loaf of bread.

Mr. HAUGEN. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FARR].

The SPEAKER pro tempore. The gentleman from Pennsylvania is recognized for one minute.

Mr. FARR. Mr. Speaker, I do not think that the increased price for wheat suggested will increase the production of wheat. It will increase the price of flour; it will increase the price of bread; it will increase the price of eggs; it will increase the price of milk; it will increase the price of meat and every other food commodity that the consumer needs, and four-fifths of the farmers will suffer as the rest of the public do, because only about one-fifth of the farmers of this country grow wheat. In fact, only one-sixteenth of the farmers grow wheat as a principal crop. Wheat at \$2.50 a bushel rather than at \$2.20, the present price, would add about \$1.50 to the price of a barrel of flour and increase the cost of all the products of wheat, so largely used in our billion-dollar poultry business and our vast dairy interests.

It is conceded that the 30-cent proposed increase per bushel to the producer will not have any bearing on this year's production. Under existing legislation the President has the authority to grant an increase to the wheat growers. The President did authorize an advance of the price from \$2 to \$2.20 per bushel, and if conditions later developed that made another increase necessary to stimulate production he would have the power to do so.

Startling instances of the injury to children because of the higher cost of milk due to the increased cost of feeding have been disclosed by an investigation made in Baltimore by the Children's Bureau of the Department of Labor, and I call the attention of the Members to the distressing facts presented in yesterday's Washington Times:

BABIES MENACED BY INCREASE IN PRICE FOR MILK.

That babies and little children are directly affected by decreased milk sales in American cities reported by dealers is shown by a study made by the Children's Bureau of the Department of Labor in Baltimore.

Of 756 children between 2 and 7 years old included in the study only 29 per cent are having fresh milk as a part of their daily diet this year as compared with 60 per cent a year ago.

This situation is serious from the standpoint of infant health and welfare, according to the Government authorities. Fresh milk, it is declared, is an essential part of the diet of the small child for healthy growth and development. Despite this, fewer and fewer children are getting milk as a result of rising prices.

One of the striking developments of the Baltimore inquiry was that foreign-born mothers, with a less income than native American mothers, continued to buy milk for their babies, while a large percentage of native American mothers bought none or else used the canned variety.

In cities all over the country these deplorable conditions exist, and in considering a further increase for a commodity which would aggravate them we should have regard for the health of the children. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. HAUGEN. Mr. Speaker, I yield the balance of my time to the gentleman from North Dakota [Mr. YOUNG].

The SPEAKER pro tempore. The gentleman from North Dakota is recognized for one minute.

Mr. YOUNG of North Dakota. Mr. Speaker, something has been said here to-day in respect to farmers feeding wheat to stock. I do not know of a single instance where wheat has been fed to stock in North Dakota, though I have made careful inquiry. Our farmers are patriotic and would not do such a thing.

It seems to me that some of the excellent gentlemen who represent eastern districts are taking a short-sighted view of the proposal to increase the price of wheat. They are penny wise and pound foolish. One of these gentlemen had the truth forced home when he bought some flour last week. The first item in his bill was "Flour, \$1.65," which was followed by certain other items for flour substitutes and which swelled the

total to \$5.44. In other words, in order to buy \$1.65 worth of flour he had to buy so-called flour substitutes of doubtful value which cost him \$3.79. He is now convinced that it is unwise to oppose a small advance in the price of flour in order to encourage a larger production of wheat. Justice to the wheat growers will react to the advantage of the consumers of flour.

Mr. Speaker, the course which events have taken in respect to the supply of wheat were plain to thoughtful people of the West long, long ago when the price was first considered. Gen. A. P. Peake, of North Dakota, when he appeared before the wheat price-fixing committee last year, predicted that the bins in public elevators would be practically empty by May 1 of this year. He was a good prophet. Minneapolis, the greatest wheat market in the world, had at the end of the first week in April in its public elevators 278,000 bushels, as against 9,500,000 bushels the same date of last year. Again, the visible supply of wheat for the United States at the end of the first week of April, 1917, was 47,363,000 bushels, which dropped to 4,695,000 bushels the same date this year. In spite of the rosy, optimistic views of the Secretary of Agriculture, the visible supply of wheat is constantly decreasing. As explained by other speakers here to-day, the situation is serious and may become more so.

Mr. Speaker, when the price of wheat was fixed at \$2.20 for the year 1918, I think it was understood that there was to be further price fixing of the things that the farmers buy. I would like to ask the chairman of the Committee on Agriculture what progress has been made in respect to the fixing of the prices of farm machinery and other things that the farmers buy?

Mr. LEVER. I would prefer not to answer that question, because I can not give the gentleman those facts. I stated to the committee some time ago that the matter was under consideration, but the bill has not been prepared as yet.

Mr. YOUNG of North Dakota. It has been considered by the Secretary of Agriculture.

Mr. LEVER. That is true.

Mr. YOUNG of North Dakota. And probably by the administration?

Mr. LEVER. Yes. I can say this to the gentleman: Whatever position may be taken by the administration on the proposition of freezing out the profiteering on farm machinery and the like will make no difference to me, as far as I am concerned. I propose to see to it that a bill of that character is introduced and passed, if I can secure its passage. [Applause.]

Mr. YOUNG of North Dakota. I commend the gentleman. As I understand it, our Committee on Agriculture, as far as the chairman of that committee is concerned, will go ahead with legislation of this kind, whether we get a recommendation from the administration or not?

Mr. LEVER. That is true. I can make that assurance to the gentleman.

Mr. YOUNG of North Dakota. I thank the gentleman.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LESHNER. I yield five minutes to the gentleman from Alabama [Mr. BURNETT].

Mr. MOORE of Pennsylvania. Mr. Speaker, I make the point of no quorum. I should like to have a quorum here to hear the gentleman from Alabama. They will have to come here anyhow sooner or later.

The SPEAKER pro tempore. The gentleman from Pennsylvania makes the point of no quorum.

Mr. BURNETT. If the gentleman will not do that I will waive the right to speak.

Mr. MOORE of Pennsylvania. The gentleman is going to make a good speech and he ought to have a quorum here to listen to him.

Mr. BURNETT. The gentleman is one of the hardest to convince that I ever struck yet. [Laughter.]

Mr. LEVER. Does the gentleman from Pennsylvania insist? Mr. MOORE of Pennsylvania. I make the point of no quorum.

Mr. SLOAN. I ask unanimous consent that the point made by the gentleman from Pennsylvania be withdrawn.

The SPEAKER pro tempore. The gentleman from Pennsylvania makes the point of no quorum present. Evidently there is no quorum present.

Mr. LEVER. I move a call of the House.

The question being taken, on a division (demanded by Mr. MOORE of Pennsylvania) there were—ayes 82, noes 28.

Mr. HASTINGS. Tellers, Mr. Speaker.

Tellers were refused, not a sufficient number seconding the demand.

Accordingly a call of the House was ordered.

The SPEAKER pro tempore. The Clerk will call the roll. The Doorkeeper will close the doors, and the Sergeant at Arms will notify the absentees.

The Clerk called the roll, when the following Members failed to answer to their names:

Alexander	Fairchild, G. W.	Kitchin	Scott, Pa.
Anthony	Flood	LaGuardia	Scully
Aswell	Flynn	Lazaro	Shankleford
Bacharach	Francis	Lehbach	Sherwood
Barnhart	Freeman	Littlepage	Siegel
Booher	Gallagher	McArthur	Slyden
Borland	Gallivan	McClintic	Smith, C. B.
Brodbeck	Garrett, Tenn.	McCormick	Smith, T. F.
Campbell, Pa.	Gillett	McLaughlin, Pa.	Snell
Carew	Glass	McLemore	Stafford
Carter, Mass.	Graham, Pa.	Magee	Stegall
Chandler, N. Y.	Gregg	Mann	Stephens, Nebr.
Clark, Fla.	Hamill	Martin	Sterling, Pa.
Collier	Hamilton, N. Y.	Meeker	Stevenson
Cooper, Ohio	Hamlin	Montague	Strong
Cooper, Wis.	Haskell	Moon	Sullivan
Costello	Heflin	Nicholls, S. C.	Swift
Crago	Heintz	Nolan	Temple
Curry, Cal.	Helm	Norton	Thompson
Cale, N. Y.	Hensley	Platt	Towner
Dallinger	Hicks	Porter	Treadway
Davidson	Holland	Powers	Vare
Decker	Hood	Rainey, H. T.	Vestal
Delaney	Husted	Ramsey	Volstead
Dempsey	Igoe	Rankin	Ward
Dent	James	Robbins	Watkins
Dewalt	Johnson, S. Dak.	Roberts	Watson, Pa.
Dickinson	Jones	Rodenberg	Watson, Va.
Dooling	Kahn	Romjue	Weaver
Drukker	Kelley, Mich.	Ruby	Wilson, La.
Dupré	Kelly, Pa.	Rucker	Winslow
Dyer	Kennedy, Iowa	Russell	Wright
Edmonds	Kennedy, R. I.	Sanders, La.	
Estopinal	Kettner	Saunders, Va.	
Fairchild, B. L.	King	Scott, Iowa	

The SPEAKER pro tempore. On this call 293 Members, a quorum, have answered to their names.

Mr. LEVER. Mr. Speaker, I ask unanimous consent to dispense with further proceedings under the call.

The SPEAKER pro tempore. The gentleman from South Carolina asks unanimous consent to dispense with further proceedings under the call. Without objection, it will be so ordered.

There was no objection.

Mr. LESHNER. Mr. Speaker, I have taken but very little time of the House since I have been a Member, but I think this is a very important question. I think we have to solve a problem before us to-day almost as serious as the battle that is being waged across the water. You see in all the advertisements that it will take food to win the war. Now, if food is needed let us have the food, and let us have that policy which will produce the food. The question has been asked how will this increase the crop of 1918. I will tell you how it will increase the crop of 1918. There is many an acre that will produce 2 to 4 bushels, and if the price is right that will be gathered. If the price is not right, they will let it go, and so in every little area if they can gather a bushel, they will do so.

My friend from Kansas referred to potatoes. Last year potatoes were \$4 a bushel. It was not necessary to guarantee any price whatever to the farmer. They produced a great crop, and to-day you can buy potatoes for 75 cents a bushel. I think that will be the case with wheat if you give them the right price. That is all, gentlemen, that I wish to say at this time. [Applause.]

Mr. LEVER. Mr. Speaker, how does the time stand?

The SPEAKER pro tempore. The gentleman from South Carolina has 32 minutes, and all other time has expired.

Mr. LEVER. Mr. Speaker, the question which confronts the House this afternoon is an important question and ought to be decided as nearly as possible without regard to self-interest or sectionalism. I desire in the time I have remaining to me to present, as nearly as I can, an unbroken statement of the facts touching wheat.

When this country entered the war, a year ago, we faced an abnormal situation with reference to wheat and flour. The average production of wheat in this country from 1910 to 1917 was 728,000,000 bushels. The crop of 1916, however, was only 630,000,000 bushels, while the crop for 1917 was 650,000,000 bushels. We therefore had had two years of abnormally low production.

Following upon that there was an abnormal demand for wheat to feed the armies of Europe, their civilian population, and our own population. The abnormally low yield coupled with the abnormally great demand, inevitably high prices followed. We faced this situation also; there was no unification of buying on the part of the allies. Italy was buying wheat wherever it could get it regardless of price. France was buying wheat wherever she could get it. England was buying wheat

wherever she could get it. It was not a question with these nations of price; it was a question of bread and the feeding of their armies and civilian populations. It might be compared to that of the condition of a father going out and undertaking to buy food for his little starving ones. If he has the money it is not a question of the price of food; it is a question of getting the food.

With this unrestrained competition in bidding on the part of the allies which gave rise, of course, to unrestrained speculation in our own market, the price of wheat in the spring of 1917 did rise to abnormal and unheard-of prices.

The fact of this abnormal condition made it absolutely imperative upon the part of the Government in behalf of its 90,000,000 consumers to undertake to do something to rid the country of these highly speculative values in wheat and flour, and I stand here to declare that if the Government had not stepped in and, by this unusual procedure—and it is unjustifiable in 99 cases out of 100—if the Government had not stepped in, the price of wheat would have gone to \$5 or \$6 a bushel and the price of flour would have gone to \$30 or \$35 a barrel. Those who criticize the Food Administration for its little mistakes should bear in mind its larger work in stabilizing the prices of this great war necessity, wheat and flour.

Mr. STERLING of Illinois. Mr. Speaker, will the gentleman yield?

Mr. LEVER. I desire not to be interrupted until I have finished my general statement. I would ordinarily yield, I would state to the gentleman, but I have only a few minutes. In addition to that, if there had not been some regulation of wheat and flour in this country, the strong probability is that the wealthy operator, the big man with unlimited funds, would have absolutely controlled the supply of wheat during the spring of 1917, and you would have had your bread famines in certain localities, while on the other hand you would have had a surplus of bread in other sections. Something had to be done. The situation was desperate. The food-control act was passed to meet the emergency, and it has to a great extent measured up to the expectation of its proponents.

Acting under section 11 of the food-control act the President on August 30, 1917, issued his proclamation fixing the price of wheat for the 1917 crop at \$2.20 per bushel at Chicago, for the basic grade of northern No. 1. I call your attention to the fact that the President acted through a commission composed of men representing the producer, the consumer, the distributor, and every element in society. That commission after many weeks of deliberation unanimously agreed upon the price of \$2.20 fixed by the proclamation of the President.

Mr. STEENERSON. Mr. Speaker, will the gentleman yield?

Mr. LEVER. I can not yield.

Mr. STEENERSON. The gentleman is mistaken. There was no proclamation.

Mr. LEVER. What was it?

Mr. STEENERSON. It was simply fixing the price of what the Government had to buy.

Mr. LEVER. That is the difference between tweedledee and tweedledum. I shall correct my statement if it was not a proclamation, but I am sure that it was a proclamation. Acting under section 14 of the food-control act, on February 21, this year, the President issued his proclamation fixing, not a price on the 1918 crop—bear that in mind—not a price of \$2.20, based on northern No. 1, but a guaranty to the farmer that if he produced the wheat, if he produced the wheat in the millions or billions of bushels, or if this war should cease to-morrow and the hundreds of millions of bushels of wheat stored in Australia, India, and Argentina should be turned loose into this country for sale in competition with his wheat, nevertheless out of the Federal Treasury he would be guaranteed \$2.20 per bushel for every bushel be produced. That is the effect of the President's proclamation, and yet throughout this debate we have been going upon the theory that the President had fixed a basic price of \$2.20 for the crop year of 1918. He has done no such thing. He has not fixed the price at all. It is certainly within the President's power under the law to fix a price on the 1918 crop above the \$2.50 per bushel as proposed in the Senate amendment. I do not know that he will do it; I would rather think that he will not; but he has the power if he desires to exercise it.

What he has done is this: He has guaranteed the wheat producer, representing 22 per cent of the agricultural population—but only 6 per cent of this grow wheat as a principal crop—against any possible loss.

Mr. Speaker, I desire to emphasize two things in this connection. The first is this: Just a year ago the Congress of the United States, after months and months of deliberation and, I fear, unnecessary delay, wrote into the law a guaranty of only

\$2 a bushel. This represented the deliberate judgment of Congress as being a price that would guarantee the farmer a fair and reasonable profit.

The President, however, fixed the price at \$2.20 a bushel at Chicago for the 1917 crop, which is 20 cents more per bushel than the congressional guaranty for the 1918 crop. The other point I desire to emphasize is that in fixing these prices, and in fixing these guaranties, the President acted under the full warrant of the law. He fixed this guaranty of \$2.20 on February 21 for the crop to be harvested in 1918, and about that time this congressional agitation for a higher guaranty began. What was the result? I have the figures here to show. There was immediately a dangerous falling off in the marketing of wheat by the farmers. There was being held out to them this bait of \$2.50 as against \$2.20, and they did the very human thing of waiting to get the \$2.50. They began to have visions of their congressional leaders shedding tears upon the floor of this House and pleading for this higher price for wheat. They had a vision of the transference of the wheat pit from Chicago, Ill., to the Capitol of the United States at Washington. [Applause.]

Mr. McLAUGHLIN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. LEVER. I can not yield now. A Senator introduced a bill on the 13th of February, 1918, in which he fixed the guaranty at \$2.50 per bushel. Let us see what happens. Let us see how they get into action. Ah, you can not take a southern Senator and outdo a northwestern Senator—not much. On that same day another Senator introduced a bill and he made the price not \$2.50—oh, no; he raised the ante a little bit—he made it \$2.75 a bushel. But that was not all. No Senator can get the better of the House of Representatives, I am glad to say. We lick them every time we go up against them; and, when this Senator introduced this bill making it \$2.75, an athletic gentleman on this side, with flashing eye, with a heart throbbing for the downtrodden farmers of his State, introduced a bill, and he made it \$3 a bushel! [Laughter and applause.] Oh, yes; and so on down the line, I hold in my hand a half dozen or more of these bills. Let us be serious with this big question, gentlemen. Are you willing to make the Congress of the United States the wheat pit of Chicago?

Are you willing to make this great war necessity the football of ambitious gentlemen of this body and out of it? [Applause.] Are you willing to do it? I represent an agricultural district. It does not raise a great deal of wheat, that is true; but I do not think any man can stand on the floor of this House and accuse me and my acts of ever being sectional. I think you will agree to that, and I do not want to be placed in the attitude of having week after week to take up again the question of whether or not we fixed the price of wheat too low, never too high.

Mr. STEENERSON. Will the gentleman yield?

Mr. LEVER. I have said to the gentleman that I am sorry I can not yield.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. LEVER. Now, gentlemen, let us analyze this claim for a higher guaranteed price than that fixed by the President's proclamation. There are only two reasons that can be suggested for raising the limit. One is that you will increase the production of wheat in this country for the crop of 1918. Will you do it? Every acre of fall wheat has already been sown. Will you increase the acreage in the spring wheat area? The highest increase that anyone thinks possible under any conditions is 5 per cent. The consensus of opinion is that if you should make the price of wheat \$5 a bushel, you would not increase the production of spring wheat 2 per cent, which would amount to a matter of 40,000 acres and that would be in a section of the country where the production is ordinarily low per acre. Oh, no; you will have to dismiss that argument. But somebody said you may increase the acreage for 1919. Let us see about that claim.

Under a guaranty of \$2 per bushel we seeded to wheat this last fall the largest area of winter wheat that has even been sown in this country. [Applause.] We seeded an area of 42,170,000 acres, as against 42,012,000 acres for the crop year of 1915, when we produced the bumper crop of this country—more than a billion bushels. So, then, if a guaranty of \$2 a bushel will give the largest winter-wheat area ever seeded, does not it follow inevitably that a guaranty of \$2.20 a bushel at Chicago and \$2.28 at New York and \$2.27 at Philadelphia will still further increase your planting of winter wheat this fall? My information is, reading the commercial reports and having other information, that the seeding of spring wheat promises to be the largest in our history. All things point to the fact that the area to be sown in wheat this year will be about

63,000,000 as against 60,000,000 acres in 1915, when we produced over 1,000,000,000 bushels of wheat. There are your facts. What, then, is the other claim for this higher guaranty? It is that the guaranteed price fixed by the President does not furnish to the producer thereof a reasonable profit. Let us analyze that, if you please. Let us compare the increase in the price of wheat under the guaranty with the price of wheat under prewar conditions, and then again compare the increase in the price of wheat under the guaranty with the price of some of the principal things that go into the production of wheat, and let us see where we come out. The average price of wheat from the 1st of March, 1910, to the 1st of March, 1914, was 88½ cents per bushel. The 10-year average from 1908 to 1917, inclusive, was \$1.05½ per bushel, and this included the high prices resulting from the war. The increase in price from April 1, 1914, to April 1, 1918, is 140.6 per cent.

The guaranteed prices, therefore, were a little over 100 per cent greater than the 10-year average, and nearly 150 per cent greater than the 5-year average immediately preceding the war, and an increase of about 140 per cent since the outbreak of the war. And yet gentlemen stand here and tell this House—in dead earnest, too—that the producer of wheat has been singled out for slaughter by giving him an absolute guaranty against loss. The argument is ridiculous. You have taken his product out of the realm of speculation; you have given it a credit standing. It is the only farm product upon which this country does guarantee a profit. It does not guarantee a profit on corn, nor on rye, nor on barley, nor on cotton; it guarantees it only upon wheat. [Applause.]

Mr. CRAMTON rose.

Mr. LEVER. I am sorry, but I can not yield. Now, let us compare these later increases in the price of wheat with the increase in the prices of some of the more important elements that go into the cost of producing wheat. That is a fair comparison, is it not? Now, let us see. Take labor. Labor is a very important element in the production of wheat, and yet wheat, I may say as a practical man, is one of the cheapest crops to raise, and no wheat producer can deny that fact.

A MEMBER. Oh, yes.

Mr. LEVER. I do not think you could prove it; you might deny it. Take the increase in the price of labor. Since the outbreak of the war it has increased 35 per cent for the United States, but only 33 per cent in the Northwestern Central States. Take binder twine, and there is an increase of 111 per cent in the North Central West and an average of 106 per cent in the United States.

Cultivators have increased 54 per cent in the United States and 45 per cent in the North Central West. Fertilizer has increased 33 per cent in the United States and 23 per cent for the North Central West. Mowers have increased in the United States 40 per cent and in the North Central West 35 per cent. Wagons have increased 52 per cent for the United States and 26 per cent for the North Central West. Plows have increased 61 per cent in the United States and 47 per cent in the North Central West. Grain sacks have increased 84 per cent in the United States and 76 per cent for the North Central West. Gasoline has increased less than 100 per cent. Harrows have increased 69 per cent. Mules have increased scarcely at all, not over 10 per cent. Land values, average increase for the United States, 63.8 per cent.

Mr. MILLER of Minnesota. Does the gentleman—

The SPEAKER pro tempore. The Chair would suggest that gentlemen must not interrupt the gentleman on the floor without his permission.

Mr. MILLER of Minnesota. But these are most astounding statements.

Mr. LEVER. I take that in all good spirit, as the gentleman knows.

These figures demonstrate that the increase in the price of wheat since the outbreak of the war has been about twice the increase in the price of the principal articles which go into the production of wheat. They show further that an acre of wheat will buy more of these things under the guaranteed price than this same acre would have bought in 1914, before the war. [Applause.]

It must also be borne in my mind, when you are talking about the increase in the price of machinery, and the like of that, that the average life of farm machinery is five years, and you must divide your increased cost by four or five in order to get your actual increase to the farmer. The guaranteed price for wheat is an annual proposition.

More than that, if you can not make a profit under the guaranteed price of wheat, then it is certain that the wheat farmer of this country was headed into the jaws of bankruptcy before the war. There is no question about that.

Now, let us make another comparison. I want to compare the guaranteed price of wheat with certain other principal farm products. Corn, since the beginning of the war, has increased 117.3 per cent, oats 125 per cent, barley 229 per cent, rye 273 per cent. And barley and rye, you will understand, have an abnormal price at this time because they have been heavily called upon as substitutes for wheat. Buckwheat has increased 121 per cent, potatoes 32 per cent, hay 53 per cent, cotton 167 per cent, beef cattle 40 per cent, hogs 99.7 per cent.

On the list of articles enumerated, wheat stands fourth in increase of price since the beginning of the war. If you eliminate barley and rye, which have an abnormal value, as I explained, wheat would stand second from the top. The average increase of all of these products, 10 of them, since the war is 125 per cent plus. The average for wheat is 140 per cent plus. Yet gentlemen tell me that wheat has been singled out for slaughter! The facts and the figures do not prove it.

I am relying upon the Monthly Crop Reporter, issued by the Department of Agriculture from time to time. Their figures may be wrong; I do not know. But I am relying upon an official document.

Now, let me say this to you: If we are going to fix a price, or permit anyone else to fix a price, that price must be stable. If we are going to have fluctuations from time to time; if we are going to have wheat at \$2.50 to-day and \$2.60 to-morrow and \$2.75 next month you will make it absolutely impossible for the 90,000,000 consumers of this country to know where they are from day to day. You will upset wage scales and disjoin the machinery of industry. You will do more than that; you will cause the Government of the United States to break its pledged word to the allies.

I say to you that the President has given his word, the word of the people of this country, to the allies that "If you will help me maintain this price, if you take over any surplus that may be on my hands at the end of a crop year, I will see to it that the people of this country will keep their faith with you." That is what the President has said. Our ally at the north, gallant little Canada, has already fixed the price on wheat—last week or week before—at \$2.21, the exact ratio of \$2.20 at Chicago for American wheat. She is following our lead. She regards that as a reasonable guaranty to the producers of wheat in Canada. Shall Congress upset this obligation? [Applause.]

The SPEAKER pro tempore. The time of the gentleman from South Carolina has expired.

Mr. COX. Mr. Speaker, I withdraw my amendment.

The SPEAKER pro tempore. The gentleman from Indiana withdraws his amendment. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the adoption of the motion of the gentleman from Michigan [Mr. McLAUGHLIN] to concur in the Senate amendment with an amendment.

Mr. MORGAN. Mr. Speaker, a parliamentary inquiry. My amendment is to amend the McLaughlin amendment. I think the vote should be taken on that first.

The SPEAKER pro tempore. The gentleman is correct. The first vote is on the amendment of the gentleman from Oklahoma [Mr. MORGAN] to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I believe a point of order was made on the amendment offered by the gentleman from Oklahoma, that it was beyond the power of the House to increase the price.

The SPEAKER pro tempore. That point was reserved. Does the gentleman make that point?

Mr. McLAUGHLIN of Michigan. I make that point.

Mr. MORGAN. I should like to be heard on that.

The SPEAKER pro tempore. The Chair is ready to rule. The point of order is overruled. The question is on the amendment of the gentleman from Oklahoma to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. KREIDER. Let us have that amendment read again.

The SPEAKER pro tempore. Without objection, the amendment will be again reported.

The Clerk read as follows:

Mr. MORGAN moves to amend the amendment offered by the gentleman from Michigan, Mr. McLAUGHLIN, by striking out in the proviso thereof the figures "\$2.50" and inserting in lieu thereof the figures "\$2.65."

The question being taken, the amendment to the amendment was rejected.

The SPEAKER pro tempore. The question recurs on the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McKENZIE. Mr. Speaker, I believe I have an amendment pending, with a point of order reserved against it.

Mr. LEVER. I ask that that amendment be reported, and I make the point of order on the amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. MCKENZIE: Amend by adding at the end of the section the following:

"Provided, That hereafter it shall be unlawful for any miller, wholesaler, jobber, retailer, or other person to sell or offer for sale any rye flour, barley meal, barley flour, oatmeal, corn meal, or corn flour at a higher price than the price asked by such miller, wholesaler, jobber, retailer, or other person for wheat flour.

"Any person violating this provision shall, upon conviction, be fined not less than \$1,000 or imprisoned not to exceed one year."

Mr. LEVER. I make the point of order against that amendment.

The SPEAKER pro tempore. The point of order is sustained. The Clerk will report the motion of the gentleman from Michigan [Mr. McLAUGHLIN].

The Clerk read as follows:

Mr. McLAUGHLIN of Michigan moves to concur in Senate amendment No. 44, with an amendment as follows:

"Page 99, line 10, strike out all of Senate amendment No. 44 and in lieu thereof insert the following:

"That section 14 of the act entitled 'An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel,' approved August 10, 1917, be amended to read as follows:

"Sec. 14. That whenever the President shall find that an emergency exists requiring stimulation of the production of wheat and that it is essential that the producers of wheat, produced within the United States, shall have the benefits of the guaranty provided for in this section, he is authorized, from time to time, seasonably and as far in advance of seeding time as practicable, to determine and fix and to give public notice of what, under specified conditions, is a reasonable guaranteed price for wheat, in order to assure such producers a reasonable profit. The President shall thereupon fix such guaranteed price for each of the official grain standards for wheat as established under the United States grain-standards act, approved August 11, 1916. The President shall from time to time establish and promulgate such regulations as he shall deem wise in connection with such guaranteed prices, and in particular governing conditions of delivery and payment, and differences in price for the several standard grades in the principal primary markets of the United States, adopting No. 1 northern spring or its equivalent at the principal interior primary markets as the basis. Thereupon, the Government of the United States hereby guarantees every producer of wheat produced within the United States, that, upon compliance by him with the regulations prescribed, he shall receive for any wheat produced in reliance upon this guarantee within the period, not exceeding 18 months, prescribed in the notice, a price not less than the guaranteed price therefor a fixed pursuant to this section. In such regulations the President shall prescribe the terms and conditions upon which any such producer shall be entitled to the benefits of such guaranty. When the President finds that the importation into the United States of any wheat produced outside of the United States materially enhances or is likely materially to enhance the liabilities of the United States under guaranties of prices therefor made pursuant to this section, and ascertains what rate of duty, added to the then existing rate of duty on wheat and to the value of what at the time of importation, would be sufficient to bring the price thereof at which imported up to the price fixed therefor pursuant to the foregoing provisions of this section, he shall proclaim such facts, and thereafter there shall be levied, collected, and paid upon wheat when imported in addition to the then existing rate of duty, the rate of duty so ascertained; but in no case shall any such rate of duty be fixed at an amount which will effect a reduction of the rate of duty upon wheat under any then existing tariff law of the United States. For the purpose of making any guaranteed price effective under this section, or whenever he deems it essential in order to protect the Government of the United States against material enhancement of its liabilities arising out of any guaranty under this section, the President is authorized also, in his discretion, to purchase any wheat for which a guaranteed price shall be fixed under this section, and to hold, transport, or store it, or to sell, dispose of, and deliver the same to any citizen of the United States or to any Government engaged in war with any country with which the Government of the United States is or may be at war or to use the same as supplies for any department or agency of the Government of the United States. Any moneys received by the United States from or in connection with the sale or disposal of wheat under this section may, in the discretion of the President, be used as a revolving fund for further carrying out the purposes of this section. Any balance of such moneys not used as part of such revolving fund shall be covered into the Treasury as miscellaneous receipts: *Provided, however,* That the guaranteed prices for the several standard grades of wheat for the crop of 1918 shall be based upon No. 2 northern spring or its equivalent at not less than \$2.50 per bushel at the principal interior primary markets, and this guaranty of prices shall not be dependent upon the action of the President, but is hereby made absolute and shall be binding until May 1, 1919."

Mr. LEVER. Mr. Speaker, upon that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. CANDLER of Mississippi. Mr. Speaker, will the Chair state that a vote "yea" means a vote to concur in the Senate amendment with this amendment, and that a vote "nay" is a vote not to concur with the amendment?

The SPEAKER pro tempore. That is correct. Those in favor of the motion of the gentleman from Michigan [Mr. McLAUGHLIN] to concur in the Senate amendment with an amendment will answer "yea" as their names are called, and those opposed will answer "nay." The Clerk will call the roll.

The question was taken; and there were—yeas 127, nays 180, answered "present" 3, not voting 120, as follows:

YEAS—127.

Anderson	Dillon	Jacoway	Reavis
Anthony	Dixon	Johnson, Wash.	Sanders, Ind.
Ashbrook	Doolittle	Keating	Sanders, N. Y.
Austin	Dowell	Kelley, Mich.	Schall
Ayres	Dunn	King	Scott, Mich.
Baer	Elliott	Kinkaid	Sells
Barkley	Ellsworth	Knutson	Shallenberger
Barnhart	Esch	Kraus	Shouse
Beshlin	Evans	Kreider	Sinnott
Bland	Fairfield	La Follette	Slemp
Bowers	Ferris	Larsen	Sloan
Brodbeck	Fess	Leshner	Smith, Idaho
Browne	Focht	Little	Smith, Mich.
Butler	Fordney	McArthur	Snook
Campbell, Kans.	Foster	McFadden	Steenerson
Cannon	Frear	McKeown	Sweet
Carlin	French	McKinley	Switzer
Carter, Okla.	Fuller, Ill.	McLaughlin, Mich.	Taylor, Colo.
Cary	Gandy	Mapes	Thomas
Chandler, Okla.	Graham, Ill.	Merritt	Tillman
Clark, Pa.	Green, Iowa	Miller, Minn.	Timberlake
Classon	Griest	Miller, Wash.	Van Dyke
Claypool	Hadley	Mondell	Voigt
Connelly, Kans.	Hamilton, Mich.	Morgan	Walton
Cooper, Ohio	Harrison, Va.	Mudd	Welling
Cox	Hastings	Neely	Wheeler
Cramton	Haugen	Osborne	Williams
Currie, Mich.	Hawley	Parker, N. Y.	Wood, Ind.
Davis	Hayes	Pou	Woods, Iowa
Denison	Helvering	Price	Woodyard
Denton	Hollingsworth	Purnell	Young, N. Dak.
Dill	Hutchinson	Ramseyer	

NAYS—180.

Almon	Freeman	Lobeck	Rogers
Bankhead	Fuller, Mass.	London	Rose
Beakes	Gard	Loneragan	Rouse
Bell	Garland	Lengworth	Rowe
Black	Garner	Lufkin	Sabath
Blackmon	Garrett, Tex.	Lundeen	Sanford
Blanton	Glynn	Lunn	Sherley
Brand	Godwin, N. C.	McAndrews	Sherwood
Britten	Good	McCulloch	Sims
Browning	Goodall	McKenzie	Sisson
Buchanan	Goodwin, Ark.	Madden	Slayden
Burnett	Gordon	Maher	Smith, C. B.
Burroughs	Gould	Mansfield	Snyder
Byrnes, S. C.	Gray, Ala.	Mason	Stegall
Byrns, Tenn.	Gray, N. J.	Mays	Stedman
Caldwell	Greene, Mass.	Moore, Pa.	Steele
Candler, Miss.	Greene, Vt.	Moore, Ind.	Stephens, Miss.
Cantrill	Griffin	Morin	Sterling, Ill.
Caraway	Hardy	Mott	Stevenson
Church	Harrison, Miss.	Nicholls, S. C.	Stiness
Cleary	Hayden	Nichols, Mich.	Summers
Coady	Heaton	Oldfield	Tague
Collier	Hersey	Oliver, Ala.	Talbot
Connally, Tex.	Hilliard	Oliver, N. Y.	Taylor, Ark.
Cooper, W. Va.	Houston	O'Shaunessy	Templeton
Copley	Howard	Overmyer	Tilson
Crisp	Huddleston	Overstreet	Tinkham
Crosser	Hull, Iowa	Padgett	Venable
Dale, Vt.	Hull, Tenn.	Paige	Vinson
Darrow	Humphreys	Park	Waldow
Dewalt	Ireland	Parker, N. J.	Walker
Dies	Johnson, Ky.	Peters	Walsh
Dominick	Jones	Phelan	Ware
Donovan	Juni	Polk	Wason
Doremus	Kearns	Pratt	Webb
Doughton	Kehoe	Quin	Welty
Drane	Key, Ohio	Ragsdale	Whaley
Eagan	Kless, Pa.	Rainey, J. W.	White, Me.
Eagle	Kincheloe	Raker	White, Ohio
Elston	Kitchin	Randall	Wilson, Ill.
Fairchild, B. L.	Langley	Rayburn	Wilson, Tex.
Farr	Lea, Cal.	Reed	Wingo
Fields	Lee, Ga.	Riordan	Wise
Fisher	Lever	Roberts	Young, Tex.
Foss	Linthicum	Robinson	Zihlman

ANSWERED "PRESENT"—3.

Booher	Emerson	Nelson
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NOT VOTING—120.

Alexander	Edmonds	James	Powers
Aswell	Estopinat	Johnson, S. Dak.	Rainey, H. T.
Bacharach	Fairchild, G. W.	Kahn	Ramsey
Borland	Flood	Kelly, Pa.	Rankin
Brumbaugh	Flynn	Kennedy, Iowa	Robbins
Campbell, Pa.	Francis	Kennedy, R. I.	Rodenberg
Carew	Gallagher	Kettner	Romjue
Carter, Mass.	Gallivan	LaGuardia	Rowland
Chandler, N. Y.	Garrett, Tenn.	Lazaro	Rubey
Clark, Fla.	Gillett	Lehibach	Rucker
Cooper, Wis.	Glass	Littlepage	Russell
Costello	Graham, Pa.	McClintic	Sanders, La.
Crago	Gregg	McCormick	Saunders, Va.
Curry, Cal.	Hamill	McLaughlin, Pa.	Scott, Iowa
Dale, N. Y.	Hamilton, N. Y.	McLemore	Scott, Pa.
Dallinger	Hamlin	Magee	Scully
Davidson	Haskell	Mann	Shackleford
Decker	Heflin	Martin	Sears
Delancy	Heintz	Meeker	Siegel
Dempsey	Helm	Montague	Small
Dent	Hensley	Moon	Smith, T. F.
Dickinson	Hicks	Nolan	Snell
Doolling	Holland	Norton	Stafford
Drukker	Hood	Olney	Stephens, Nebr.
Dupré	Husted	Platt	Sterling, Pa.
Dyer	Igoe	Porter	Strong

Sullivan	Towner	Volstead	Weaver
Swift	Treadway	Watkins	Wilson, La.
Temple	Vare	Watson, Pa.	Winslow
Thompson	Vestal	Watson, Va.	Wright

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. FLOOD with Mr. EMERSON.
 Mr. BOOHER with Mr. TREADWAY.
 Mr. BORLAND with Mr. HUSTED.
 Mr. SANDERS of Louisiana with Mr. RODENBERG.
 Mr. MARTIN with Mr. PORTER.
 Mr. ROMJUE with Mr. JOHNSON of South Dakota.
 Mr. DUPRE with Mr. CARTER of Massachusetts.
 Mr. HEFLIN with Mr. DALLINGER.
 Mr. LITTLEPAGE with Mr. KENNEDY of Iowa.
 Mr. ALEXANDER with Mr. MEEKER.
 Mr. HOLLAND with Mr. DYER.
 Mr. GLASS with Mr. STRONG.
 Mr. ASWELL with Mr. BACHARACH.
 Mr. BRUMBAUGH with Mr. CHANDLER of New York.
 Mr. CAMPBELL of Pennsylvania with Mr. COOPER of Wisconsin.

Mr. CLARK of Florida with Mr. CURRY of California.
 Mr. DALE of New York with Mr. DAVIDSON.
 Mr. DECKER with Mr. DEMPSEY.
 Mr. DELANEY with Mr. GEORGE W. FAIRCHILD.
 Mr. DOOLING with Mr. HASKELL.
 Mr. GALLAGHER with Mr. HICKS.
 Mr. GALLIVAN with Mr. GILLETT.
 Mr. GREGG with Mr. KAHN.
 Mr. WRIGHT with Mr. FRANCIS.
 Mr. KELLY of Pennsylvania with Mr. KENNEDY of Rhode Island.

Mr. IGOE with Mr. LEHLBACH.
 Mr. HAMLIN with Mr. PLATT.
 Mr. HELM with Mr. RAMSEY.
 Mr. KETTNER with Mr. ROBBINS.
 Mr. LAZARO with Mr. SCOTT of Iowa.
 Mr. MCLEMORE with Mr. SCOTT of Pennsylvania.
 Mr. MONTAGUE with Mr. SNEEL.
 Mr. MOON with Mr. STAFFORD.
 Mr. OLNEY with Mr. POWERS.
 Mr. HENRY T. RAINEY with Mr. TEMPLE.
 Mr. RUBEY with Mr. TOWNER.
 Mr. RUCKER with Mr. VOLSTEAD.
 Mr. SCULLY with Mr. DRUKKER.
 Mr. SEARS with Mr. HEINTZ.
 Mr. SHACKLEFORD with Mr. LAGUARDIA.
 Mr. THOMAS F. SMITH with Mr. CRAGO.
 Mr. STERLING of Pennsylvania with Mr. NORTON.
 Mr. SULLIVAN with Mr. MCCORMICK.
 Mr. WATKINS with Mr. WINSLOW.
 Mr. WEAVER with Mr. HAMILTON of New York.

On this vote:

Mr. SAUNDERS of Virginia (for \$2.50 wheat) with Mr. SWIFT (against).
 Mr. WATSON of Pennsylvania (for \$2.50 wheat) with Mr. SIEGEL (against).
 Mr. MAGEE (for \$2.50 wheat) with Mr. JAMES (against).
 Miss RANKIN (for \$2.50 wheat) with Mr. NOLAN (against).
 Mr. ROWLAND (for \$2.50 wheat) with Mr. GARRETT of Tennessee (against).
 Mr. DICKINSON (for \$2.50 wheat) with Mr. McLAUGHLIN of Pennsylvania (against).
 Mr. WATSON of Virginia (for \$2.50 wheat) with Mr. VARE (against).
 Mr. McCLENTIC (for \$2.50 wheat) with Mr. GRAHAM of Pennsylvania (against).
 Mr. THOMPSON (for \$2.50 wheat) with Mr. EDMONDS (against).
 Mr. VESTAL (for \$2.50 wheat) with Mr. COSTELLO (against).
 Mr. EMERSON. Mr. Speaker, did the gentleman from Virginia [Mr. FLOOD] vote?

The SPEAKER pro tempore. He did not.

Mr. EMERSON. I am paired with Mr. FLOOD. I answered "no," but I withdraw that and answer "present."

The result of the vote was then announced as above recorded. The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. FERRIS: To concur in the Senate amendment No. 44, with the following amendment: Page 100, line 22, after the word "eighteen," insert "and nineteen hundred and nineteen."

The question was taken, and the amendment was rejected.

The SPEAKER pro tempore. The question now is on the motion of the gentleman from Oklahoma to concur in Senate amendment No. 44.

The question was taken; and on a division (demanded by Mr. MORGAN) there were 98 ayes and 167 noes.

So the motion was lost.

The SPEAKER pro tempore. The question now is on the motion of the gentleman from South Carolina to disagree to the Senate amendment and ask for a further conference.

Mr. CRISP. Mr. Speaker, the House having voted to non-concur, is not that tantamount to a disagreement?

The SPEAKER pro tempore. The gentleman is right.

Mr. LEVER. I ask unanimous consent that a further conference be asked for.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The Chair appointed the following conferees: Mr. LEVER, Mr. LEE of Georgia, Mr. CANDLER of Mississippi, Mr. HAUGEN, and Mr. McLAUGHLIN of Michigan.

LEAVE OF ABSENCE.

Mr. WRIGHT, by unanimous consent, was given leave of absence indefinitely, on account of the death of his wife.

ORDER OF BUSINESS.

Mr. JOHNSON of Kentucky. Mr. Speaker, this morning the gentleman from Wyoming [Mr. MONDELL] asked unanimous consent that on Monday next the gentleman from Connecticut [Mr. TILSON] might proceed for 45 minutes. I objected, because I felt compelled to protect District day, but I now ask unanimous consent that on next Monday, when the first bill for the District Committee is being considered, general debate be limited to two hours, and that the gentleman from Connecticut [Mr. TILSON] have 45 minutes of that time.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent that on next Monday, on the first bill to be considered from the District Committee, general debate shall be limited to two hours, of which the gentleman from Connecticut [Mr. TILSON] shall have 45 minutes. Is there objection?

Mr. WALSH. Reserving the right to object, it seems to me that that is not a wise agreement to make at this time. A motion might be made to suspend business on District day, or the question of consideration might arise. If the first bill is on the Union Calendar, there will be no difficulty about yielding time. It seems to me it is tying the House up so that the gentleman might not get the time if the agreement was made, and I object.

ADJOURNMENT.

Mr. DIXON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 34 minutes p. m.) the House adjourned until to-morrow, Friday, April 19, 1918, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DENT, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 124) providing for the registration for military service of all male persons citizens of the United States or residing in the United States who have since the 5th day of June, 1917, and on or before the day set for the registration by proclamation by the President, attained the age of 21 years, in accordance with such rules and regulations as the President may prescribe under the terms of the act approved May 18, 1917, entitled "An act to authorize the President to increase temporarily the Military Establishment of the United States," reported the same with an amendment, accompanied by a report (No. 497), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LITTLE, from the Committee on Claims, to which was referred the bill (H. R. 9018) for the relief of Ynchausti & Co., reported the same without amendment, accompanied by a report (No. 498), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10344) granting an increase of pension to Louis G. Murray; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions,

A bill (H. R. 11412) granting an increase of pension to Felix Beske; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CHANDLER of Oklahoma: A bill (H. R. 11516) to increase the revenue and to levy a duty upon imports from foreign countries of lead and zinc ore and manufactured products containing lead or zinc; to the Committee on Ways and Means.

By Mr. EMERSON: A bill (H. R. 11517) to fix the price of cotton during the period of the war; to the Committee on Agriculture.

By Mr. SABATH: A bill (H. R. 11518) to amend the naturalization laws and repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes; to the Committee on Immigration and Naturalization.

By Mr. HARDY: A bill (H. R. 11519) to promote economy in the construction of vessels for the United States Shipping Board and Emergency Fleet Corporation, and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. SIMS: A bill (H. R. 11520) to amend an act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September 2, 1914, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. BARNHART: A bill (H. R. 11521) to amend and revise the laws relating to printing and binding and the distribution of publications for Congress; to the Committee on Printing.

By Mr. GODWIN of North Carolina: A bill (H. R. 11522) fixing the price of cotton during the war; to the Committee on Agriculture.

By Mr. ZIHLMAN: A bill (H. R. 11523) to further provide for the national security and defense and for the purpose of assisting the prosecution of the war, and to provide for the assistance and appropriations by the Federal Government for the repair and maintenance of such improved highways of the several States as may, because of the extraordinary circumstances of war, be declared to be military roads; to the Committee on Roads.

By Mr. TAYLOR of Colorado: A bill (H. R. 11546) to make April 6 in each year a national holiday to be called Liberty Day; to the Committee on the Judiciary.

By Mr. FORDNEY: Resolution (H. Res. 315) to increase the salaries of the messengers to the minority.

By Mr. DENT: Joint resolution (H. J. Res. 281) to amend the provisions of section 124 of the act of Congress approved June 3, 1916, entitled "An act for making further and more effectual provision for the national defense, and for other purposes"; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOMINICK: A bill (H. R. 11524) for the relief of the Anderson Phosphate & Oil Co.; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 11525) to correct the military record of John H. Addleman; to the Committee on Military Affairs.

By Mr. EMERSON: A bill (H. R. 11526) granting an increase of pension to Emery H. Bancroft; to the Committee on Pensions.

By Mr. FIELDS: A bill (H. R. 11527) granting an increase of pension to Samuel A. Berry; to the Committee on Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 11528) for the relief of William Malone; to the Committee on Claims.

By Mr. KRAUS: A bill (H. R. 11529) granting a pension to Blanche Luster; to the Committee on Pensions.

By Mr. LITTLE: A bill (H. R. 11530) granting a pension to Jennie C. Rathbun; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 11531) to authorize the President to award a medal of honor to Maj. B. F. D. Fitch for conspicuous bravery rendered on the man-of-war *Varuna* on April 24, 1862; to the Committee on Military Affairs.

By Mr. OSBORNE: A bill (H. R. 11532) granting a pension to Max Baruth; to the Committee on Pensions.

Also, a bill (H. R. 11533) granting a pension to Wilbur F. Hill; to the Committee on Pensions.

Also, a bill (H. R. 11534) granting a pension to Ira T. Ale-shire; to the Committee on Pensions.

Also, a bill (H. R. 11535) granting a pension to Margaret Scholton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11536) granting a pension to Nellie B. Oliver; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11537) granting a pension to Mattie Rowney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11538) granting a pension to Frederick D. Skinner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11539) granting a pension to William Hixon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11540) granting an increase of pension to Patrick F. Nealon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11541) granting an increase of pension to Charles E. Bonsall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11542) granting an increase of pension to Miss Cora E. Ruttinger; to the Committee on Pensions.

By Mr. PURNELL: A bill (H. R. 11543) granting a pension to Rebecca Whiteacre; to the Committee on Invalid Pensions.

By Mr. SHOUSE: A bill (H. R. 11544) to remove the charge of desertion from the record of John T. Lamar; to the Committee on Military Affairs.

By Mr. WOODYARD: A bill (H. R. 11545) granting a pension to Rebecca Strouther; to the Committee on Pensions.

By Mr. HUMPHREYS: A bill (H. R. 11547) to reimburse Hugh J. McKane for property destroyed by fire in the District of Columbia; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DOOLING: Resolutions of the Merchants' Association of New York, favoring the pneumatic-tube mail service; to the Committee on the Post Office and Post Roads.

By Mr. EMERSON: Resolution of the foreign trade committee of the Cleveland Chamber of Commerce, in behalf of House bill 10366; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLLINGSWORTH: Papers and five affidavits in support of House bill 11504, granting a pension to Martha Jane Griffin, helpless daughter of George Griffin, late of Company H, One hundred and tenth Ohio Volunteer Infantry; to the Committee on Invalid Pensions.

By Mr. LINTHICUM: Resolution of the Baltimore Typographical Union, No. 12, favoring the Sherwood old-age pension bill; to the Committee on Pensions.

Also, petition of the Phelps Can Co., Baltimore, Md., favoring the payment of income taxes in installments; also, the petition of James E. Tyler, Baltimore, Md., opposing House bill 8565, to levy a tax of \$25 on automobiles; to the Committee on Ways and Means.

Also, petition of Furst Bros. & Co. and Charles M. Stieff, Baltimore, Md., opposing House bill 10591, to regulate installment business in the District of Columbia; to the Committee on the District of Columbia.

Also, petition of F. Garrison, Baltimore, Md., favoring the Edmonds bill (H. R. 5531) to create a pharmaceutical corps in the Army; to the Committee on Military Affairs.

Also, petition of E. D. Loane, Baltimore, Md., urging support of House bill 9414, granting increased pay to letter carriers; to the Committee on the Post Office and Post Roads.

Also, petition of Mrs. Edward F. Buchner, chairman education committee, Maryland State Federation of Women's Clubs, urging the passage of House bill 6490; to the Committee on Education.

Also, resolution of Department of Maryland, Grand Army of the Republic, urging increased pensions to Civil War veterans; to the Committee on Invalid Pensions.

By Mr. LONERGAN: Resolutions of the Cosmopolitan Club, of South Manchester, Conn., protesting against the postal increase on periodicals; to the Committee on Ways and Means.

By Mr. MILLER of Minnesota: Resolutions adopted by the Fifteenth Minnesota Volunteer Infantry, Spanish War Veterans, expressing loyalty and desiring vigorous action against all forms of pro-Germanism; to the Committee on the Judiciary.

By Mr. OSBORNE: Petition of members of Santa Rosa (Cal.) Woman's Club, protesting against the zone system of second-class postage and urging that Congress reconsider its action in the matter; to the Committee on Ways and Means.

By Mr. RAKER: Resolution adopted by the Cupertino Union Church of California, protesting against the zone system and asking for its repeal; to the Committee on the Post Office and Post Roads.

Also, a letter from Harold C. Forbes, protesting against the zone system and asking for its repeal; to the Committee on the Post Office and Post Roads.

Also, petitions of David N. Honn and 24 others, W. H. Lucas and 29 other citizens, and Rev. H. Newberry and 39 other citizens, all of Redding, Cal., asking that no food or grain should be used in the manufacture of alcohol, and that foodstuffs now in the hands of such manufacturers be appropriated by the Government; to the Committee on the Judiciary.

By Mr. SNYDER: Petitions favoring partial payments of war excess and profit taxes from Stern Bros.; Samstag & Hilder Bros.; Regal Silk Co.; Stroheim & Romann; Morse Bros.; Titus Blatter & Co.; Freid, Mendelson & Co.; Arnold, Constable & Co.; Pacific Novelty Co.; Fleitmann & Co.; Scheffer, Schram & Vogel; J. Kridel Sons & Co.; Liberty Loan Committee; B. Edmund David; Brooks Bros.; M. Lowenstein & Sons; A. Steinhardt & Bro.; Bonwitt Teller & Co.; Arthur G. Meyer & Co.; Pelgram & Myer; Robert Reis & Co.; Hager, Clark & Co.; William Iselin & Co.; Champlain Silk Mills; Hauser & Weil; G. V. Taylor & Sons; A. Wimpfheimer & Bro.; Campbell, Metzger & Johnson; John Dunlop's Sons; Empire Silk Co.; Samuel Eismen & Co.; A. S. Rosenthal Co.; E. & H. Levy; Hermann, Aukmann & Co.; M. Marks Co.; L. F. Dommerich & Co.; H. B. Rubin; Bernard Ullman & Co.; A. H. Sand & Co.; Ritter Bros.; Ginsberg Bros.; R. & G. Corset Co.; E. Siegel & Son; T. J. Mitchell & Co.; Joseph Corn; Borgenicht & Sons' Co.; M. L. Cohn Co.; D. Bloomberg & Co.; Kreeger Bros.; Reisman, Rothman, Bieber; Max

Schlesinger; A. Schwartz & Co.; Lord & Taylor; Eipkin & Gorschen; B. Schwartz & Sons; Ben Erdman; and Jacobus Bros. & Co., New York City; C. C. Kellogg & Sons Co., Utica, N. Y.; Syracuse Supply Co., Syracuse, N. Y.; Chenango Silk Co., Binghamton, N. Y.; Akron Manufacturing Co., Akron, N. Y.; Henry Doherty Silk Co. and Katterman & Mitchell Co., Paterson, N. J.; Robert Treat Manufacturing Co. and Tonks Bros. Co., Newark, N. J.; R. & H. Simon Co., Union Hill, N. J.; C. E. Ashley, Hawthorne, N. J.; Glastebury Knitting Co. and Williams Bros. Manufacturing Co., Glastonbury, Conn.; American Hosiery Co., New Britain, Conn.; Arthur Weiss & Co., Chicago, Ill.; Santee Mills, Orangeburg, S. C.; Renfrew Manufacturing Co., Adams, Mass.; U. S. Button Co., Muscatine, Iowa; Thos. Wolstenholme Sons & Co., Philadelphia; Black Diamond Silk Co., Scranton, Pa.; Olyphant Silk Co., Olyphant, Pa.; Brancord Manufacturing Co., Concord, N. C.; Union Manufacturing Co., Frederick, Md.; to the Committee on Ways and Means.

By Mr. VARE: Petition of Keystone Division No. 1C, Sons of Temperance, asking prohibition for duration of the war; to the Committee on the Judiciary.

Also, petition of Integrity Council, No. 338, F. P. A. L., asking reduced rates for persons in the military and naval service on the railroads; to the Committee on Interstate and Foreign Commerce.